



2025 Proposed Budget Overview

CITY COUNCIL COMMITTEE PRESENTATION

NOVEMBER 14, 2024



CITY OF
LANCASTER

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2025 Budget Highlights – Enterprise Funds

Water Fund

- No City rate increases proposed
- PUC Rate Case will be submitted in Q1 2025

Solid Waste and Recycling Fund

- 10% increase proposed, approximately \$8/quarter
- Hauling and Tipping Fees continue to increase

Sewer Fund

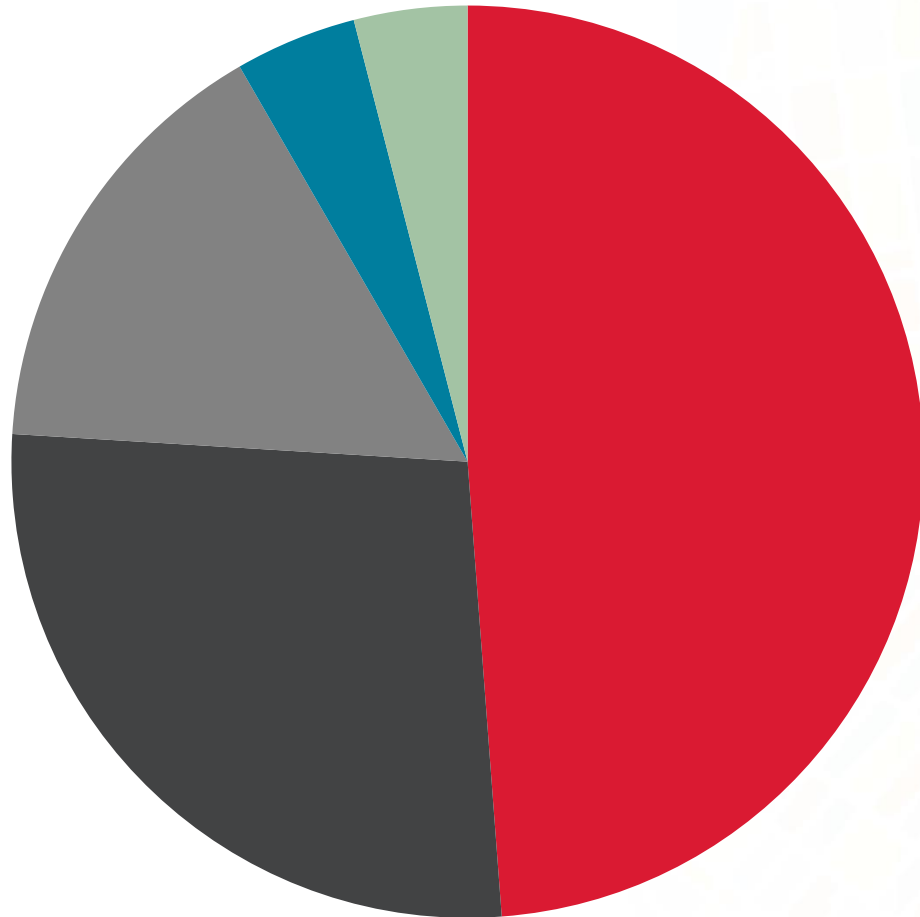
- Rate increase proposed, averaging \$5.25/month for residents.

Stormwater Fund

- No stormwater fee increase proposed

2025 Combined Operating Budgets

\$157,385,268



- General Fund (\$76,813,589, 49%)
- Water Fund (\$42,748,617, 27%)
- Sewer Fund (\$24,715,063, 16%)
- Solid Waste & Recycling Fund (\$6,787,629, 4%)
- Stormwater Management Fund (\$6,320,370, 4%)

