

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

Highlights - May 2010 Discussion
CITY’S FUTURE? SHOW ME THE MONEY

Patrick Hopkins, Director of Administrative Services—City of Lancaster

- Who charges property taxes?—City 31%, County 9% and School District 60%.
- The primary source of revenue for the City is property taxes—48% of revenue.
- The value of tax exempt property in the City totals \$558 million—23% of all city property. \$100 million relates to County owned properties that provide no revenue to the City.
- How the City’s income is spent—48% salaries, 33% benefits, 13% operating and 6% debt service.
- City police and fire departments consume 64% of the City’s income. 94% of the Police Bureau budget is devoted to salaries and benefits. 97% of the Fire Bureau budget is devoted to salaries and benefits.
- Employee benefit expenses total \$15.2 million—33% of the General Fund Budget. Health, dental and vision coverage accounts for 59% of the overall expense.
- 64 full-time positions have been eliminated since 2006.
- There are huge legacy costs— more retired firefighters and families are covered for medical coverage than active firefighters.
- Three things the City can’t continue to do— to raise taxes, to cut staff and to spend reserves.
- Systematic reforms must come from Harrisburg—including but not limited to public safety contract arbitration; property tax reform; health care and pension benefit levels adjusted to accommodate fiscal financial realities; local fragmented government must give way to mandated inter-municipal shared services and revenue sharing must be established to spread costs.