



PITTSBURGH, PENNSYLVANIA  
**POPULAR ANNUAL  
FINANCIAL REPORT**



PREPARED BY:

**RACHAEL HEISLER, CITY CONTROLLER**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

**2023**



# IN THIS ANNUAL REPORT

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## 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: RACHAEL HEISLER

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

## COUNCIL MEMBER DISTRICT

Bobby Wilson	1	(412) 255-2135
Theresa Kail-Smith	2	(412) 255-8963
Bob Charland	3	(412) 255-2130
Anthony Coghill	4	(412) 255-2131
Barbara Warwick	5	(412) 255-8965
R. Daniel Lavelle, President	6	(412) 255-2134
Deborah Gross	7	(412) 255-2140
Erika Strassburger	8	(412) 255-2133
Khari Mosley	9	(412) 255-2137

## CITY COUNCIL MEMBERS

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



## CITIZENS OF THE CITY OF PITTSBURGH



## CITY OF PITTSBURGH – COUNCIL DISTRICTS

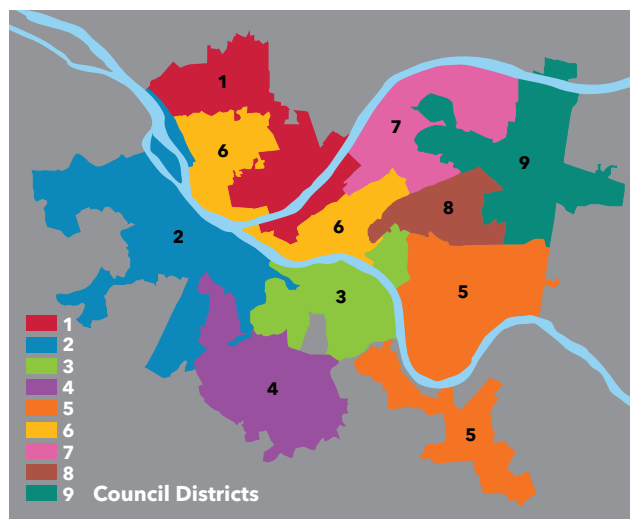


Photo: A distant view of Pittsburgh from Perrysville Avenue on the Northside, just off Federal Street, photo by John Altdorfer.

# A MESSAGE FROM THE CITY CONTROLLER



**THANK YOU** for taking the time to review the City of Pittsburgh's 2023 Popular Annual Financial Report (PAFR). The purpose of the PAFR is to summarize the City's financial condition and government operations in a way that is easy to access for everyone in our community. For the fourteenth consecutive year, this report has received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association.

In my first year as City Controller, I'm proud to carry on this office's commitment to transparency and accountability, responsible fiscal management, and open and honest communication. That's why we create this report – to cut through the weeds and give you the facts about how the City is doing financially and how your tax dollars are spent. For a more detailed review of the City's finances, you can visit the Controller's website and read the 2023 Annual Comprehensive Financial Report.

In 2023, the City continued to make progress in recovering from the economic effects of the COVID-19 pandemic, and continued to benefit from the federal funding we received through the American Rescue Plan Act (ARPA). Including ARPA funds, the City received \$38.3 million more than it spent. The City's General Fund revenues totaled \$710.3 million, an increase of \$9.5 million compared to 2022, and the unrestricted reserve fund (or "rainy day fund") had a total of \$198.7 million at the end of 2023. This represented 29.6% of total 2023 expenditures, well above the 10% benchmark that is generally considered a healthy balance to cover any unexpected financial difficulties in the next fiscal year. Notably, parking and amusement tax revenues continued to increase toward normal levels in 2023 after sharp declines during the pandemic. Other increases included revenue from operating and capital grants and investment earnings.

At the same time, we saw early signs of financial challenges in 2023 as our regional economy continued to change in the aftermath of the pandemic. Overall, the City's spending is increasing faster than its revenue. While the City made more money than it spent, that would not have been the case without ARPA funds. It's important to recognize that the City cannot rely on ARPA funding to help balance the budget for much longer, as all of that money must be designated for specific purposes by the end of this year and spent by the end of 2026. We've also seen a sharp decline in deed transfer tax revenue as interest rates have climbed and home sales have decreased by nearly 25%, and that's likely to continue as long as interest rates remain high. Many of our most valuable properties have seen reductions in their net value as employers have shifted away from in-office work since the pandemic, which costs the City significant tax revenue.

Those are a few examples of the ways our economic reality is changing. We need to adapt and prepare for those changes by making smart decisions, setting realistic budget expectations, and controlling spending while also finding new sources of revenue. Part of that process has to include greater contributions from nonprofit organizations, which own 20% of all property in the City of Pittsburgh and, without their tax-exempt status, would pay an estimated \$34.5 million in taxes to the City each year.