2025 Budget Highlights – General Fund

General Fund – 0.3% Earned Income Tax Proposal

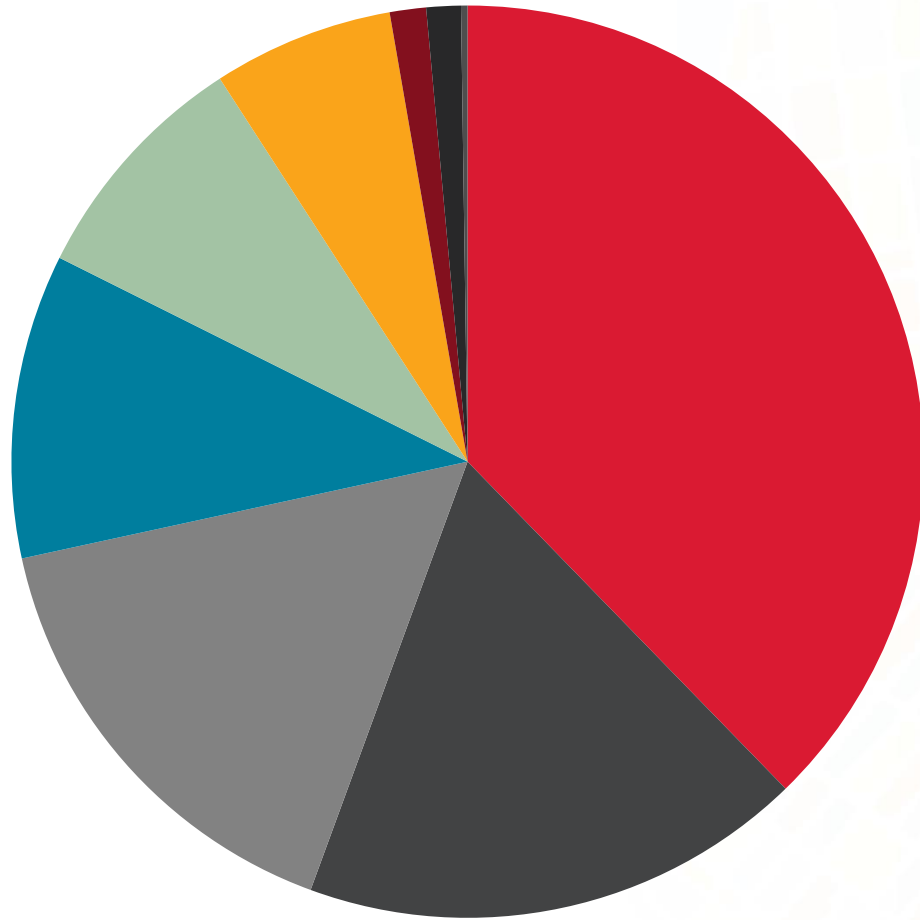
- 0.3% Earned Income Tax increase
- No Real Estate Tax increase proposed
- Lowers community support funds
- \$3.4M ARPA towards revenue replacement

General Fund – 0.5% Earned Income Tax Proposal

- 0.5% Earned Income Tax increase
- No Real Estate Tax increase proposed
- Maintains community support funds at 2024 levels
- \$2.4M ARPA towards revenue replacement

