February 2020 Forum

Mayor Danene Sorace

Lancaster City Mayor Danene Sorace’s annual presentation to the Hourglass First Friday Forum was on February 7, 2020. She engaged in a discussion about the City’s successes and challenges of the last year and what her administration plans to accomplish going forward.

The Mayor began her presentation by going over the guiding principles of her administration. They are Quality, Teamwork, Integrity, and Respect. These four principles guide how the City operates and serves its constituents. The Mayor was happy to report that her entire leadership team is assembled and working as a cohesive unit. She also shared that her administration makes extensive use of data in its decision making. “We use data to tell the story of why and how we are making decisions. We are thoughtfully tracking, monitoring, and reporting back to the public because it’s your tax dollars that fund improvements”.

During the last year the City of Lancaster was awarded an $11.1 million grant from the U.S. Department of Housing and Urban Development to combat lead hazards in the City. This HUD funding will be deployed to four high priority census tracts south of King Street and will be used to abate both renter and owner occupied housing. Lead poisoning affects the central nervous system and brain, especially in fetuses and young children, and hinders their development and ability to learn and regulate behavior. This is a huge deal for Lancaster.

During this last year Lancaster was also certified a Welcoming City. This certification indicates the City’s commitment to welcoming newcomers from both outside the United States and within. This effort is in partnership with dozens of organizations in Lancaster City. The City is continuing work on a language access plan for City services and information. Lancaster is the only city in Pennsylvania that is a certified Welcoming City and only one of seven in the nation.

"The City is staffed by a dedicated team of public servants who do exceptional work with very limited means”
- Mayor Danene Sorace

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Mayor Sorace also discussed one of the biggest challenges facing the City, financial sustainability. Annually, the City has a structural deficit. Each year the City’s revenues increase by 1-1.5% while the City’s expenditures increase by 3%. This means there is a 1.5–2% gap in the budget every year. If no changes are made the City will have a $20 million deficit in five years. To close the deficit, the City would have to add 20,000 new jobs in the city every year, increase everyone’s annual household income by $8,000 each year. In order to cover this structural deficit, the City would need to raise property taxes by 30% over the next 5 years.

The City has had some successes in reducing expenditures by becoming Self-insured, reducing staff, and refinancing debt. Much of the City’s expenditures are mandated by the state or dictated by previously negotiated contracts. The City would need to cut $1 million of its budget every year to close the gap.

The City has four primary revenue sources: property taxes, local services tax, real estate transfer tax, and earned income tax. Of those four, the City can only control the property tax rate. The state sets the rate for the other three.

There is a bi-partisan effort in Harrisburg to help give Lancaster, and other similar cities in PA, the tools they need to remain fiscally secure. Mayor Sorace is working with many in the Lancaster delegation to implement a solution. She asked that those in attendance speak with their State House and Senate Elected Official and let them know that the financial health of the City of Lancaster is important to them.