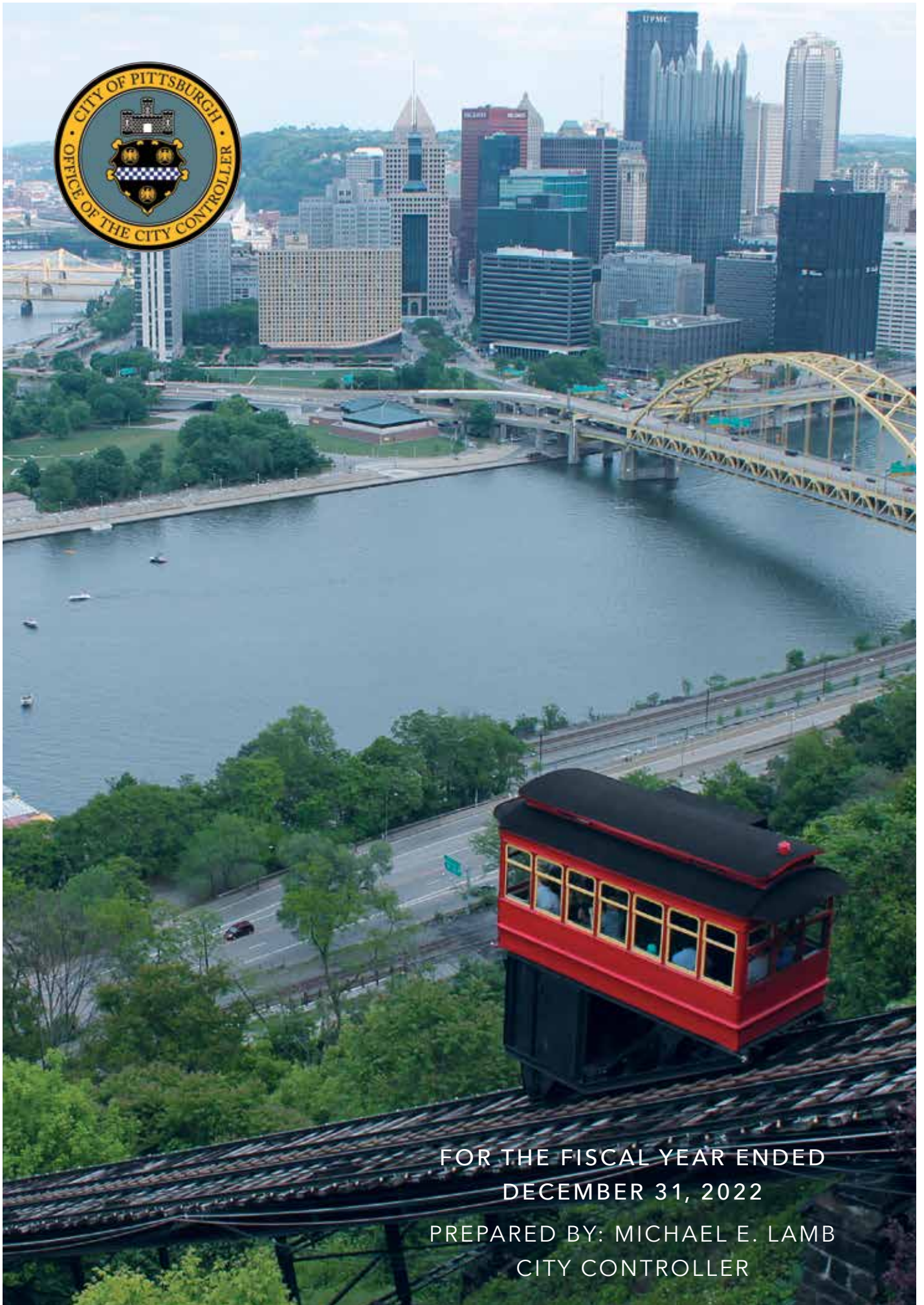


2022 PITTSBURGH, PA POPULAR ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

PREPARED BY: MICHAEL E. LAMB
CITY CONTROLLER



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COUNCIL MEMBER / DISTRICT / TELEPHONE

COUNCIL MEMBER	DISTRICT	TELEPHONE
Bobby Wilson	1	(412) 255-2135
Theresa Kail-Smith, <i>President</i>	2	(412) 255-8963
Bruce Kraus	3	(412) 255-2130
Anthony Coghil	4	(412) 255-2131
Barbara Warwick	5	(412) 255-8965
R. Daniel Lavelle	6	(412) 255-2134
Deborah Gross	7	(412) 255-2140
Erika Strassburger	8	(412) 255-2133
Rev. Ricky Burgess	9	(412) 255-2137

CITIZENS OF THE CITY OF PITTSBURGH



MAYOR

- ◆ Management & Budget
- ◆ Innovation & Performance
- ◆ Citiparks
- ◆ Finance
- ◆ Public Works
- ◆ Human Relations Commission
- ◆ City Planning
- ◆ Law
- ◆ Department of Mobility & Infrastructure
- ◆ Office of Municipal Investigations
- ◆ Public Safety
- ◆ Equal Opportunity Review Commission
- ◆ Human Resources & Civil Service
- ◆ Equipment Leasing Authority
- ◆ Citizens Police Review Board
- ◆ Permits, Licenses and Inspections

ELECTED OFFICIALS

Mayor: EDWARD C. GAINEY

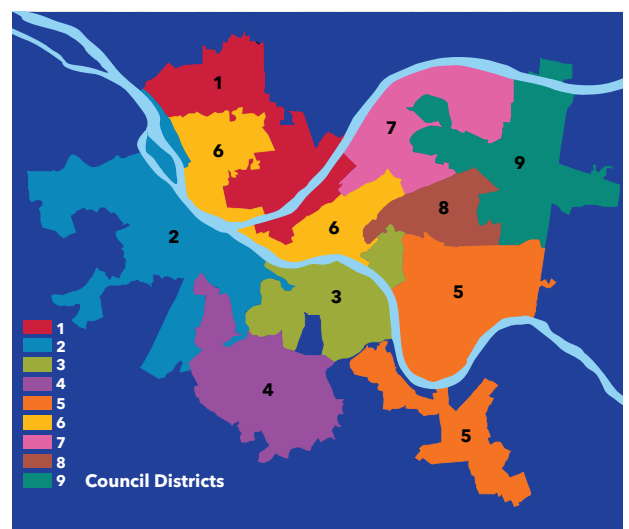
TERM: 4 Years
 RESPONSIBILITY: Chief Executive
 CONTACT INFO: 414 Grant Street
 Room 512
 Pittsburgh, PA 15219
 (412) 255-2626

Controller: MICHAEL E. LAMB

TERM: 4 Years
 RESPONSIBILITY: Financial oversight, financial reporting and auditing
 CONTACT INFO: 414 Grant Street
 1st Floor
 Pittsburgh, PA 15219
 (412) 255-2054

CITY COUNCIL MEMBERS

TERM: 4 Years, elections staggered every two years
 RESPONSIBILITY: Legislative authority



Photos: Front Cover: A majestic view of Pittsburgh from the Duquesne Incline. Back Cover: Clockwise from top left; A view from Manchester in the North Side, photo by John Altdorfer; Lunchtime in downtown Pittsburgh; Bike patrol in downtown Pittsburgh; A view of the Point from the North Shore, photo by John Altdorfer.