2025 General Fund Expenses – 0.3% EIT increase

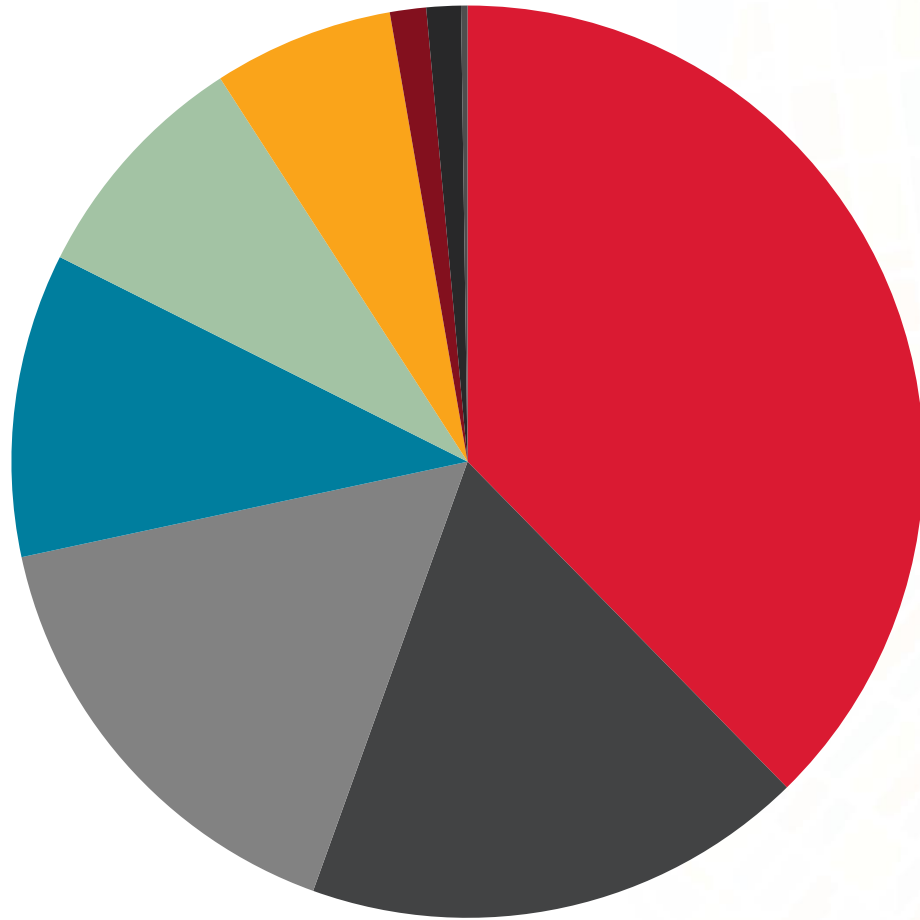
\$76,683,589



- Police Bureau (\$28,926,284, 37%)
- Fire Bureau (\$13,703,198, 18%)
- Supporting Expenses (\$12,271,640, 17%)
- Public Works (\$8,265,528, 11%)
- Administrative Services (\$6,510,490, 8%)
- Community Planning & Economic Development (\$4,908,625, 6%)
- Neighborhood Engagement (\$985,670 , 1%)
- Executive (\$936,036, 1%)
- Legislative/Financial (\$167,620, <1%)