**The bottom line is that the City is in good financial health right now, but we have challenges ahead.**

I am eager to work with anyone and everyone to make sure we're prepared to overcome those challenges and continue to deliver the excellent services you depend on and deserve – most importantly, keeping people safe and keeping our City clean. I will continue to communicate openly and honestly with you, whether you are a taxpayer, a business owner, a community leader, or anyone who is invested in our City's future.

Thank you for reading this report and caring about our community. As always, I welcome any feedback or questions you may have.

Sincerely,

**Rachael Heisler**  
City Controller

Photos: Left to right: A view of just five of a total of 446 bridges in the City of Pittsburgh. Our City officially has the most bridges in the world, three more than Venice, Italy (Wikipedia); The City County Building was built between 1915-1917. The architect was Henry Hornbostel. Three cornerstones were laid in the steel frame-work, including one for the City, one for the County, and one for the workers, each of which contained time capsules.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of Pittsburgh Pennsylvania**

For its Annual Financial Report For the Fiscal Year Ended December 31, 2022

*Christopher P. Merrill*  
Executive Director/CEO



# ABOUT PITTSBURGH

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### Estimated City Population 302,971

- Male 49%
- Female 51%

### Median Age

- City Median Resident Age 33.1 years
- Pennsylvania Median Age 40.9 years

### Race

- White 65%
- Black or African American 23%
- Asian 6%
- Hispanic 4%
- Other 2%

### Language Spoken at Home

- English Only 88%
- Language other than English 12%

### Educational Attainment

- No Degree 6%
- High School 24%
- Some College 25%
- Bachelor's Degree 26%
- Graduate Degree 19%

### Estimated Median Household Income

- Pittsburgh \$63,380
- Pennsylvania \$71,798

### Housing Units

- Owner-Occupied 49%
- Renter-Occupied 51%

### City Staffing

- Total City Employees 3,540
- Number of Police Officers 988
- Number of Fire Fighters 670
- Number of Paramedics 219
- Other City Department Personnel 1,663

Source: City of Pittsburgh, ACFR

### Employment

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

[https://www.bls.gov/regions/mid-atlantic/news-release/areaemployment\\_pittsburgh.htm](https://www.bls.gov/regions/mid-atlantic/news-release/areaemployment_pittsburgh.htm)

### Unemployment Rates

- Nation (Dec 2023) 3.7%
- Pennsylvania (Dec 2023) 3.4%
- Pittsburgh (Dec 2023) 2.9%\*

Source: U.S. Bureau of Labor Statistics Economy at a Glance  
\*Rate is not seasonally adjusted

### Per Capita Income

\$41,146

### Persons Below Poverty Line

- Pittsburgh 19%
- Pennsylvania 11.9%

Source: U.S. Census 2020 ACS 5-Year Survey  
U.S. Census Bureau, 2021 ACS 5-Year Estimates  
U.S. Census Bureau, Population Estimates Program (PEP)  
<https://www.census.gov/quickfacts/fact/table/pittsburghcitypennsylvania/INC110222>

## PITTSBURGH PUBLIC SCHOOL STATISTICS

### Pittsburgh Public Schools 2023-24

- Total Enrollment 19,128
- K-12 Enrollment 17,744
- Early Childhood Enrollment 1,384
- 2023-2024 Graduates 1,265
- Number of Teachers 1,848
- Number of Schools 54
- Spending per Student (22 ACFR)\* \$35,541
- PA Average Spending per Student\*\* (2022-2023) \$21,985

\* Pittsburgh Public Schools  
\*\* 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%
- Native Languages Spoken by Students 58

Source: Pittsburgh Public Schools



Photos: Top, left to right: Two young school friends, photo by Pittsburgh Public Schools; Pittsburgh Public Schools All-City Showcase Concert; Bottom, left to right: Students who created the Gifted Center Mural; Tree planting at Pittsburgh Concord; Some of the attendees at the ELA (English Language Arts) Seminar.

# PITTSBURGH EDUCATION, CULTURE AND BUSINESS



## 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



## 2023 Fortune 500 Companies Headquartered in Pittsburgh

Alcoa Corporation  
Arconic  
EQT Corporation  
Kraft Heinz  
The PNC Financial Services Group, Inc.  
PPG Industries, Inc.  
United States Steel Corporation  
WESCO International, Inc.  
Westinghouse Air Brake Technologies, WABTEC



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  
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  
Children's Museum of Pittsburgh  
The Frick Pittsburgh  
Phipps Conservatory and Botanical Gardens  
Pittsburgh Ballet Theater  
Pittsburgh CLO  
Pittsburgh Cultural Trust  
Pittsburgh Opera  
Pittsburgh Public Theater  
Pittsburgh Symphony Orchestra  
Pittsburgh Zoo & Aquarium  
Western Pennsylvania Conservancy