Thank you for taking the time to review the City of Pittsburgh's Popular Annual Financial Report (PAFR) for the year ended December 31, 2022. The purpose of the PAFR is to increase awareness throughout the community of the financial condition of the City of Pittsburgh. In addition to providing information on City finances and government operations, this report also helps demonstrate what makes Pittsburgh a great place to live, study, and work.

As Pittsburgh continues to evolve and thrive, it is crucial for us to come together and ensure transparency, accountability, and responsible fiscal management. For the thirteenth consecutive year, this report has received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association. For a more detailed view of the City's finances, you can review the 2022 Annual Comprehensive Financial Report, which is available on the Controller's website.

We understand the significance of open communication, and the PAFR serves as a platform for sharing vital information, fostering dialogue, and answering your questions related to Pittsburgh's finances, revenue streams, expenditures, and investments that shape our vibrant community.

While the COVID-19 pandemic began to morph into an endemic as vaccines and boosters became readily available, the virus's economic impact was still felt in 2022. The City itself was buoyed by the support of the American Rescue Plan Act (ARPA), but the regional economy is likely dealing with permanent changes as a result of the pandemic, including changes to the workforce and population fluctuation. City finances in 2022 remained stable. With the help of ARPA, the City exceeded budget projections and collected more than \$700 million into the general fund. While initial allocations of ARPA funds were made in 2021, City Council and the new Mayor reallocated monies in 2022.

It is important for us to demonstrate the role City government is playing in supporting these activities. In the PAFR, we highlight the prudent decisions and collaborative efforts made by city officials and departments to maximize resources and deliver essential services to our residents.

A new Bridge Asset Management Trust Fund was created in the wake of the Fern Hollow Bridge Collapse in Frick Park on January 28, 2022. City and county leaders surveying the scene were joined by President Joe Biden, who happened to be visiting Pittsburgh the day of the collapse to promote the Infrastructure Investment and Jobs Act. The bridge collapse highlighted the backlog of critical infrastructure repairs faced by the City of Pittsburgh and the impact of deferred maintenance during the preceding 40 years. This is covered in more detail on page 8 and 9.

I welcome any feedback, comments, or concerns regarding the information included in this report. Whether you are a taxpayer, business owner, community leader, or simply someone invested in the prosperity of Pittsburgh, we value your participation and encourage your engagement. Your input and insights are invaluable in shaping our fiscal policies and priorities for the future.

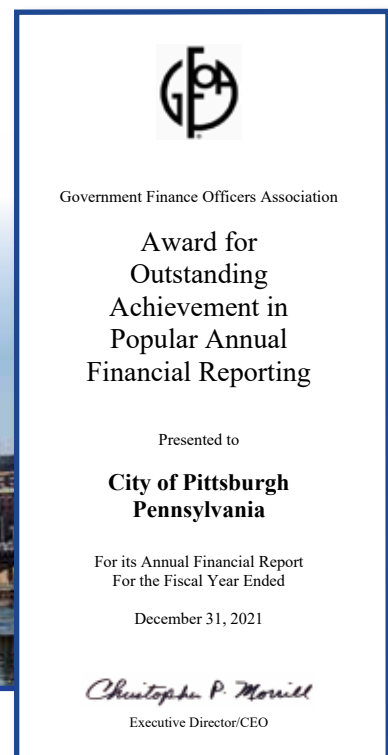
Sincerely,



Michael E. Lamb
City Controller



Photo: Downtown from the Sheraton Hotel, Station Square.





Estimated City Population	302,971
◆ Male	49%
◆ Female	51%
Median Age	
◆ City Median Resident Age	33.4 years
◆ Pennsylvania Median Age	40.6 years
Race	
◆ White	66%
◆ Black or African American	23%
◆ Asian	6%
◆ Hispanic	3%
◆ Other	2%
Language Spoken at Home	
◆ English Only	90%
◆ Language other than English	10%
Educational Attainment	
◆ No Degree	6%
◆ High School	25%
◆ Some College	23%
◆ Bachelor's Degree	24%
◆ Graduate Degree	22%
Estimated Median Household Income	
◆ Pittsburgh	\$57,821
◆ Pennsylvania	\$68,957
Housing Units	
◆ Owner-Occupied	47%
◆ Renter-Occupied	53%

City Staffing	
◆ Total City Employees	3,117
◆ Number of Police Officers	832
◆ Number of Fire Fighters	670
◆ Number of Paramedics	177
◆ Other City Department Personnel	1,438

Source: City of Pittsburgh, Quarterly Financial & Performance Report, For the Period Ending December 31, 2022

Employment	
◆ Production, Transportation & Material Moving	25%
◆ Service Occupations	24%
◆ Management, Business, Science & Arts	23%
◆ Sales and Office Occupation	22%
◆ Natural Resources, Construction, & Maintenance	6%
◆ Total Employees all Occupations	1,158,800

https://www.bis.gov/regions/mid-atlantic/news-release/areaemployment_pittsburgh.htm

Unemployment Rates	
◆ Nation (Dec 2022)	3.5%
◆ Pennsylvania (Dec 2022)	4.3%
◆ Pittsburgh (Dec 2022)	3.7%*

Source: U.S. Bureau of Labor Statistics
*Rate is not seasonally adjusted

Per Capita Income	\$37,655
Persons Below Poverty Line	
◆ Pittsburgh	20.2%
◆ Pennsylvania	12.1%

Source: U.S. Census 2021 ACS 5-Year Survey
<https://worldpopulationreview.com/us-cities/pittsburgh-pa-population>

PITTSBURGH PUBLIC SCHOOL STATISTICS

Pittsburgh Public Schools 2021-22	
◆ Total Enrollment	20,080
K-12 Enrollment	18,660
Early Childhood Enrollment	1,420
◆ 2022 Graduates	1,318
◆ Number of Teachers	2,070
◆ Number of Schools	54
◆ Spending per Student (21 ACFR)	\$34,343
◆ PA Average Spending per Student** (2021)	\$19,667

** Per Pennsylvania School Boards Association
Source: PA Department of Education

Pittsburgh Public Schools Demographics	
◆ African-American Students	53%
◆ White Students	33%
◆ Students of Other Races	14%
◆ Countries Represented in PPS	57
◆ Native Languages Spoken by Students	95

Source: Pittsburgh Public Schools



Photos: Top, left to right: Lower and Central Lawrenceville from the Tryp Hotel, photo by John Altdorfer; Pittsburgh Lincoln Kindergarten Class, photo by Jason Cohn; Bottom left to right: Pittsburgh Obama High School Girl's Basketball team, photo by Jason Cohn; Chatham University faculty member with student, photo by Chatham University; 2023 All-Star middle school instrumental concert, photo by Jason Cohn; Pittsburgh Dilworth morning assembly, photo by Jason Cohn.



Colleges and Universities in the City*

- Carlow University
- Carnegie Mellon University
- Chatham University
- Community College of Allegheny County
- Duquesne University
- Point Park University
- University of Pittsburgh

Museums in the City*

- The Andy Warhol Museum
- Carnegie Museum of Art
- Carnegie Museum of Natural History
- Carnegie Science Center
- Children’s Museum of Pittsburgh
- Contemporary Craft
- Fort Pitt Museum
- The Frick Pittsburgh
- Mattress Factory
- National Aviary
- Phipps Conservatory and Botanical Gardens
- Pittsburgh Center for Arts and Media
- Pittsburgh Zoo & Aquarium
- Senator John Heinz History Center
- Soldiers & Sailors Memorial Hall & Museum

2022 Fortune 500 Companies Headquartered in Pittsburgh

- Alcoa Corporation
- Arconic
- Kraft Heinz
- The PNC Financial Services Group, Inc.
- PPG Industries, Inc.
- United States Steel Corporation
- WESCO International, Inc.
- Westinghouse Air Brake, Wabtec Corp.