2025 General Fund Expenses – 0.5% EIT increase

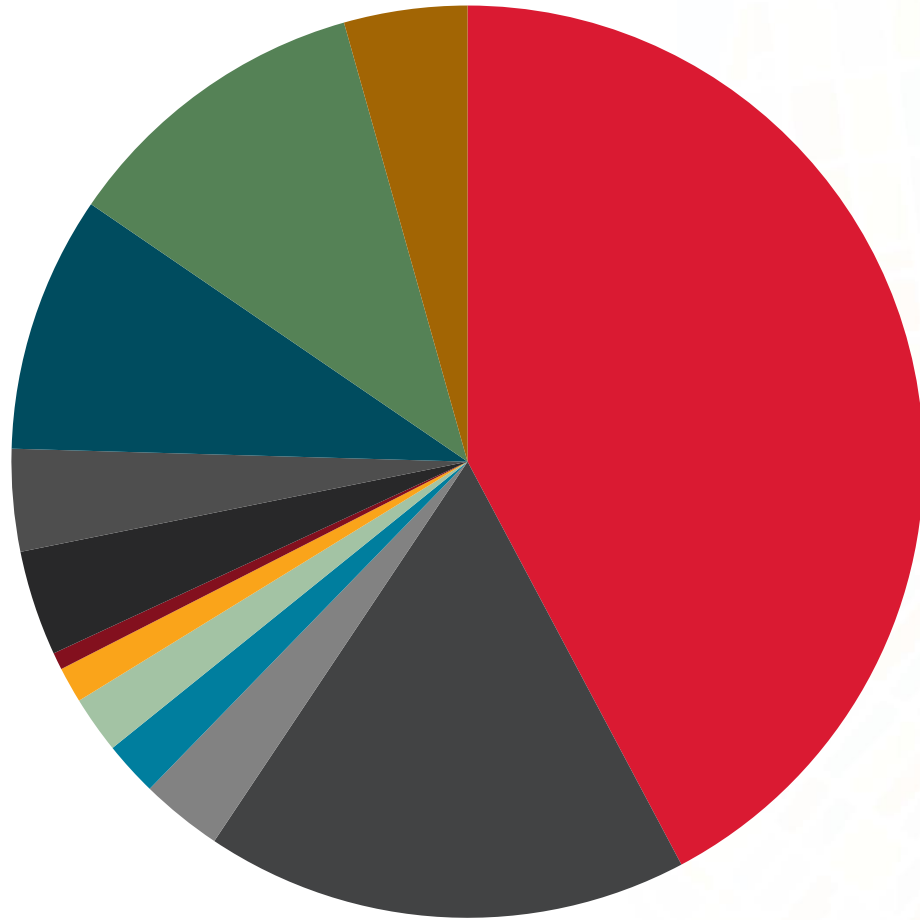
\$76,813,589



- Police Bureau (\$28,926,284, 37%)
- Fire Bureau (\$13,703,198, 18%)
- Supporting Expenses (\$12,401,640, 17%)
- Public Works (\$8,265,528, 11%)
- Administrative Services (\$6,510,490, 8%)
- Community Planning & Economic Development (\$4,908,625, 6%)
- Neighborhood Engagement (\$985,670 , 1%)
- Executive (\$936,036, 1%)
- Legislative/Financial (\$176,120, <1%)

