2027-2031

CAPITAL IMPROVEMENT PLAN PRESENTATION

July 6, 2026

Capital Improvement Plan Presentation
July 6, 2026

- Timeline for 2026 CIP Process
- Review of CIP and Long-Term Capital Plan
- Overview of capital projects and funding sources
- Key Investment drivers in the General and Enterprise Funds

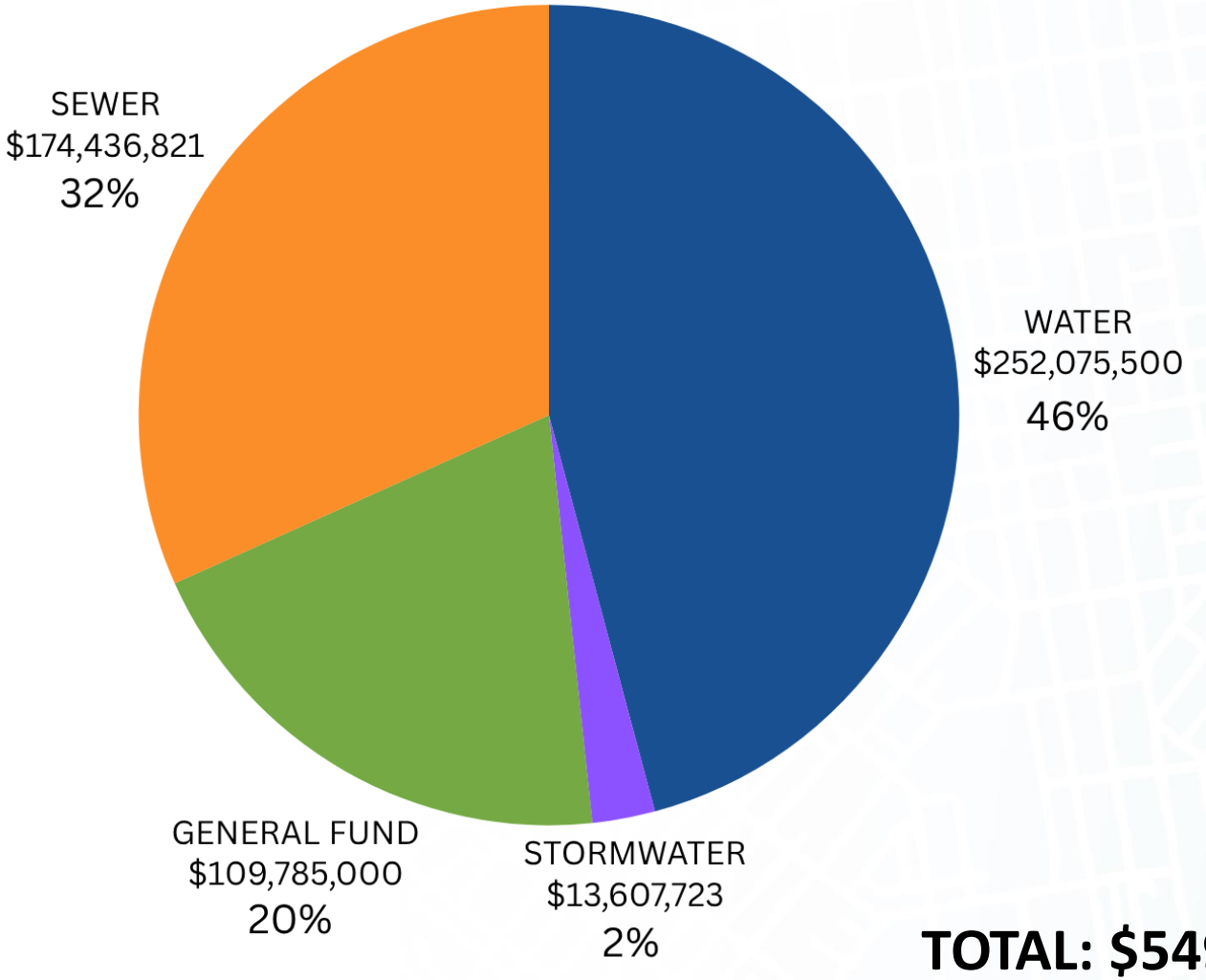
Schedule for the CIP at Council

- June 24 – 2027-31 Budget delivered to Council
- July 6 – Capital Budget Presentation at Finance Committee
- *August 3 – Q2 2026 Capital Budget Presentation*
- September 8 – Capital Budget Hearing
- **September 22 – Adoption of 2027 Capital Budget**
- *November 2 – Q3 2026 Capital Budget Presentation*

What is a Capital Improvement Plan?