Source: 2022 Fortune Magazine, Fortune 500

Largest Health and Social Service Nonprofits*

- Achieva
- Baptist Senior Family
- Brother’s Brother Foundation
- Center for Organ Recovery & Education
- Goodwill of Southwestern Pennsylvania
- Jewish Federation of Greater Pittsburgh
- Life Pittsburgh
- Pittsburgh Mercy
- Pressley Ridge
- United Way of Southwestern Pennsylvania
- Vincentian Collaborative System
- Wesley Family Services

Largest Arts and Humanities Nonprofits*

- Allegheny County Library Association
- Boy Scouts of America Laurel Highlands Council
- Carnegie Library of Pittsburgh
- Carnegie Museums of Pittsburgh
- Phipps Conservatory and Botanical Gardens
- Pittsburgh CLO
- Pittsburgh Cultural Trust
- Pittsburgh Symphony Orchestra
- Pittsburgh Zoo & Aquarium
- Western Pennsylvania Conservancy

*Source: 2022 Pittsburgh Business Times Book of Lists

Photos: Top left to right: Community College of Allegheny County, North Sde campus; CORE staff prepares for an organ recovery at CORE headquarters in Pittsburgh; The PNC Financial Services Group, corporate headquarters in One PNC Plaza; Animals are always visible at the Pittsburgh Zoo; Bottom left to right: A Pittsburgh Mercy outreach team consisting of a physician, a nurse practitioner, and an outreach worker deliver street medicine to persons who are experiencing homelessness. (Photo © 2023 Pittsburgh Mercy. Used with permission); Phipps Conservatory; LIFE Pittsburgh has several Adult Day Health Centers throughout the western half of Allegheny County, where they provide care for older adults who need extra support to continue living at home; The Byham Theater which is part of the Pittsburgh Cultural Trust.





American Rescue Plan 2022

The City of Pittsburgh was awarded \$335 million in pandemic response and recovery funding. The City received half of the funds, \$167.5 million, on June 3, 2021, and the second half came on June 6, 2022. All American Rescue Plan Act money was deposited into the dedicated ARP Trust Fund.

The Office of Management & Budget is responsible for filing the City of Pittsburgh's Recovery Plan Performance Report with the U.S. Department of the Treasury.

On January 26, 2022, \$20,221,879 was transferred from the ARP Trust Fund to the Capital Fund for Capital Projects and on February 21, 2022, \$48,046,278 to the General Fund for Operating Expenses.

The largest allocation of 2022 ARP funds was \$27,292,000 in the Operating Budget to eliminate the anticipated workforce reduction and avoid the layoff of 600 employees, including firefighters, paramedics, and police, as well as cutting some City services.

Major Capital Projects using ARP funds in 2022

- ◆ **\$3,282,480** New Vehicles, Equipment, and Green Fleet Improvements
- ◆ **\$968,950** Demolition of City-Owned Properties
- ◆ **\$799,690** Public Step Improvements
- ◆ **\$730,720** Facility Upgrades on the Marshall Mansion in Mellon Park
- ◆ **\$444,818** Construction of new sidewalk, curb, and curb ramps along Irvine Street, the highly desired pedestrian route between Hazelwood and Greenfield

Three (3) transfers out of the ARP Trust Fund in 2022 went towards two (2) City trust funds

- ◆ **\$250,000** to the Lead Safety Trust Fund (July 2022)
- ◆ **\$1,800,000** to the Bridge Asset Management Program Trust Fund (Aug. & Dec. 2022)

2022 Payments from the ARP Trust Fund to City Contracts & Cooperative Agreements

- ◆ **PWSA:**
\$2,209,891 Lead Line Replacement
- ◆ **URA:**
\$5,475,000 OWNPGH Affordable Homeownership Program
\$2,800,000 Penn Circle Two-Way Conversion: Station-Euclid
\$1,000,000 Jasmine Nyree Center
\$500,000 PittSTAR Streeteries Program (Permanent Outdoor Restaurant Seating)
\$100,000 Casa San José Immigration - Court Program Match
- ◆ **Maier Duessel:**
\$28,603 Administration of Federal Compliance

The City of Pittsburgh is planning to spend nearly \$10 million of ARP funds over the next two years to expand on a current program designed to assist those experiencing homelessness, substance abuse or untreated mental health issues.

Pittsburgh City Controller American Rescue Plan Trust Fund Monitoring Page can be found at <https://fiscalfocus.pittsburghpa.gov/>

AS OF DECEMBER 31, 2022

\$335,070,222	Total ARPA Funds
\$(165,531,385)	Total Encumbered
\$169,538,837	Difference
\$31,998,073	Remaining Balances on Open Contracts
\$201,536,910	TOTAL in ARP Trust Fund (as of 31 Dec 2022)



Photos: Top to bottom: The Marshall Mansion in Mellon Park; South Side Signal Project along Irvine Street, taken at South 18th and Josephine Streets; The Negley Station on the East Busway, is the first station in the Station Improvement Program.

2022 ARP TRUST FUND FULL ALLOCATION: \$335,070,222



This chart shows the project line items legislatively approved by City Council encumbered and spent for 2021 & 2022. The last column shows any remaining balance of committed funds.