2025 General Fund Revenues – 0.3% EIT increase

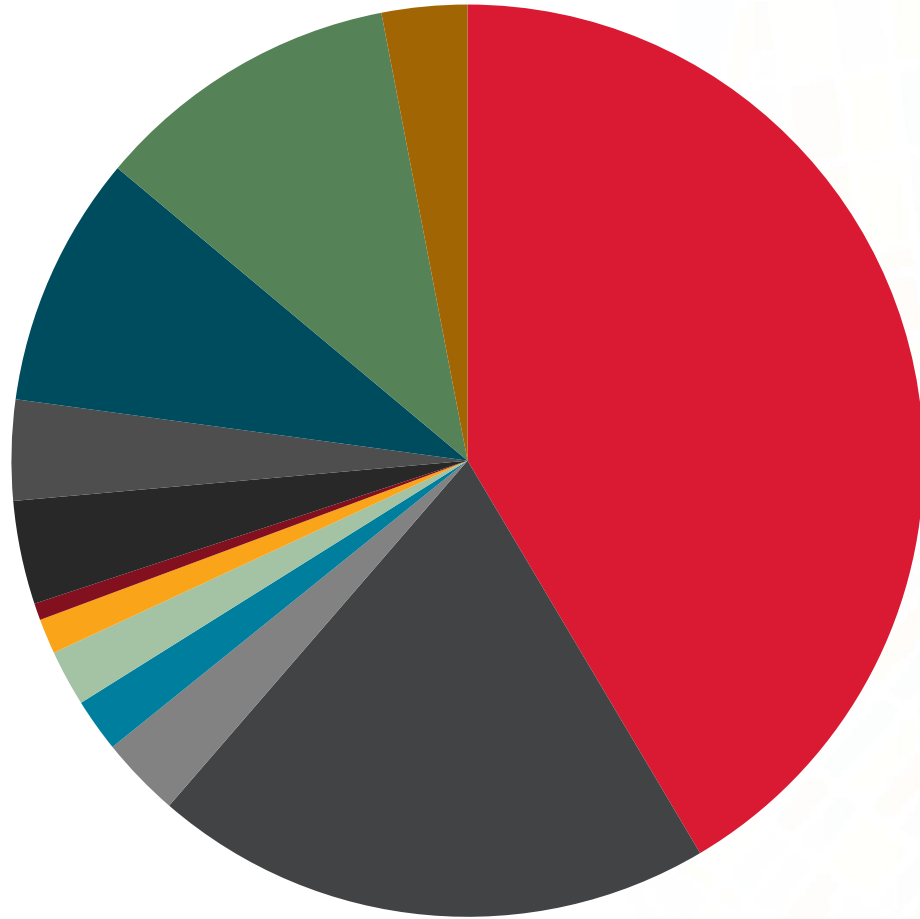
\$77,842,521



- Property Taxes (\$32,875,500, 42%)
- Earned Income Taxes (\$13,339,040, 17%)
- PILOTs (\$2,260,000, 3%)
- Real Estate Transfer Tax (\$1,500,000, 2%)
- Local Services Tax (\$1,575,000, 2%)
- Other Taxes (\$986,049, 1%)
- Regulatory Revenues (\$473,280, 1%)
- Public Safety Revenues (\$2,906,500, 4%)
- Health, Housing & Codes Revenues (\$2,820,000, 3%)
- Public Works Revenues (\$7,077,787, 9%)
- Other Revenues (\$8,629,365, 11%)
- ARPA Revenue Replacement (\$3,400,000, 4%)
- Use of Fund Balance Reserves (\$0, 0%)