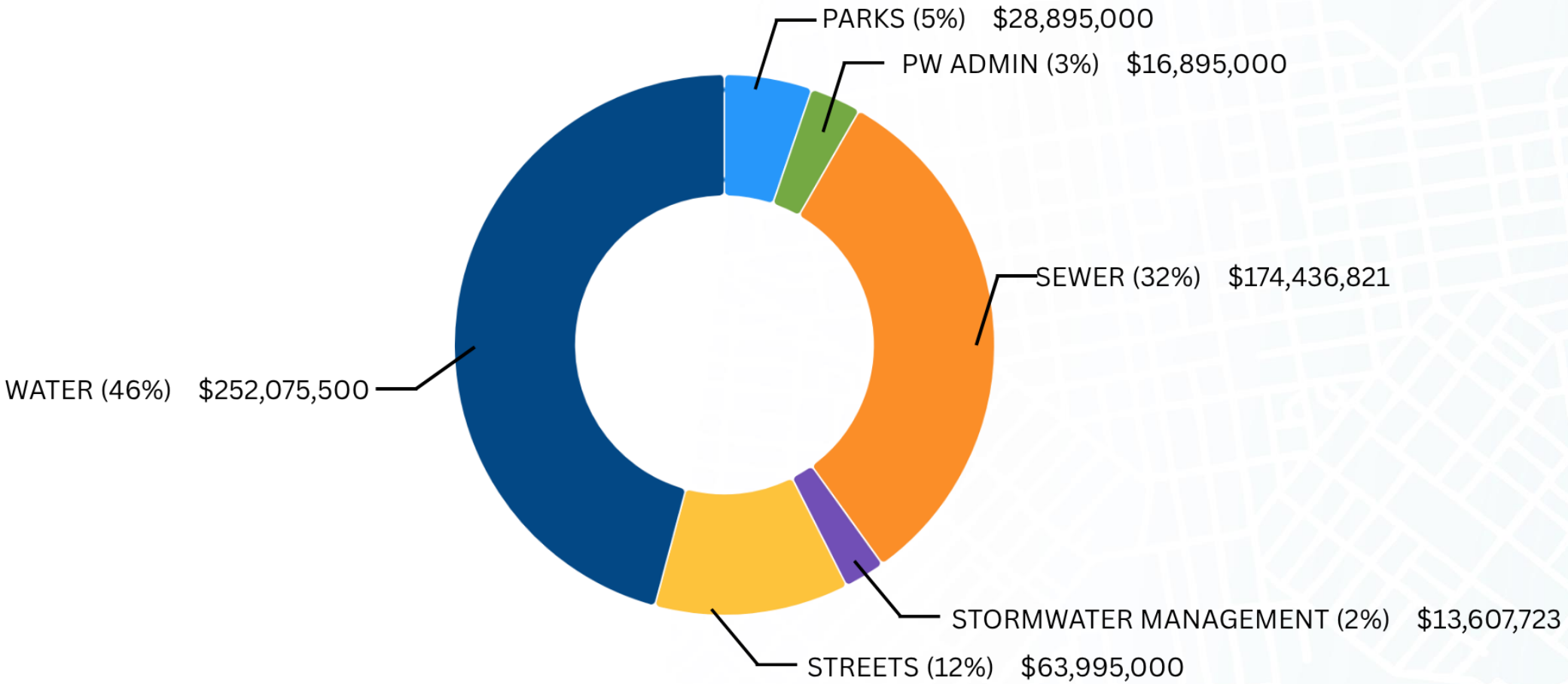
- Long-Term Capital Plan
  - Generally 20-30 years
  - Budget isn’t always included if future projections are not available
- Capital Improvement Plan
  - The most current portion of the Long-Term Plan
  - Generally 5 years
  - Includes a Capital Budget