Project Name - Operating Budget	Total Encumbered as of 31 DEC 2022	Total Expenditure as of 31 DEC 2022	2022 Remaining Balance - Operating
Eliminate the Anticipated Workforce Reduction	\$ 52,918,772	(\$ 52,918,772)	-
3% Wage Increases for Non-Union Positions	\$ 2,343,168	(\$ 2,343,168)	-
Restore Some Vacant Positions (9/1 start for 2021 only)	\$ 7,584,135	(\$ 7,584,135)	-
Restoration of Non-Personnel Lines	\$ 682,525	(\$ 682,525)	-
Restoration of ELA Non-Personnel Lines	\$ 1,375,000	(\$ 1,375,000)	-
Restoration of Additional Public Works Non-Personnel Lines	\$ 3,715,580	(\$ 3,715,580)	-
New Positions/Mid-year Swaps (9/1 start for 2021 only)	\$ 598,323	(\$ 598,323)	-
New Non-Personnel Lines	(\$ 104,758)	\$ 104,758	-
New Non-Personnel Lines for I&P Needs	\$ 1,599,300	(\$ 1,599,300)	-
New Non-Personnel Lines for Public Works Needs	\$ 2,082,393	(\$ 2,082,393)	-
Community Public Safety Facilities	\$ 1,000,000	(\$ 1,000,000)	-
OCHS- AHN Project	\$ 5,000,000	-	\$ 5,000,000
Land Maintenance for City & 3TB-owned Properties	\$ 3,000,000	(\$ 3,000,000)	-
TOTAL ARP to Operating Budget	\$ 81,794,438	(\$76,794,438)	\$ 5,000,000
Project Name - Capital Budget	Total Encumbered as of 31 DEC 2022	Total Expenditure as of 31 DEC 2022	2022 Remaining Balance - Capital
Demolition of Structures	\$ 2,000,000	(\$ 1,596,270)	\$ 403,730
Cowley Rec Center Facility Upgrades	\$ 2,500,000	-	\$ 2,500,000
Cowley Rec Center Tech Upgrades	\$ 30,526	-	\$ 30,526
Thaddeus Stevens School Facility Upgrades	\$ 1,000,000	-	\$ 1,000,000
Thaddeus Stevens School Tech Upgrades	\$ 119,242	-	\$ 119,242
McKinley Rec Center Facility Upgrades	\$ 200,000	-	\$ 200,000
Phillips Rec Center Facility Upgrades	\$ 170,000	-	\$ 170,000
Hazelwood Senior Center Facility Upgrades	\$ 50,000	-	\$ 50,000
Marshall Mansion Facility Upgrades	\$ 1,100,000	(\$730,723)	\$ 369,277
Marshall Mansion Tech Upgrades	\$ 34,111	-	\$ 34,111
Paulson Rec Center Facility Upgrades	\$ 300,000	-	\$ 300,000
Paulson Rec Center Tech Upgrades	\$ 30,526	(\$25,177)	\$ 5,349
Public Works Fourth Division Construction	\$ 1,400,000	-	\$ 1,400,000
Robert E. Williams Rec Center Facility Upgrades	\$ 500,000	-	\$ 500,000
Robert E. Williams Rec Center Tech Upgrades	\$ 30,526	-	\$ 30,526
Green Fleet Improvements	\$ 13,750,000	(\$ 6,066,735)	\$ 7,683,265
Streetlights	\$ 4,000,000	-	\$ 4,000,000
57th Street Steps	\$ 598,116	-	\$ 598,116
Frazier Street Steps	\$ 1,800,000	-	\$ 1,800,000
Hill District Corridor Enhancements	\$ 2,274,000	-	\$ 2,274,000
North Avenue Streetscape Rehabilitation (Safety & Signal)	\$ 2,500,000	-	\$ 2,500,000
Irvine Street Improvements	\$ 1,000,000	(\$444,818)	\$ 555,182
Public Step Improvement Projects	\$ 1,100,000	(\$799,692)	\$ 300,308
TOTAL ARP to Capital Budget	\$36,487,047	(\$ 9,663,415)	\$26,823,632
Project Name - Transfers to Other Trust Funds	Total Encumbered as of 31 DEC 2022	Total Expenditure as of 31 DEC 2022	2022 Remaining Balance - Transfers
Lead Safety Trust Fund	\$ 250,000	(\$ 250,000)	-
Bridge Asset Management Trust Fund	\$ 1,800,000	(\$ 1,800,000)	-
TOTAL Transfer to New Trust Funds	\$ 2,050,000	(\$ 2,050,000)	-
Project Name - Contracts & Co-op Agreements	Total Encumbered as of 31 DEC 2022	Total Expenditure as of 31 DEC 2022	2022 Remaining Balance - Contracts
Maher Duessel Contract (Administration)	\$ 200,000	(\$ 66,935)	\$ 133,065
Lead Line Replacement	\$17,000,000	(\$ 2,209,892)	\$ 14,790,108
Penn Circle Two-Way Conversion: Station-Euclid	\$ 2,800,000	(\$ 2,800,000)	-
Casa San José Immigration - Court Program Match	\$ 100,000	(\$ 100,000)	-
PittSTAR Streeteries Program	\$ 999,900	(\$ 500,000)	\$ 499,900
Jasmine Nyree Center	\$ 1,000,000	(\$ 1,000,000)	-
OWNPGH Affordable Homeownership Program	\$ 21,000,000	(\$ 5,475,000)	\$ 15,525,000
Downtown Commercial Real Estate Conversion Program	\$ 2,100,000	(\$ 1,050,000)	\$ 1,050,000
TOTAL Contracts & Co-op Agreements	\$45,199,900	(\$13,201,827)	\$ 31,998,073
	Total Encumbered as of 31 DEC 2022	Total Expenditure as of 31 DEC 2022	2022 Remaining Balance of Encumbered
2022 ARP Trust Fund Totals	\$ 165,531,385	(\$101,709,680)	\$63,821,705



Fern Hollow Bridge Collapse and Reconstruction: Confronting Pittsburgh's Infrastructure Deficit

On the morning of January 28, 2022, the Fern Hollow Bridge in Pittsburgh's Frick Park collapsed into the ravine below. Fortunately, no life-threatening injuries resulted to those who had been on the bridge at the time of its fall, but the incident put a local – and national – spotlight on the city's backlog of critical infrastructure needs.

Coincidentally, President Joe Biden arrived in Pittsburgh the same morning to promote projects funded by the Infrastructure Investment and Jobs Act, which was passed by Congress in the fall of 2021. National, state, and local leaders arrived at the scene to assess the damage and vowed to oversee the bridge's reconstruction.



"Pittsburgh is the City of Bridges, but too many are in poor condition like the one behind me before it collapsed." – President Joe Biden

Within days, the city signed an emergency agreement with Governor Tom Wolf's administration, and the Pennsylvania Department of Transportation (PennDOT) announced that \$25.3 million would be set aside to cover the costs of building a replacement bridge. Under this fast-tracked process, ground broke on the new bridge in April and officially reopened to traffic on December 22, 2022.

Though its quick replacement was celebrated as a success in intergovernmental cooperation, the incident turned Pittsburgh residents' attention toward the dozens of other bridges in urgent need of repairs. As was widely reported at the time, the condition of the original Fern Hollow Bridge was rated "poor" by state-licensed inspectors prior to its collapse, alongside dozens of others owned and managed by the city.

In response, City Council approved transferring a total of \$1.8 million in American Rescue Plan Act (ARPA) funds through 2022 into a new Bridge Asset Management Trust Fund. Those funds were primarily spent on a \$1.5 million contract with an outside consultant to catalogue and assess the state of all 147 city-owned bridges.

The final report was released in December and confirmed what many had already suspected: dozens of Pittsburgh's bridges were in dire need of capital upgrades. While the report stated that there were "no vehicular bridges with a structural concern that would require a new closure," it did conclude that there were 27 vehicular bridges with issues that needed addressed within one week and another 13 with immediate structural priorities.

The Gainey administration reported that as of December, all but three bridges in the former category and five in the latter category had seen their needs addressed. The report included PennDOT's ratings for 116 city-owned bridges:

- ◆ **Very Good: 4**
- ◆ **Good: 12**
- ◆ **Satisfactory: 14**
- ◆ **Fair: 54**
- ◆ **Poor: 32**

"The collapse of the Frick Park Bridge this morning is a reminder that investments in infrastructure are investments in public safety." – City Controller Michael Lamb



Photos: Above: President Joe Biden was in Pittsburgh promoting projects funded by the Infrastructure Investment and Jobs Act when the bridge collapsed; At right: Rebuilding the piers for the Fern Hollow Bridge.



Despite these first steps, internal challenges remain. Staffing shortages in the Department of Mobility and Infrastructure (DOMI) have left a mounting backlog of work on a thinning staff while city leaders continue to explore new avenues to raise revenues that would fund future infrastructure needs. In the approved 2023 Capital Budget, around \$101 million was reserved over the 2023-2028 period for 13 individual bridge repair projects in addition to over \$22 million for ongoing bridge restoration and upgrade efforts.