2025 General Fund Revenues – 0.5% EIT increase

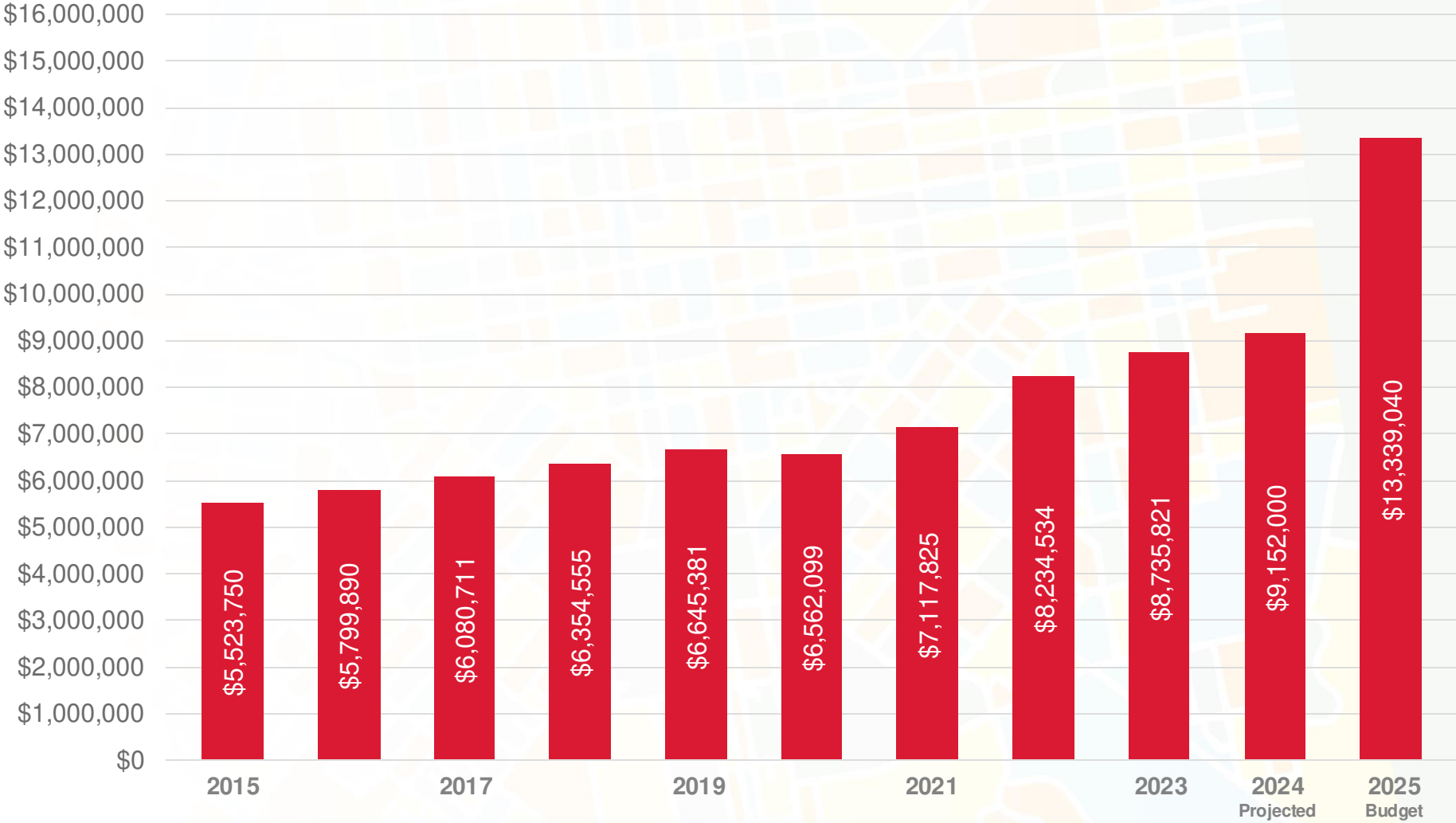
\$79,243,548



- Property Taxes (\$32,875,500, 41%)
- Earned Income Taxes (\$15,740,067, 20%)
- PILOTs (\$2,260,000, 3%)
- Real Estate Transfer Tax (\$1,500,000, 2%)
- Local Services Tax (\$1,575,000, 2%)
- Other Taxes (\$986,049, 1%)
- Regulatory Revenues (\$473,280, 1%)
- Public Safety Revenues (\$2,906,500, 4%)
- Health, Housing & Codes Revenues (\$2,820,000, 4%)
- Public Works Revenues (\$7,077,787, 9%)
- Other Revenues (\$8,629,365, 11%)
- ARPA Revenue Replacement (\$2,400,000, 3%)
- Use of Fund Balance Reserves (\$0, 0%)