Photos: Top left to right: Contemporary Craft's gallery, featuring the exhibition, "Climate Awakening", photo by Reagan West-Whitman; View of downtown Pittsburgh from Duquesne University campus; Soldiers & Sailors Memorial Hall lawn during 9/11 remembrance; View of Mount Washington from outside of the Fort Pitt Museum; The Alcoa Corporation building on the North Shore; National Aviary, photo by Elliot Cramer, VisitPittsburgh; Reading time at the Carnegie Library in Homewood, photo by Nancy Andrews/Annie O'Neill Photography; The EQT Corporation headquarters in downtown Pittsburgh; Pittsburgh Zoo & Aquarium; With eight raised garden beds and a large pathway, a Western Pennsylvania Conservancy community garden opened in fall 2023 in Pittsburgh's Manchester neighborhood; Pittsburgh Ballet Theater's Soloist Diana Yohe performs in *The Sleeping Beauty*, photo by Michael Henninger; For over 10 years, United Way volunteers have built 2,100 bikes for kids across the region.

\*Source: 2023-24 Pittsburgh Business Times Book of Lists

# AMERICAN RESCUE PLAN 2023



**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 (ARPA) money was deposited into the dedicated ARP Trust Fund.

The City must encumber all \$335 million allocated by December 31, 2024, and spend this money by the end of 2026. As of the end of 2023, \$267,970,293 has been encumbered and \$202,295,404 has been spent from the 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.

In 2023, Pittsburgh continued to feel the after effects of the COVID-19 pandemic. Although the regional economy appears to be permanently altered by the pandemic, various hopeful developments in workforce trends, employment, real estate, infrastructures, and technologies are present.

City finances remained buoyed by ARPA funds. On February 7, 2023, \$49,585,481 was transferred from the ARP Trust Fund to the General Fund for Operating Expenses and on February 23, 2023, \$18,466,443 to the Capital Fund for Capital Projects.

## Major Capital Projects using ARP funds in 2023

- **\$5,554,039** New Vehicles, Equipment, and Green Fleet Improvements
- **\$4,367,691** Bituminous Paving Program
- **\$3,509,672** Demolition of Properties
- **\$1,737,054** Addressing City-wide slope failures
- **\$553,172** Construction of new sidewalk, curb, and curb ramps along Irvine Street, the highly desired pedestrian route between Hazelwood and Greenfield



## Four (4) transfers out of the ARP Trust Fund in 2023 went towards two (2) City trust funds

- **\$700,100** to the Bridge Asset Management Program Trust Fund (July 2023)
- **\$445,448** to Funding for the Arts (March, April, & July 2023)

## 2023 Payments from the ARP Trust Fund to City Contracts & Cooperative Agreements

### PWSA:

- **\$9,945,797** Lead Line Replacement

### URA:

- **\$4,450,000** Housing Preservation Program for Affordable Housing
- **\$4,000,000** OwnPGH Affordable Homeownership Program
- **\$4,000,000** Swisshelm Park Remediation
- **\$3,500,000** Avenues of Hope ARPA Grant Program
- **\$3,131,770** Pittsburgh Technology Center Garage
- **\$2,000,000** Hays Woods Park Property Acquisition
- **\$2,000,000** N. Homewood Ave Scattered Sites Stabilization
- **\$1,050,000** Downtown Commercial Real Estate Conversion Program
- **\$1,000,000** Broadway Avenue Development
- **\$478,811** Targeted Parcel Maintenance

### POISE Foundation:

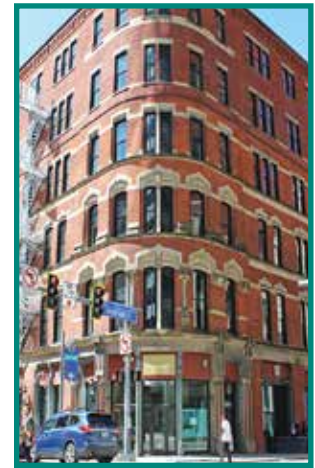
- **\$125,000** for 2023 Juneteenth Celebration

### Maher Duessel:

- **\$11,785** Administration of Federal Compliance

At the end of 2023, there were a total of 17 project co-op agreements with the URA equaling \$65.84 million, of which \$39.49 million has been paid from the trust fund.

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



Photos: Top, left to right: Road equipment used for major capital projects; Jamira, a first-time home buyer, was the second participant to buy a home in the City of Pittsburgh with assistance through the URA's OwnPGH Homeownership Program, photo courtesy of First Commonwealth Bank; Poise Foundation's Juneteenth celebration; Funding was allocated for Irvine Street sidewalks, curbs and ramps; Hullett Properties received funding through the pilot Pittsburgh Downtown Conversion Program to convert the historic Triangle Building into 15 apartments, eight of which will be rented at affordable rates, and ground floor commercial space, photo, URA.

