

First Friday Noontime Forum Series
“Continuing the Growth and Prosperity of Downtown Lancaster”

Highlights - June 2010 Discussion

THE PAINFUL PROCESS OF BALANCING CITY BUDGETS

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-- Project Director, Philadelphia Research Initiative

- Cities studied are not out of the woods: 12 of 13 cities will face another year of shortfalls in FY 2011.
- Residents will face higher local taxes and new fees.
- Local government workers who retain jobs will have fewer and costlier employee benefits.
- Most cities are demanding more concessions on pay and benefits or threatening layoffs.
- Pension fund balances continue to deteriorate. Funded ratio down to median 64% in 2009.
- City services are stressed. Some cities are closing libraries, community centers, pools, etc.
- Some cities with large non-profit institutions such as hospitals and colleges are exploring new fees. Fees would be charged per hospital bed and per student if they are housed in dormitories.
- The Pew Philadelphia Research Initiative provided impartial research and analysis on key issues—they do not advocate for change.
- While the size of the studied cities were larger, Lancaster is challenged by many of the same issues highlighted by Pew.