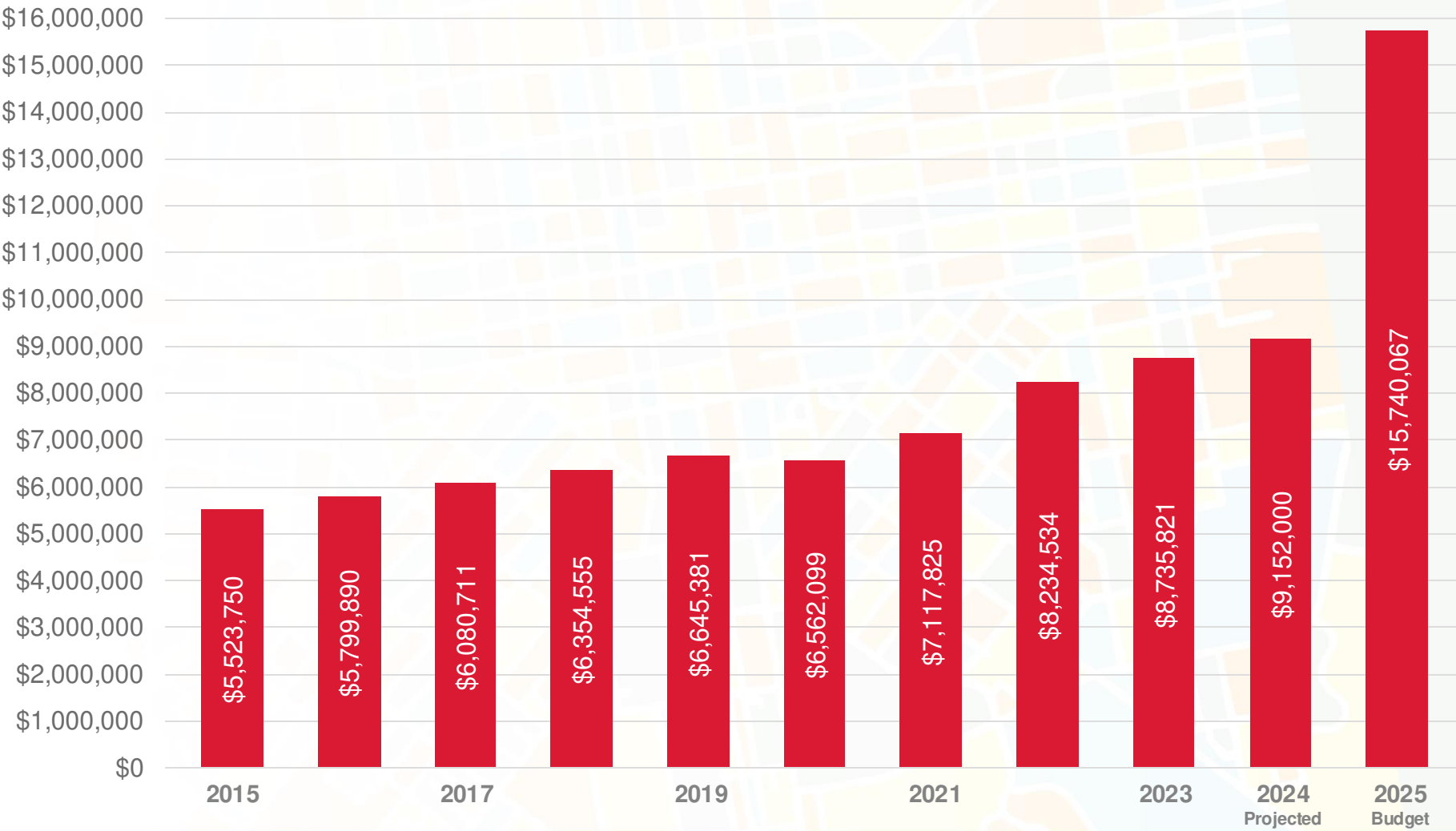
Earned Income Tax – 0.3% EIT Increase

The first proposed option is a 0.3% EIT rate increase.



Earned Income Tax – 0.5% EIT Increase

The second proposed option includes a 0.5% EIT rate increase.



Option #1: 0.3% EIT Increase

City Budget Impact



	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue	\$71.4M	\$77.9M	\$76.4M	\$77.6M	\$78.8M	\$80.1M	\$81.5M	\$82.9M	\$84.4M	\$85.9M	\$87.5M	\$88.6M
Expenses	\$71.4M	\$77M	\$79M	\$81M	\$83.1M	\$85.2M	\$86.2M	\$88.4M	\$90.7M	\$93.1M	\$95.5M	\$93.6M
Surplus (Deficit)	\$824K	\$1.6M	(\$1.8M)	(\$2.6M)	(\$3.4M)	(\$4.2M)	(\$3.8M)	(\$4.6M)	(\$5.5M)	(\$6.4M)	(\$7.2M)	(\$5M)
Fund Balance	\$12.0M	\$13.6M	\$11.9M	\$9.3M	\$5.9M	\$1.6M	(\$2.2M)	(\$6.8M)	(\$12.3M)	(\$18.7M)	(\$26M)	(\$23.8M)
Fund Balance % of Operating	17.0%	17.9%	15.2%	11.6%	7.1%	2.0%	-2.5%	-7.8%	-13.7%	-20.3%	-27.4%	-25.4%

Option #1: 0.3% EIT & 0% Property Tax Increase

Taxpayer Impact

Taxable Income	Current EIT Rate	0.3% EIT Rate Increase	
	City – 0.6%	City – 0.9%	Difference over 2024
\$30,000	\$180	\$270	\$90
\$60,000	\$360	\$540	\$180
\$120,000	\$720	\$1,080	\$360