# AMERICAN RESCUE PLAN 2023



## AMERICAN RESCUE PLAN SPENDING

Operating Budget	Total Encumbered as of 31 DEC 2022	Total Expenditure as of 31 DEC 2023	2023 Remaining Balance – Operating
<b>TOTAL ARP to Operating Budget</b>	<b>\$ 131,379,924</b>	<b>\$(131,379,924)</b>	<b>\$ –</b>
Capital Budget	Total Encumbered as of 31 DEC 2022	Total Expenditure as of 31 DEC 2023	2023 Remaining Balance – Capital
<b>TOTAL ARP to Capital Budget</b>	<b>\$ 54,254,788</b>	<b>\$(30,445,391)</b>	<b>\$23,809,397</b>
Transfers to Other Trust Funds	Total Encumbered as of 31 DEC 2022	Total Expenditure as of 31 DEC 2023	2023 Remaining Balance – Transfers
<b>TOTAL Transfers to New Trust Funds</b>	<b>\$ 4,500,100</b>	<b>\$(2,750,100)</b>	<b>\$1,750,000</b>
Contracts & Co-op Agreements	Total Encumbered as of 31 DEC 2022	Total Expenditure as of 31 DEC 2023	2023 Remaining Balance – Contracts
<b>TOTAL Contracts &amp; Co-op Agreements</b>	<b>\$ 77,835,481</b>	<b>\$(47,719,989)</b>	<b>\$30,115,492</b>
<b>2023 ARP Trust Fund TOTALS</b>	<b>\$ 267,970,293</b>	<b>\$(212,295,404)</b>	<b>\$55,674,889</b>



### Estimated Balance in American Rescue Plan Trust Fund

As of 31 DEC 2023

**\$ 335,070,222** Total ARPA Funds  
**\$(267,970,293)** Total Encumbered

**\$ 67,099,929** Difference  
**\$ 30,115,492** Remaining Balances on Open Contracts

**\$ 97,215,420** TOTAL in ARP Trust Fund (as of 31 Dec 2023)

Top photo: A slag heap can be seen at the site in Swisshelm Park that was formerly used as an industrial dumping ground. The URA plans to remediate 22 acres of the property in preparation for a second phase of development that will include 15 acres of solar panel fields and a nearly 55-acre extension of Frick Park, the City's largest public park, photo, Urban Redevelopment Authority of Pittsburgh; Bottom photos, before and after: The long-time business owner and barber of Butch's Styles & Cuts, recently purchased the building he operated out of for years. AoH ARPA funds were used for building renovations including roof repairs, new windows, new flooring, electrical and plumbing installation, and new vinyl siding.



# DOWNTOWN BUSINESSES PROPERTY ASSESSMENTS

## Downtown Businesses Property Assessments Reductions based on 2022 & 2023 Appeals

As the pandemic redefined downtown Pittsburgh, the values of the buildings themselves are declining.

Downtown buildings represent nearly 25% of the City of Pittsburgh's real estate tax base. The City of Pittsburgh typically generates upwards of \$150 million each year from real estate taxes.

When the pandemic hit, most downtown workers worked from home for months on end. Many never returned to the office, creating a large swath of empty or near empty offices. Over time, as their leases came due, many companies scaled back space and some have even left downtown entirely or moved into buildings with more sought-after amenities.

The greatest factor of a commercial property's valuation, and thus its tax assessment, is not the physical bricks and mortar, but rather the revenue it produces. Building owners are seeing greatly reduced rental income because companies are occupying much less space than they did pre-COVID.

Another factor at work in the reductions are due to the steep drop in the Common Level Ratio (CLR), the state-assigned percentage number used in appeal hearings to calculate a property's taxable value.

Allegheny County gave property owners a second chance to appeal their 2022 assessments last January after Common Pleas Judge Alan Hertzberg lowered the Common Level Ratio. It's complicated, but what it boils down to is, the Allegheny County CLR was reduced from 86.25% in 2021 to about 63.5% in 2022 and 2023.

Several large buildings downtown have recently seen multi-million drops in property values after successful reassessment.

Many elected officials are concerned that it could be the part of a wave of cuts that could upend the local tax base. The City could see as much as a 20% reduction in the value of this building stock in 2024, which could cost the City millions in property tax revenue.

**The Tower at PNC Plaza, the U.S. Steel Tower and Three Gateway Center won their appeals. Collectively, they represent roughly \$200 million in reductions.**

PROPERTY NAME	ADDRESS	2019 ASSESSMENT	2023 ASSESSMENT	% DIFFERENCE
Tower at PNC Plaza	300 Fifth Avenue	\$147,200,000	\$72,326,500	-50.9%
U.S. Steel Tower	600 Grant Street	\$233,211,300	\$141,573,600	-39.3%
Three Gateway Center	401 Liberty Avenue	\$62,750,000	\$35,560,000	-43.3%



Photos: Left to right: The Tower at PNC Plaza, U.S. Steel Tower and Three Gateway Center all successfully won their reassessment appeals.