Of the bridges with dedicated capital projects, 10 were rated "poor" by state inspectors, two were rated "serious," and one was rated "fair." Still, the earliest anticipated start date on any of these projects is 2024, and while the city is expected to draw from new funds made available for bridge repairs under the Infrastructure Investment and Jobs Act in the short-term, closing the City of Pittsburgh's infrastructure deficit will remain a pressing issue for local leaders well into the foreseeable future.



WHICH BRIDGES WERE IN POOR CONDITION ON 2022?*

- | | |
|------------------------------------|---------------------------------------|
| Charles Anderson Bridge | West North Avenue & Brighton Road |
| Ansonia Place | Penn Avenue |
| Bajo Street | Pensdale Street Bridge #2 |
| Calera Street #1 | Parking Lot Bridge at Woodruff Street |
| Calera Street #2 | River Avenue Viaduct |
| Centre Avenue | Second Avenue |
| West Carson Street | Shaler Street |
| Elizabeth Street | South Negley Avenue |
| East Liberty Boulevard | Seventh Avenue |
| Corley Street | Swindell Bridge |
| Herron Avenue | Swinburne Bridge |
| Larimer Avenue | Brighton Heights Boulevard |
| Low Street (Pedestrian Bridge) | Timberland Avenue |
| Maple Avenue | 28th Street |
| McArdle Roadway | Wilksboro Avenue (Pedestrian Bridge) |
| Midwood Avenue (Pedestrian Bridge) | Milroy Street |

*As reported in the City of Pittsburgh Comprehensive Bridge Asset Management Program released in December 2022. Ratings are subject to change.

Photos: Top: The aftermath of the Fern Hollow Bridge collapse; Left: Celebrating the reconstruction of the bridge in December 2022.



Bureau of Emergency Medical Services

The Bureau of Emergency Medical Services is dedicated to the health and safety of residents and visitors through the provision of advanced life support, pre-hospital care, medically-directed technical rescue, and transportation of the ill and injured.

Bureau of Fire

The Bureau of Fire develops, implements, and administers public safety programs in areas of fire suppression, first responder emergency medical care, fire prevention, hazardous materials code enforcement, fire and arson investigation, and public education.

Bureau of Police

The Bureau of Police is responsible for the protection of life and property, the enforcement of criminal and traffic law violations, and the prevention of crime.

Citiparks

Citiparks, Pittsburgh's Department of Parks and Recreation, is responsible for promoting and operating many of the City's recreational, educational, and cultural programs. Citiparks operates all of the City's swimming pools, spray parks, community and senior recreation centers, the Schenley Oval Sports Complex, Schenley Park Ice Rink, and the Mellon Park Indoor Tennis Center.

City Controller

See page 11 for responsibilities and duties of the City Controller.

City Planning

City Planning is responsible for ensuring that development projects are in compliance with the City's neighborhood plans and applicable zoning regulations. Planning also makes sure that development projects are ADA (Americans with Disabilities Act) compliant, and conducts reviews of a project's impact on traffic, storm water management, and the environment.

Department of Finance/City Treasurer

The Department of Finance/City Treasurer is responsible for the collection and investment of operating cash of the City. Finance audits City revenues and bills and collects tax revenue, fees, and charges. The Finance Department is also responsible for the investigation and auditing of revenue accounts.

Department of Mobility and Infrastructure

The Department of Mobility and Infrastructure (DOMI) is responsible for managing the operation of and access to the public right-of-way, such as streets, sidewalks, and bridges.

Department of Public Works

The Department of Public Works (DPW) maintains the City's park facilities and public structures. DPW also meets the environmental needs of Pittsburgh residents by collecting residential refuse and recycling. The department also ensures public safety by responding to weather-related emergencies such as flooding, land subsidence, snow and ice storms, and other disasters.

Human Resources and Civil Service

The Department of Human Resources and Civil Service (HRCS) is responsible for overseeing employment and staffing of the City of Pittsburgh government. HRCS also manages education and training, benefits, and worker's compensation for City employees.

Office of Management and Budget

The Office of Management and Budget (OMB) ensures the effective and efficient use of the City's resources in order to sustain the delivery of quality services to the residents of Pittsburgh. OMB establishes sound fiscal policies, and delivers a clear and accurate picture of the City's current and future financial position.

Permits, Licenses and Inspections

The Department of Permits, Licenses and Inspections is responsible for the administration and enforcement of the Pittsburgh building code and zoning code and also enforces the City's various business and trade licenses.

WHAT YOUR GOVERNMENT DOES

The City provides a full range of services, including public safety, construction and maintenance of City property and infrastructure, sanitation services, and recreation and cultural activities. The Water and Sewer Authority, Urban Redevelopment Authority, Stadium Authority, and Parking Authority are component units of the City and are shown as such in the financial statements and the footnotes to the annual report.



Photos: Left to right: Enjoying the fountain at Point State Park; The Pittsburgh Bureau of Fire, Fireboat 1 protecting boaters on the three rivers; A patient being transported to Allegheny General Hospital on the North Side; Pittsburgh mounted police.



The City Controller is one of two independently elected, citywide offices in the City of Pittsburgh, the other being the Mayor. It is the job of the Controller to protect city government-related tax dollars from waste, fraud, and abuse. The Controller audits all city government-related expenditures (the City also has a Finance Department and Treasurer who are responsible for collecting and auditing all City revenues), and conducts audits of all City departments and authorities.

To learn more about Pittsburgh's controller, please visit <http://pittsburghpa.gov/controller/controller.html> or Twitter @PGHController

OFFICE DIVISIONS

Accounting

The Controller's accountants are tasked with tracking all revenues and expenditures made by the City. At the end of each fiscal year, they produce an annual financial report that details the City's fiscal condition.

Accounts Payable

The accounts payable section oversees the payments made by City departments. They receive purchase orders, checks, and contracts in addition to performing audits of payments to make sure City funds are being spent appropriately.

Engineering

The Controller's office has a team of inspectors who travel across the City to assess big projects. This ensures quality completion.

Fiscal Auditing

Our fiscal auditors perform financial reviews of programs by analyzing their revenues and expenditures. A key focus is ensuring funds are being appropriately tracked and spent across the City government.

Performance Auditing

Our performance auditors conduct audits of City departments to find inefficiencies and make recommendations that save money or improve the delivery of services.



AUDITS RELEASED IN 2022

2022 Fiscal Audits:

- ◆ **Bureau of Police, Department of Public Safety:** Police Secondary Employment Trust Fund
- ◆ **Department of Finance:** Three Taxing Bodies Services Trust Fund & Escrow Account
- ◆ **American Rescue Plan Trust Fund**
- ◆ **Follow-Up Report:** Special Events Trust Fund

2022 Performance Audits:

- ◆ **Department of Finance:** Real Estate Tax Processing
- ◆ **Pittsburgh Bureau of Police**
- ◆ **Department of Mobility & Infrastructure**
- ◆ **Department of Public Safety, Bureau of Administration:** School Crossing Guards

2022 Special Reports:

- ◆ **Tax-Exempt Properties**
- ◆ **City of Pittsburgh Service Worker Prevailing Wage Ordinance**

FISCAL FOCUS PITTSBURGH

As the saying goes, "a picture is worth a thousand words."

Fiscal Focus Pittsburgh is an online data platform that gathers the City's complex financial information and organizes it into clear graphics.

For more information, please visit: <https://fiscalfocus.pittsburghpa.gov> or Twitter @FiscalFocusPGH



UNCLAIMED PROPERTY

The City Controller's office launched an unclaimed properties website which allows the public to search the City's database of unclaimed funds.