Option #2: 0.5% EIT Increase

City Budget Impact



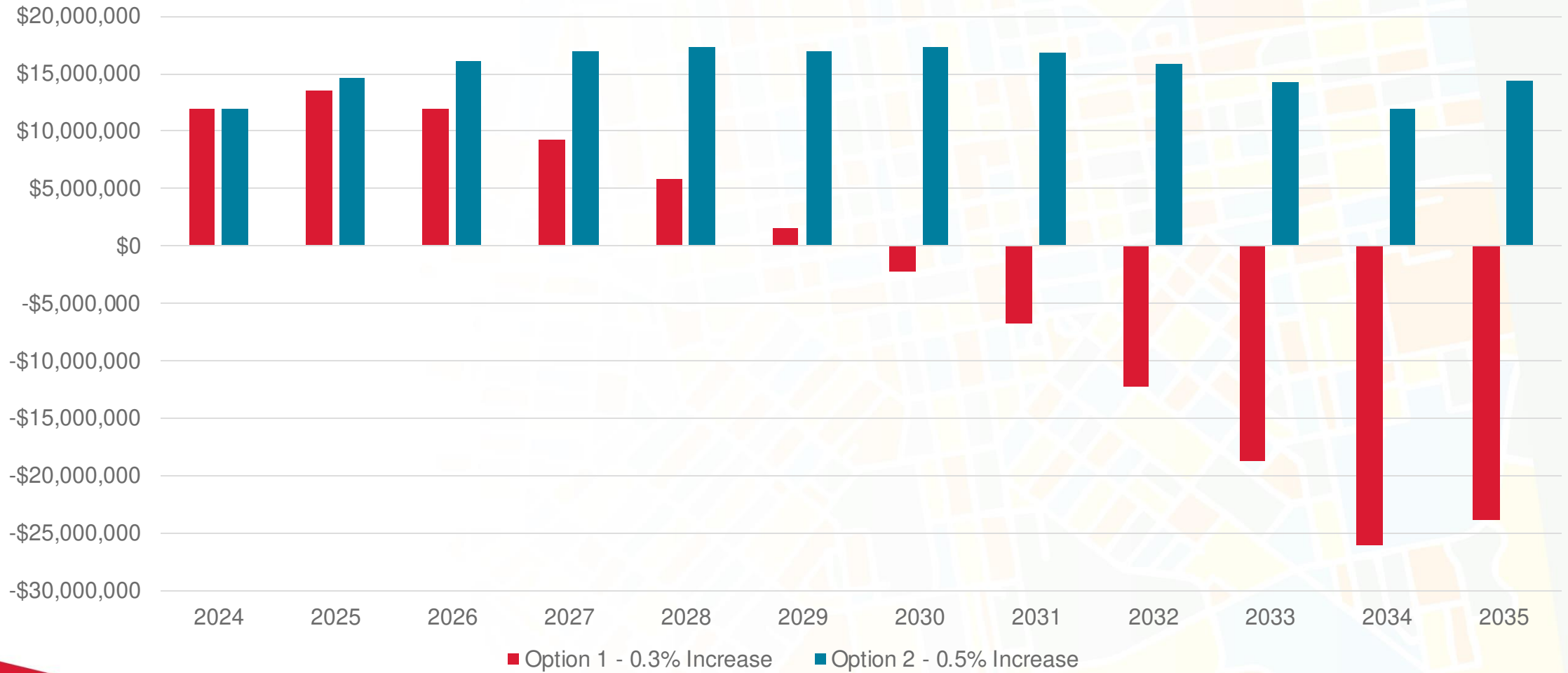
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue	\$71.4M	\$79.8M	\$79.7M	\$81.1M	\$82.5M	\$84M	\$85.6M	\$87.2M	\$88.9M	\$90.6M	\$92.4M	\$93.8M
Expenses	\$71.4M	\$77M	\$79M	\$81M	\$83.1M	\$85.2M	\$86.2M	\$88.4M	\$90.7M	\$93.1M	\$95.5M	\$93.6M
Surplus (Deficit)	\$824K	\$2.5M	\$1.6M	\$934K	\$301K	(\$325K)	\$258K	(\$380K)	(\$1.0M)	(\$1.6M)	(\$2.3M)	\$149K
Fund Balance	\$12.0M	\$14.6M	\$16.1M	\$17.0M	\$17.3M	\$17M	\$17.3M	\$16.9M	\$15.9M	\$14.3M	\$12.0M	\$14.4M
Fund Balance % of Operating	17.0%	19.1%	20.6%	21.3%	21.1%	20.2%	20.3%	19.3%	17.7%	15.4%	12.6%	15.4%

Option #2: 0.5% EIT & 0% Property Tax Increase

Taxpayer Impact

Taxable Income	Current EIT Rate	0.5% EIT Rate Increase	
	City – 0.6%	City – 1.1%	Difference over 2024
\$30,000	\$180	\$330	\$150
\$60,000	\$360	\$660	\$300
\$120,000	\$720	\$1,320	\$600

Impact on Fund Balance (Reserves)





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