# DOWNTOWN BUSINESSES PROPERTY ASSESSMENTS



## Pittsburgh Downtown Conversion Program (PDCP)

\$2.1 million in American Rescue Plan Act (ARPA) Funds have been given to the Urban Redevelopment Authority (URA) for creating a Pittsburgh Downtown Conversion Program (PDCP) to stimulate the economic recovery of Downtown Pittsburgh by creating new affordable housing development via the conversion of underutilized office buildings into housing. This will add to the \$3 million that the Commonwealth of Pennsylvania Department of Community & Economic Development has already granted to the URA for this purpose.

PDCP further seeks to make the Downtown residential community accessible to all Downtown workers, specifically low-to-moderate income households. Under current conditions, many who work Downtown cannot afford to live in the neighborhood, or struggle to find available affordable units.

The PDCP will provide direct financing for building owners and developers who intend to convert vacant and/or underutilized Downtown buildings to affordable workforce housing. The program will prioritize projects that maximize other relevant public and private financing sources (such as a tax credits, private debt, and other tools) intended to support the same mission and projects that seek deep affordability.



Photos: From Top : An architectural mix of grand buildings in downtown Pittsburgh; A busy scene with downtown commuters; Grandview Park located at 499 Bailey Avenue in Mount Washington presents a great vantage point to view all of downtown Pittsburgh and beyond..

# PITTSBURGH GOVERNMENT



## 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.



# PITTSBURGH'S CITY CONTROLLER



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.

## 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>



## 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](http://www.openbookpgh.com)

## AUDITS RELEASED IN 2023

### Fiscal Audits:

- Department of Public Works: Shade Tree Trust Fund
- Annual Audit of the City's Tax Abatement & Increment Financing Programs
- 2023 Follow-up: Tax Abatement & Tax Increment Financing Programs
- Equal Employment Opportunity Commission Trust Fund
- Office of Management and Budget South Side Parking Enhancement District Trust Fund

### Performance Audits:

- Department of Public Works: Bureau of Environmental Services: Recycling Division
- Department of Public Safety: Bureau of Emergency Medical Services
- Department of Public Safety: Bureau of Fire



## UNCLAIMED PROPERTY

The City Controller's office launched an **UNCLAIMED PROPERTY** 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>



## 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



## SPECIAL REPORT

Parks Tax Trust Fund

# GENERAL FUND REVENUES



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 2022-2023, the Grand Total General Fund Revenues & Transfers increased approximately \$9.5 million or by 1.4%.**

The net increase in revenue is about \$123,000. This can be attributed to increases of \$16.5 million in Other Revenue, \$6.0 million in Charges, \$4.8 million in Other Taxes, \$7.0 million in Earned Income Taxes, \$6.4 million in Parking Taxes, and \$7.9 million in Leases. The increases in various revenue streams is partially offset by a decrease of \$20.2 million in Deed Transfer Taxes and \$13.5 million in Grant Revenue. In 2023, \$49.6 million from the City's American Rescue Plan Trust Fund were transferred into the General Fund.

**From 2021-2022, Total General Fund Revenues 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.

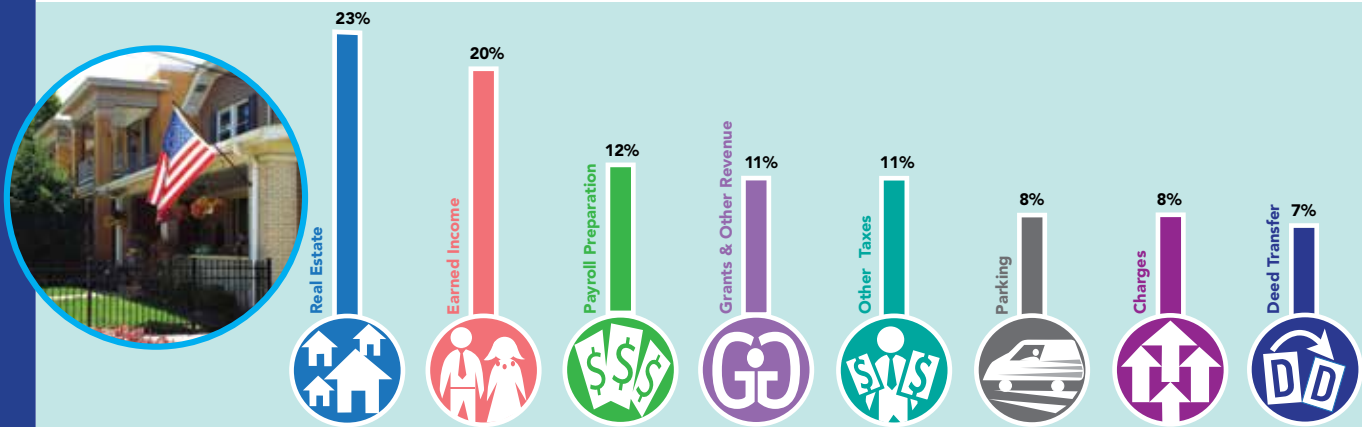
## GENERAL FUND REVENUES AND TRANSFERS

(in thousands)