For more information, and to search the City of Pittsburgh's unclaimed funds database, please visit:

<http://pittsburghpa.gov/unclaimed-property/index.html> or Twitter @Unclaimed PGH



OPEN BOOK PITTSBURGH



OpenBook Pittsburgh is a searchable website of City of Pittsburgh contracts, elected official campaign contributions and expenditures, and a list of lobbyists who are registered with the City.

To learn more about OpenBook Pittsburgh, please visit: www.openbookpgh.com or Twitter @OpenBookPGH

PGH WATCHDOG

PGH Watchdog is a mobile app that enables any person to report to the City Controller's office any waste, fraud, and abuse of City government-related tax dollars they may see.

PGH Watchdog is available for free on the Apple App store and Google Play or Twitter @PGHWatchdog





When assessing City finances, it is important that we focus on the City's General Fund. It is used to account for all regular day-to-day operations, revenues, and expenditures of the City, except those required to be accounted for in another fund. In this section, we will discuss General Fund Revenues, the largest of which are taxes.

General Fund Revenue Fluctuations

From 2021-2022, the Grand Total General Fund Revenues & Transfers increased approximately \$94.7 million or by 15.6%.

The net increase in Revenue is about \$78.4 million. This is attributed to increases of \$16.6 million in Payroll Preparation Taxes, \$12.2 million in Grants, \$11.8 million in Other Taxes, and \$10.8 million in Earned Income Taxes. \$48.5 million from the City's American Rescue Plan Trust Fund were transferred into the General Fund.

From 2020-2021, Total General Fund Revenues increased approximately \$32 million or by 6%.

These increases were mainly due to post-pandemic activities returning such as concerts, shows, conventions, and sporting events. Elements of this increase include \$20.2 million in Deed Transfer Taxes, \$8.1 million in Other Revenues, \$6.2 million in Earned Income Taxes, and \$5.4 million in Parking Taxes. In 2021, \$33.7 million from the American Rescue Plan Trust Fund were transferred into the General Fund.

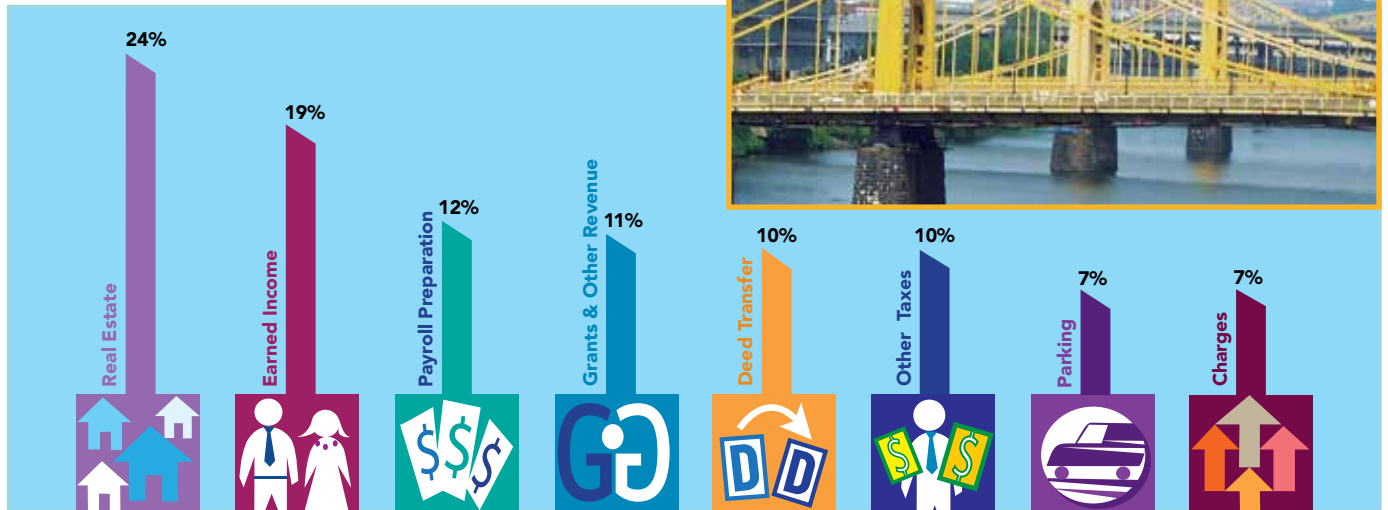
GENERAL FUND REVENUES AND TRANSFERS

(in thousands)

	2022	2021	2020
Real Estate Taxes	\$155,413	\$151,951	\$151,813
Earned Income Taxes	125,294	114,450	108,300
Payroll Preparation Taxes	75,331	58,779	64,095
Parking Taxes	46,201	36,695	31,258
Deed Transfer Taxes	64,857	64,187	43,985
Other Taxes	63,415	51,609	49,459
Total Taxes	\$530,511	\$477,671	\$448,910
Charges	48,070	41,524	37,155
Grants	52,495	40,253	49,457
Other Revenue	15,658	8,840	780
Total Revenue	\$646,734	\$568,288	\$536,302
Leases	1,982		
Transfers In	52,046	37,748	2,000
Grand Total	\$700,762	\$606,036	\$538,302

WHERE OUR MONEY COMES FROM

Like all governments, the City must raise funds to pay for the services that it provides to its citizens and businesses. These sources of funds, referred to as revenue, are raised through fees, charges, and taxes.



The following are the descriptions of the major types of taxes the City levies:

MAJOR TAXES ASSESSED BY THE CITY

Real Estate Taxes

Real estate taxes are imposed on most property in the City as assessed by the Allegheny County Board of Property Assessment, Appeals and Review. The rate was 8.06 mills on buildings and land.

Earned Income Taxes

This tax is levied at a rate of 1% on the wages or net profits earned by City residents. The City also receives a portion of the Earned Income Tax assessed by the Pittsburgh Public Schools equal to 2%.

Payroll Preparation Taxes

This tax is imposed on all for-profit employers at a rate of 0.55% of the total wages of all employees who work in the City.

Parking Taxes

A tax equal to 37.5% of the consideration paid for each parking transaction is levied on the patrons of non-residential parking places in the City.

Deed Transfer Taxes

A tax of 3% of the consideration paid for real property transfers is levied upon the transfer of an interest of real property situated in the City.

Other Taxes

Other taxes assessed by the City include the Amusement Tax, the Institution Service Privilege Tax, the Local Services Tax, and the Facility Usage Fee.



GENERAL FUND EXPENDITURES AND TRANSFERS

Expenditures	(in thousands)			Per Capita*		
	2022	2021	2020	2022	2021	2020
Government	\$ 100,788	\$ 96,442	\$ 97,614	\$ 318	\$ 323	\$ 299
Public Safety	353,650	336,404	345,715	1,110	1,144	1,083
Public Works	59,052	49,642	53,296	164	176	176
Environmental Services	20,817	20,256	20,731	67	69	66
Community, Recreational and Cultural	7,203	6,328	5,830	21	19	23
Urban Redevelopment Authority Subsidy	3,246	3,246	2,136	11	7	15
Other Expenditures	5,625	589	2,826	2	9	7
Total Expenditures	\$550,381	\$512,907	\$528,148	\$1,693	\$1,747	\$1,669
Transfers						
Transfers to Capital Projects	9,000	5,542	14,625	18	48	50
Transfers to Debt Service	59,599	56,285	43,845	186	145	168
Other Transfers	8,805	6,836	2,075	23	7	9
Total Transfers	\$ 77,404	\$ 68,663	\$ 60,545	\$ 227	\$ 200	\$ 227
Grand Total	\$627,785	\$581,570	\$588,693	\$1,920	\$1,947	\$1,896

* Expenditures and transfers are those respective amounts divided by the estimated City population.