2027 – 2031 CIP – Projects by Fund



TOTAL: $549,905,044

2027 – 2031 CIP – Projects by Department

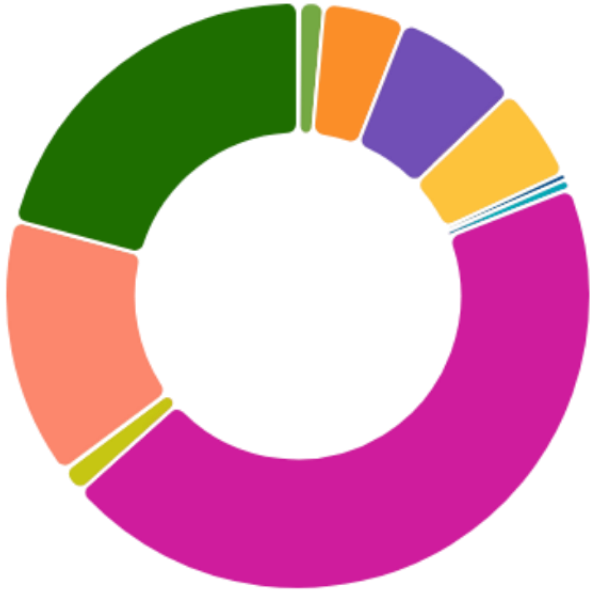


TOTAL: $549,905,044

Funding Sources Review

- Bonds
  - Reasonable interest
  - More flexible usage
  - Long process
- Pennvest
  - Lower interest
  - Restricted projects
- Grants
  - No interest
  - Not guaranteed
  - May require matching funds
  - Projects must qualify
- Partner Funds
  - Sewer fund only

2027 to 2031 CIP – Funding Sources



2018 Bond (0%)	$543,000.0
2022 Bond (1%)	$7,426,400.0
2025 Bond (5%)	$24,939,025.0
2028 Bond (7%)	$37,849,600.0
Committed Grants 1 (5%)	$28,948,894.0
Committed Grants 2 (0%)	$1,975,000.0
Committed Grants 3 (1%)	$3,000,000.0
PENNVEST (44%)	$243,938,254.0
Potential Grants (1%)	$7,716,500.0
Sewer Escrow (0%)	$233,000.0
Sewer Partner Funds (14%)	$78,770,053.0
Unfunded (21%)	$114,669,318.0

2027 to 2031 CIP Funding Sources by Category

- Committed Bond Funds: $32.9 million *(6.5%)*
- Committed Grants: $33.9 million *(6.5%)*
- Potential Grants: $7,7 million *(<1%)*
- Sewer Partners - $79 million *(15%)*
- Future Debt Financing - $281.7 million *(51%)*
  - 2028 Bond or other financing - $37.8 million
  - Pennvest (enterprise funds only) - $243.9 million

Estimated Financing by Fund

$366.6 Million Estimated Financing

- $21.8 Million for General Fund
- $3.2 Million for Stormwater
- $203.8 Million for Water
- $137.8 Million for Sewer

Number of Projects by Fund

- General Fund: 52 projects
- Stormwater – 16 projects
- Water – 66 projects
- Sewer – 66 projects

Total: 200 Projects

Public Right of Way

Investment Drivers

- Parks Master Plan
  - Park renovations – South End and Reservoir Park
  - Swimming Pool Feasibility
- Vision Zero / Safe Streets For All (SS4A)
  - Two-Way Restoration
  - Safe Routes to School

Public Right of Way

Investment Drivers

- Active Transportation Plan
  - Water Street Bike Boulevard
  - Broad & Chesapeake
- Maintaining Existing Infrastructure
  - Street Paving/ADA Ramps
  - Traffic Signals