	2023	2022	2021
Real Estate Taxes	\$147,284	\$155,413	\$151,951
Earned Income Taxes	132,307	125,294	114,450
Payroll Preparation Taxes	76,462	75,331	58,779
Parking Taxes	52,638	46,201	36,695
Deed Transfer Taxes	44,694	64,857	64,187
Other Taxes	68,218	63,415	51,609
<b>Total Taxes</b>	<b>\$521,603</b>	<b>\$530,511</b>	<b>\$477,671</b>
Charges	54,091	48,070	41,524
Grants	39,014	52,495	40,253
Other Revenue	32,148	15,657	8,840
<b>Total Revenue</b>	<b>\$646,856</b>	<b>\$646,733</b>	<b>\$568,288</b>
<b>Other Financing Sources and Uses</b>			
Leases	9,874	1,982	
Transfers In	53,585	52,046	37,748
<b>Total Other Financing Sources and Uses</b>	<b>63,459</b>	<b>54,028</b>	<b>37,748</b>
<b>Grand Total</b>	<b>\$710,315</b>	<b>\$700,761</b>	<b>\$606,036</b>

## 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



During the years ended December 31, 2023, 2022 and 2021, 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 2022-2023, General Fund Expenditures increased by approximately \$38.01 million or by 6.9%.**

Elements of this increase include an 8.6% increase in Government, a 9.0% increase in Public Works, a 263.2% increase in Other Expenditures, and a 21.2% increase in Community, Recreational and Cultural. Transfers to other funds increased 8.0%, made up of increases in transfers to the Capital Projects Fund and additional other transfers.

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

Elements of this increase include a 19% 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 by 7.9%, predominantly made up of increases in transfers to the Capital Projects fund and additional other transfers.

## WHERE YOUR MONEY GOES

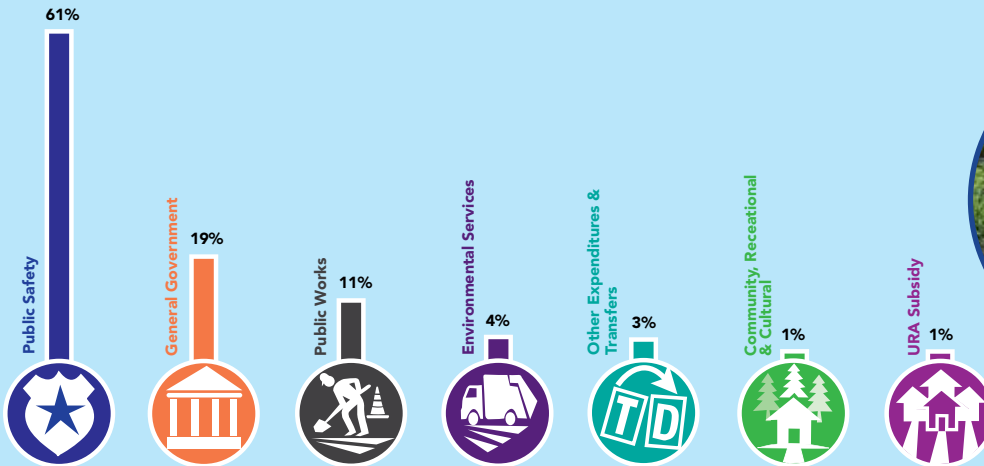
Once the City collects taxes and other revenues, the funds must be spent efficiently to provide a variety of services to the citizens and businesses of the City.

## GENERAL FUND EXPENDITURES AND TRANSFERS

(in thousands)

Expenditures	Aggregate)			Per Capita*		
	2023	2022	2021	2023	2022	2022
Government	\$ 109,435	\$ 100,788	\$ 96,442	\$ 361	\$ 333	\$ 318
Public Safety	360,440	353,650	336,404	1,190	1,167	1,110
Public Works	64,365	59,052	49,642	212	195	164
Environmental Services	21,747	20,817	20,256	72	69	67
Community, Recreational & Cultural	8,729	7,203	6,328	29	24	21
Urban Redevelopment Authority Subsidy	3,246	3,246	3,246	11	11	11
Other Expenditures	20,432	5,625	589	67	19	2
<b>Total Expenditures</b>	<b>\$588,394</b>	<b>\$550,381</b>	<b>\$512,907</b>	<b>\$1,942</b>	<b>\$1,818</b>	<b>\$1,693</b>
<b>Transfers</b>						
Transfers to Capital Projects	15,051	9,000	5,542	50	30	18
Transfers to Debt Service	59,471	59,599	56,285	196	197	186
Other Transfers	9,067	8,805	6,836	30	29	23
<b>Total Transfers</b>	<b>\$ 83,589</b>	<b>\$ 77,404</b>	<b>\$ 68,663</b>	<b>\$ 276</b>	<b>\$ 256</b>	<b>\$ 227</b>
<b>Grand Total</b>	<b>\$ 671,983</b>	<b>\$ 627,785</b>	<b>\$ 581,570</b>	<b>\$2,218</b>	<b>\$2,074</b>	<b>\$1,920</b>