During the years ended December 31, 2022, 2021 and 2020, the City expended its funds as shown to the right. The per capita amounts represent the amount that the City expended on each type of service per resident, while the aggregate represents the total amount spent.

From 2021-2022, General Fund Expenditures increased by approximately \$37.5 million or by 7.3%.

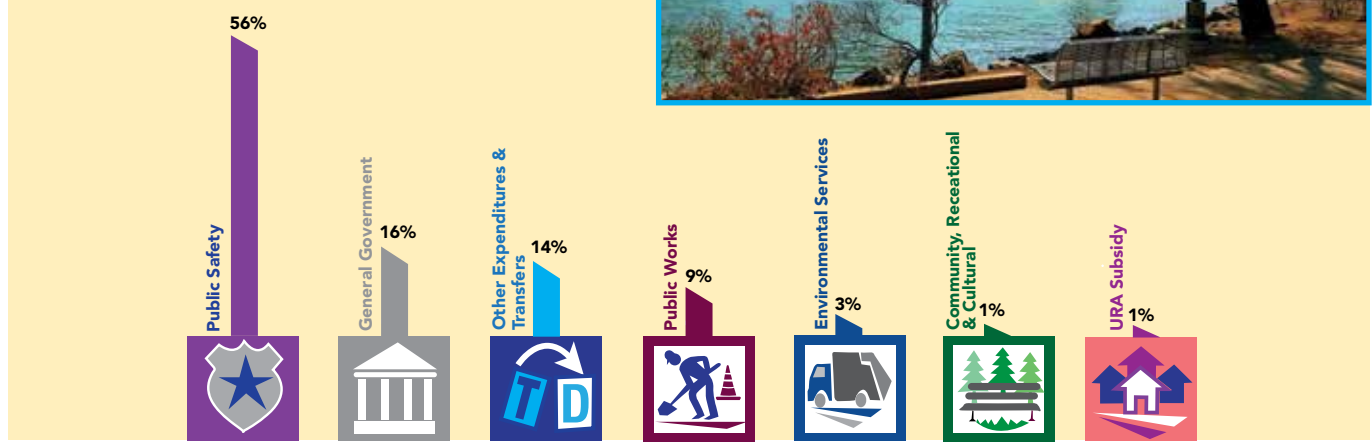
Elements of this increase include a 19% increase in Public Works, a 13.8% increase in Community, Recreational, and Cultural, and a 5.1% increase in Public Safety. Transfers to other funds increased 7.9%, predominantly made up of increases in transfers to the Capital Projects fund and additional other transfers.

From 2020 to 2021, General Fund Expenditures decreased by approximately \$15.2 million or by 2.9%.

Elements of this decrease include a 2.7% decrease in Public Safety, and a 6.9% decrease in Public Works. These decreases were partially offset by increases in urban redevelopment and community, recreational, and cultural expenditures. Transfers to other funds increased 13%, predominantly made up of increases in transfers to the debt service fund and additional other transfers.

WHERE YOUR MONEY GOES

Once the City collects taxes and other revenues, the funds must be spent efficiently to provide a variety of services to the citizens and businesses of the City.



GENERAL GOVERNMENT EXPENDITURES

General Government expenditures are related to the administration of the City's affairs. These expenses include the costs of all elected officials as well as the Department of Innovation and Performance, Finance Department and Law Department, among many others.

Public Safety expenditures represent the Emergency Medical Services, Bureau of Police, Bureau of Fire, and Animal Control.

Public Works expenditures include administration and street and parks maintenance.

Environmental Services expenditures include garbage collection and recycling services within the Public Works Department.

Community, Recreational and Cultural expenditures are the costs of the Department of Parks and Recreation.

The URA Subsidy is the City's subsidy to the Urban Redevelopment Authority.

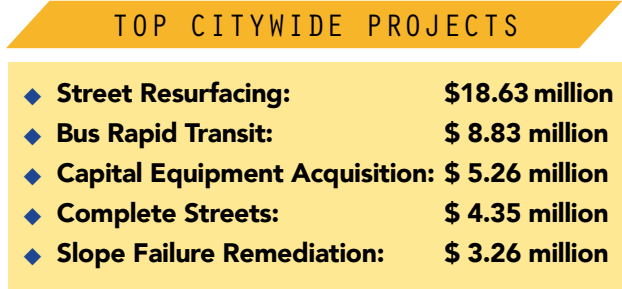
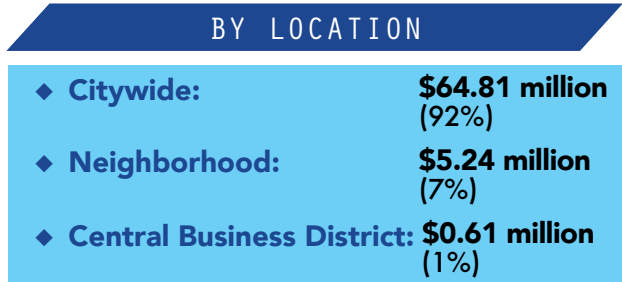
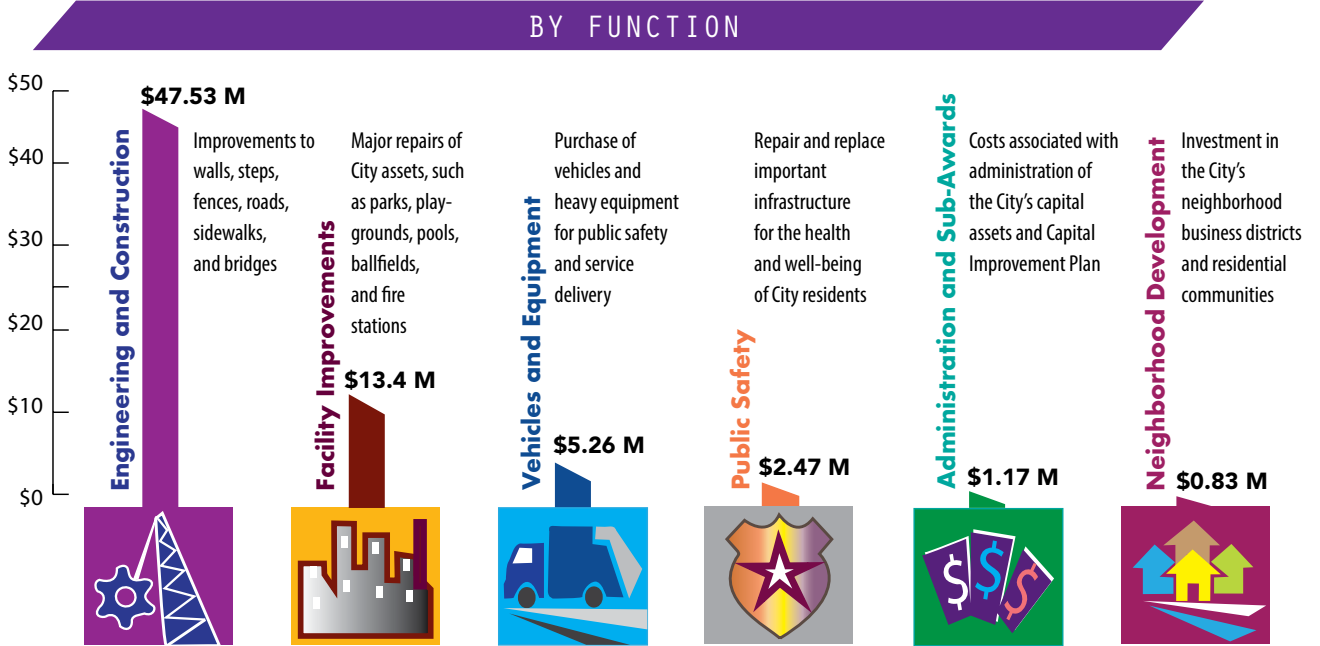
Other Expenditures include all amounts that are not included in the categories above.