Construction and Operations

Investment Drivers

- **Maintaining our Parks & Public Property (Facilities) Portfolio**
  - 26 Public Parks and Recreational Areas
  - 6 Wading Pools, 1 Full-Size Pool
  - 8 Major Operational Facilities
  - 10 Public Restrooms
  - Facility Condition Assessments outline life-cycle improvements of physical assets
  - Newly implemented projects require more maintenance (Duke St, Plum St Roundabout, Parks, Water St)
- **Operational Efficiency (such as the Operations Center Expansion)**
  - Combining facilities into centralized locations for efficiency, economies of scale, reduction in time/fuel
  - Consolidation of functions under one roof (archiving, equipment and vehicle storage, warehousing)
  - Improved operating costs due to energy-efficient measures (occupancy sensors, LEDs, low-flow plumbing)

Construction and Operations

Investment Drivers

- **Welcome Center Renovation**
  - Centralized Hub for implementing the Tourism Master Plan to increase Lancaster as a tourist destination
  - Technology and advertising in conjunction with our key community partners
  - Coordinating with the Tourism Master Plan and VisitLancasterCity rebranding efforts

Stormwater, Sustainability & Environment

Investment Drivers

- Regulatory Drivers
  - Combined Sewer System – Green Infrastructure is less expensive than "gray" infrastructure
    - EPA Consent Decree, Long-Term Control Plan
  - Municipal Separate Storm Sewer System (MS4)
    - PA DEP MS4 Permit
- Green Infrastructure
  - Bay Street Community Garden
  - E Ross Street
- Water Street Sewer Separation

Stormwater, Sustainability & Environment

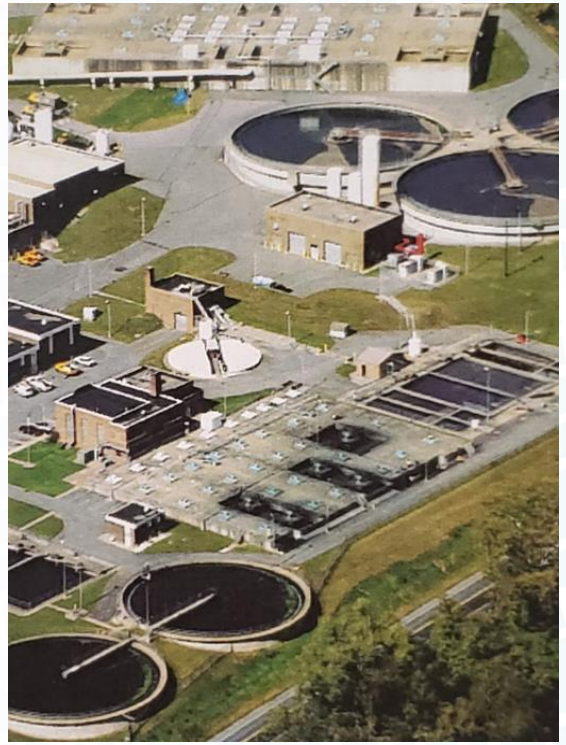
Investment Drivers

- Urban Forestry
- Climate Action Plan
  - Climate Action Plan priorities often improve operational efficiency and reduce long-term costs.
  - Many require upfront capital investment to achieve those long-term benefits.

Wastewater

Investment Drivers

- Capital Reinvestment in Aging Infrastructure and Upgrades
  - Pump Station Improvements
  - Electrical Upgrades
  - New Secondary Clarifier and Primary Clarifier Upgrades
- EPA Consent Decree, Long-Term Control Plan
  - Sewer separation, Green Infrastructure Projects, Pump Station changes
- Limited Sites for Biosolids Disposal
  - Solids Handling Upgrade/Anaerobic Digestion and Solids Drying
- Nutrient Capacity Treatment Limitation as Flows Increase
  - Expansion of the aeration system when flows reach approx. 26 MGD



Water

Investment Drivers

- Capital Reinvestment in Aging Infrastructure and Resilience
  - Susquehanna Large Diameter Transmission Main
  - Hess Pump Station Upgrade
  - Lafayette Tank/Water Quality Improvements
  - Transite and Cast-Iron Water Main Replacements

- State and Federal Regulations
  - PFAS/PFOA and Water Withdrawal Permit – drives new water source for Conestoga Water Plant to achieve compliance
  - Lead Service Line Replacements

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