\* Per capita results of estimated City population in 2023



## 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.

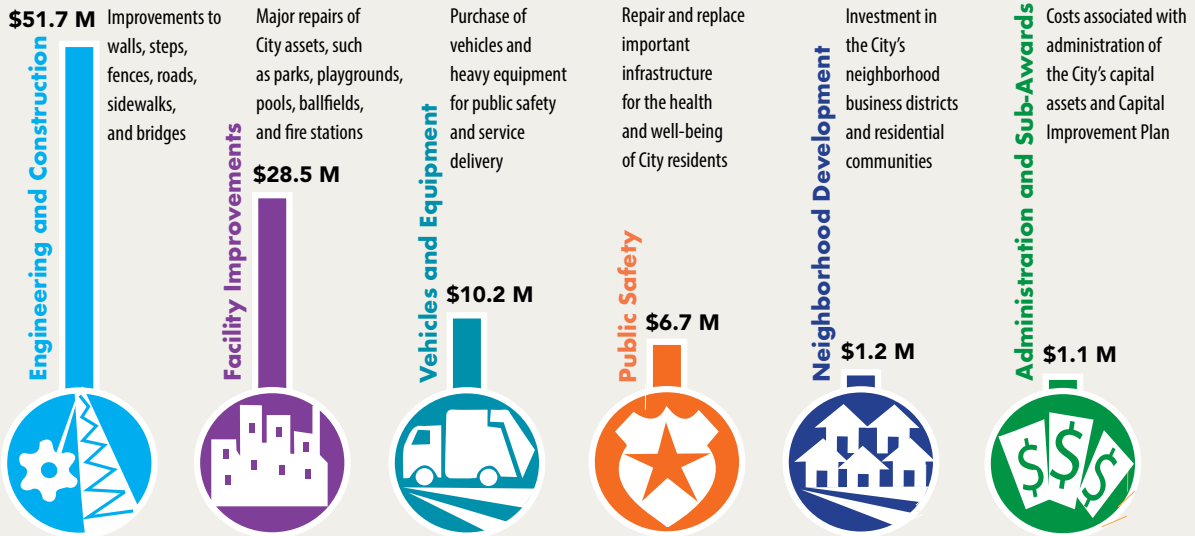
**Transfers** are funds provided by the General Fund to support other funds of the City.



# PITTSBURGH'S CAPITAL SPENDING

**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 2023, the City spent \$99.4 million on Capital Projects.

## CAPITAL SPENDING BY FUNCTION



## CAPITAL SPENDING BY LOCATION

- Citywide: \$91.9 M
- Neighborhoods: \$ 5.2 M
- Central Business District: \$ 2.3 M

## LARGEST CITYWIDE PROJECTS

- |                                                        |          |                                       |         |
|--------------------------------------------------------|----------|---------------------------------------|---------|
| • Street Resurfacing:                                  | \$15.8 M | • Park Reconstruction:                | \$5.7 M |
| • Capital Equipment (Vehicles):                        | \$10.2 M | • Complete Streets:                   | \$5.2 M |
| • Facility Improvements (Recreation & Senior Centers): | \$6.8 M  | • Remediation of Condemned Buildings: | \$4.6 M |
| • Facility Improvements (City Facilities):             | \$6.4 M  | • Park Reconstruction (RAD Parks):    | \$4.4 M |
| • Slope Failure Remediation                            | \$6.1 M  | • Bus Rapid Transit                   | \$4.4 M |

## LARGEST NEIGHBORHOOD PROJECTS

- |                             |         |                      |         |
|-----------------------------|---------|----------------------|---------|
| • South Side Signals:       | \$2.3 M | • Four Mile Run:     | \$0.5 M |
| • Charles Anderson Bridge:  | \$0.6 M | • 28th Street Bridge | \$0.2 M |
| • California Avenue Bridge: | \$0.5 M |                      |         |

## LARGEST CENTRAL BUSINESS DISTRICT PROJECTS

- CBD Signal Upgrades: \$2.3 M

Photos: From top left: A view from Gateway Center uptown to the Central Business District; Slope failure remediation; Charles Anderson Bridge, close-up section and full bridge ghosted in the background; Photos: From top right: Riverview Park's Chapel Shelter restoration; The 8002 PRTX Electric Artic Bus, photo by Pittsburgh Regional Transit; Continuous progress on signal lights.