Transfers are funds provided by the General Fund to support other funds of the City.

Photo: Downtown Pittsburgh and the Andy Warhol Bridge from the Three Rivers Heritage Trail on North Shore. Photo by Angela Yoho.



The City maintains a separate Capital Projects Fund to account for the financial transactions and resources used by the City for the acquisition or construction of major capital assets. During 2022, the City spent \$70.66 million on Capital Projects.



Photos: Clockwise from top left: Two Pickle Ball Courts are now ready for players at Bud Hammer Park; An aerial view of the park at West Penn Recreation Center in the Polish Hill neighborhood; Street maintenance with heavy equipment; Bedford speed hump road work; Ongoing bridge maintenance for Pittsburgh's bridges.

The City's Cash Position

Long-Term Debt

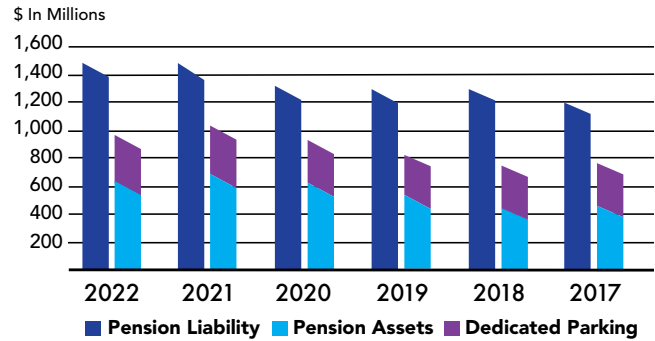
In 2022, the City's debt increased by \$22.3 million to \$495 million. The increase is due to the City's borrowing for capital projects.

Pension Funding

Pension funding is crucial to provide retired city employees with financial security after they stop working. Commonwealth of Pennsylvania Act 44 of 2009 required the City's aggregate pension funding level to be at least 50 percent by December 31, 2010 to avoid having the City's pension funds seized and administered by the Pennsylvania Municipal Retirement System. The City's plan to meet this level of funding includes transferring dedicated parking tax revenues through 2046 in addition to employee and City-obligated contributions.

Securing funding for the City's Comprehensive Municipal Pension Fund continues to be a challenge for City officials. It is important for the City to manage

PENSION FUNDING STATUS



the pension fund responsibly to maintain its long-term sustainability and honor its commitment to its employees.

Despite having the parking tax as a source of revenue, the fund remains underfunded and will require additional funding commitments and cost reductions moving forward. As of the end of 2022, with revenue from the City's parking tax, the City's pension fund held approximately 65% of the funds needed.

PILOT CONTRIBUTIONS FROM LARGE NONPROFITS

PILOT Contributions from Large Nonprofits

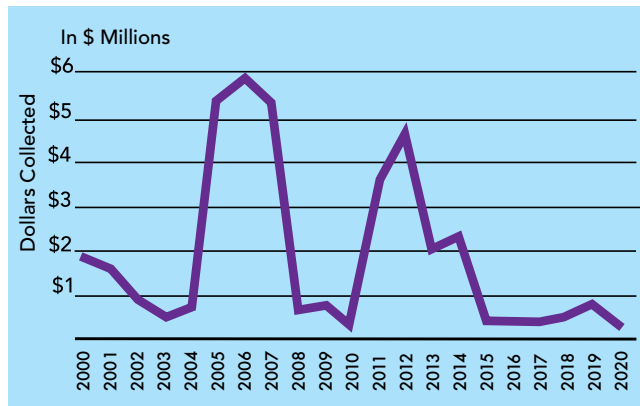
The amount of property within the City of Pittsburgh owned by large nonprofit institutions has grown considerably in recent decades, rising to around 20% in 2021. While the region has undoubtedly benefitted from a nonprofit model centered on these "eds and meds," their growth has also taken an increasing share of properties off the tax rolls, putting strain on City finances.

Given their exemption from property taxes – a leading source of revenue for vital public services like fire, police, and EMS – many municipalities nationwide offset this revenue loss with voluntary arrangements called "payment in lieu of taxes," or PILOTs. Under these agreements, nonprofits typically commit to making annual monetary contributions over a set period of time to lower the tax burden on local residents and businesses.

Yet despite Pittsburgh's vibrant and growing nonprofit sector, PILOT revenue has fallen sharply over the past two decades. Growth in the nonprofit sector can be attributed to the "Big Five": UPMC, Highmark, the University of Pittsburgh, Carnegie Mellon University, and Duquesne University; collectively, they own over \$4.3 billion in exempt property, leading to a "tax loss" of over \$34 million each year to the City. As of 2022, substantive PILOT agreements between the City and its largest nonprofits remain elusive.

As stressed in the City Controller's 2022 joint report with the County Controller's Office on Tax-Exempt Properties, PILOT agreements with just the five largest nonprofits set at half of what they would pay in property taxes if not exempt would recoup over \$17 million in revenues each year. At a time when local officials continue to explore new ways to broaden the tax base without burdening our most vulnerable, securing long-term and equitable PILOT agreements must remain a top priority. PILOT agreements with these institutions are necessary as compensation for essential public services used by all organizations in the City, like critical infrastructure and emergency services. Doing so would ensure long-term, stable sources of revenue to help the City offset post-pandemic declines in other revenue sources.

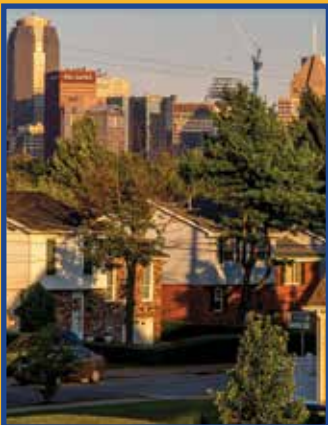
PILOT AMOUNTS COLLECTED





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2022 PITTSBURGH, PA POPULAR ANNUAL FINANCIAL REPORT



Although this report is largely based on the City's 2022 Annual Comprehensive Financial Report, this report is not prepared in accordance with generally accepted accounting principles ("GAAP"). Only the financial data for the general government is included in this report and, therefore, all of the City's discretely presented component units are excluded. Additionally, information is presented in a summarized manner and certain financial statements and note disclosures required by GAAP are omitted. A copy of this PAFR as well as the City's audited 2022 Annual Report, which is prepared in accordance with GAAP, is located at www.pittsburghpa.gov/controller.



PAFR Consultants:
The Binkley Kanavy Group, LLC, Pittsburgh, PA
City of Pittsburgh
414 Grant Street
Pittsburgh, PA 15219
pittsburghpa.gov



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