# 2023 FINANCIAL HIGHLIGHTS



## OUTLOOK FOR CITY FINANCES

### The City's Cash Position

#### Long-Term Debt

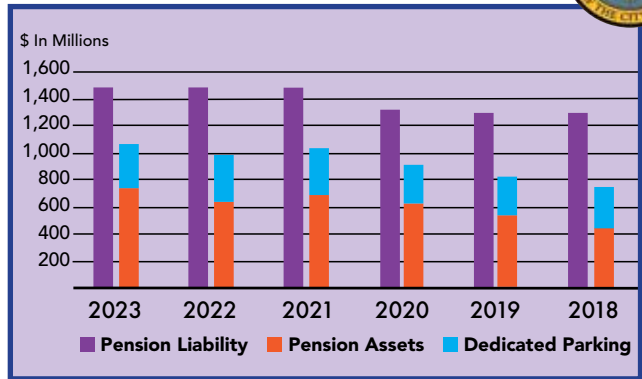
In 2023, the City's debt increased by \$13.8 million to \$508.3 million. The increase is due to the City's borrowing for capital projects.

#### Pension Funding

Securing funding for the City's Comprehensive Municipal Pension Fund continues to be a challenge for City officials. 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 fund 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. From 2011 to 2017 the City contributed \$13.4 million in parking tax revenue every year.

From 2018 to 2023 the City contributed \$26.8 million of the parking tax revenue each year, and will continue to contribute \$26.8 million per year through 2046. While the present value of the dedicated future parking tax revenues for future pension contributions did not meet the criteria for recognition as an asset in the City's

## PENSION FUNDING STATUS



financial statements or those of the Comprehensive Trust Fund, it was treated as an actuarial asset for purposes of funding levels under Commonwealth of Pennsylvania Act 44 of 2009.

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 2023, with revenue from the City's parking tax, the City's pension fund held approximately 71% of the funds needed.

## VOLUNTARY PAYMENTS FROM OUR LARGE NON-PROFIT PARTNERS

### Continued Need for Voluntary Payments from our Large Nonprofit Partners

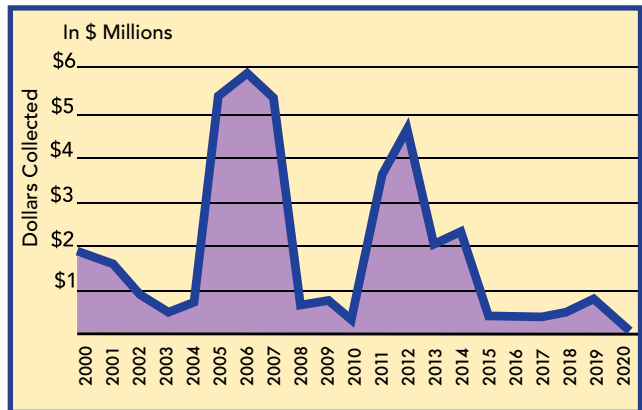
The City and County Controllers' 2022 joint report on Tax-Exempt Properties found that strong agreements for payment in-lieu of taxes or voluntary payments from the region's five largest nonprofits would yield at least \$17 million in city revenues each year.

Under Pennsylvania law, nonprofit organizations are exempt from taxes, including local real estate taxes, which make up a large portion of City of Pittsburgh revenues. The rapid expansion of properties owned by medical and education related nonprofits within the city in recent decades has further narrowed the city's taxable property base.

Local governments and nonprofits can instead voluntarily enter into agreements, in part, to recoup some of the funding for public services those organizations benefit from.

In early 2024, City Controller Heisler warned that the city could face a \$10 million shortfall in real estate taxes alone, as well as the loss of the Sports Facility Usage Fee as a future source of revenue after it was struck down as unconstitutional by a state appellate court. Combined with the expiration of federal pandemic-era funds, the need for voluntary payment agreements with the region's "Big Five" nonprofits could not be more pressing, and having them in place could mean the difference between maintaining vital public services or making difficult cuts in the years ahead.

## VOLUNTARY PAYMENTS COLLECTED





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Although this report is largely based on the City's 2023 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 2023 Annual Report, which is prepared in accordance with GAAP, is located at [www.pittsburghpa.gov/controller](http://www.pittsburghpa.gov/controller).

PAFR Consultants: The Binkley Kanavy Group, LLC, Pittsburgh, PA

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Photos: Front and back cover: Left to right: A hand-painted welcome sign located at the West Penn Recreation Center, a beautiful building built by the 1939 Public Works Administration still serving its residents in the Polish Hill neighborhood of Pittsburgh; Acrisure Stadium and the Northside neighborhoods, photo by John Altdorfer; A perfect view of Pittsburgh and the Duquesne Incline from Mount Washington; PPG Place, a crown jewel of Pittsburgh, located on 5.5 acres in downtown and designed by architects Philip Johnson and John Burgee, photo by John Altdorfer.

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