

THE CITY OF PITTSBURGH



2020

POPULAR ANNUAL  
FINANCIAL REPORT



FOR THE FISCAL YEAR  
ENDED DECEMBER 31, 2020

PREPARED BY:  
MICHAEL E. LAMB, CITY CONTROLLER



# In This Report

## Table of Contents

- 1 In This Report
- 2 A Message from the City Controller
- 3 About Pittsburgh
- 4 Pittsburgh Education, Culture & Business
- 5-6 COVID Financial Effects
- 7 COVID Community Support
- 8 Pittsburgh Government
- 9-10 Pittsburgh's City Controller
- 11 General Fund Revenues
- 12 General Fund Expenditures
- 13 Pittsburgh's Capital Spending
- 14 2020 Financial Highlights

## Elected Officials

### Mayor: WILLIAM PEDUTO

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

## Council Member District Telephone

Council Member	District	Telephone
Bobby Wilson	1	(412) 255-2135
Theresa Kail-Smith, President	2	(412) 255-8963
Bruce Kraus	3	(412) 255-2130
Anthony Coghill	4	(412) 255-2131
Corey O'Connor	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

## City Council Members

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

## Citizens of the City of Pittsburgh

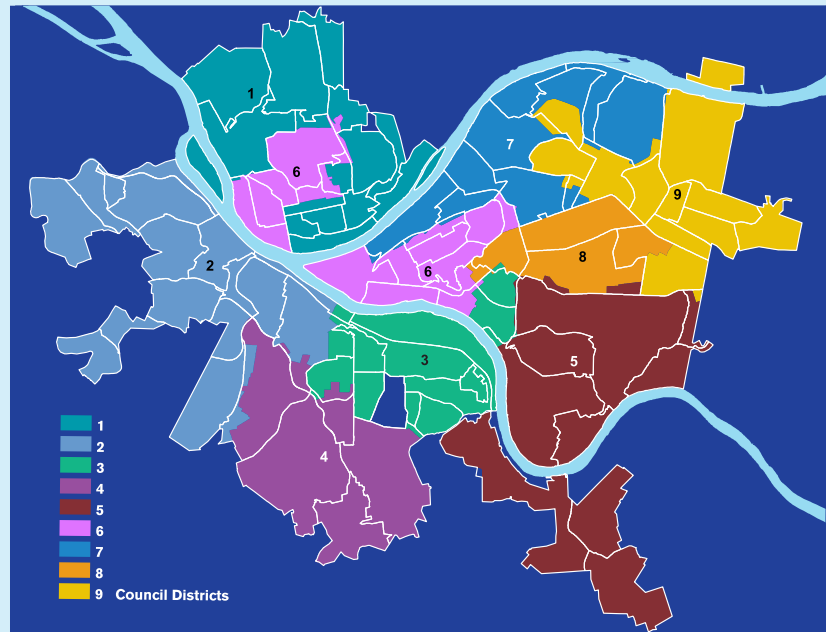
### City Controller

### City Council

- City Clerk

### Mayor

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>◆ Management &amp; Budget</li> <li>◆ Citiparks</li> <li>◆ Public Works</li> <li>◆ City Planning</li> <li>◆ Department of Mobility &amp; Infrastructure</li> <li>◆ Public Safety</li> <li>◆ Human Resources &amp; Civil Service</li> <li>◆ Citizens Police Review Board</li> </ul> | <ul style="list-style-type: none"> <li>◆ Innovation &amp; Performance</li> <li>◆ Finance</li> <li>◆ Human Relations Commission</li> <li>◆ Law</li> <li>◆ Office of Municipal Investigations</li> <li>◆ Equal Opportunity Review Commission</li> <li>◆ Equipment Leasing Authority</li> <li>◆ Permits, Licenses and Inspections</li> </ul> |
|--|---|



Photos: Front cover, top photo: Assisted living homes and nursing homes were among the hardest hit by COVID. Diane Robinson is a Care Partner at AHAVA Memory Care Center of Excellence, photo by Joshua Franzos. Left photo: On April 10th, the Greater Pittsburgh Community Food Bank held its third food distribution event since the pandemic shut down the country and the world; Right photo: The Row House Cinema on Butler Street in Lawrenceville, photo by Joshua Franzos. Back cover: Shopping during COVID at Wholey's Market in the Strip District, photo by John Altdorfer.

# A Message from the City Controller



**T**hank you for taking the time to review the City of Pittsburgh's Popular Annual Financial Report (PAFR) for the year ended December 31, 2020. The purpose of the PAFR is to increase awareness throughout the community of the financial operations of the City. The report summarizes and communicates the City's financial condition. For the eleventh 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 2020 Comprehensive Annual Financial Report, which is available on the Controller's website.

It's no secret that 2020 was a year unlike any other. Measuring the overall impact of the COVID pandemic is difficult, and looking at financials is not enough. This report attempts, however, to offer a snapshot of how the virus impacted the fiscal health of the city and the regional economy.

Pittsburgh ended 2020 with a \$50.4 million general fund deficit. The City's total unassigned fund balance shrank in 2020 from \$133 million to \$85.4 million, a decrease of \$47.6 million. Thankfully, the City entered 2020 in a strong position: running surpluses and managing our debt. The City's unrestricted fund balance (or "rainy day" fund) had more than \$130 million in reserves at the beginning of 2020.

Due to the pandemic and related closures during 2020, the City saw significant and substantial decreases in amusement and parking taxes, in addition to a reduction in charges for user services. These reductions in revenues accounted for a deficit that exceeded \$50 million.

Despite the setback that 2020 presented, the overall outlook for Pittsburgh continuing into the 21st century and beyond remains stable. The smart savings and spending priorities of the past several years allowed the city to "weather the storm" of 2020 and will also support stable future economic growth. The City's rebound will be aided by federal support. In 2020, the City received \$6,388,162.66 in federal aid through Allegheny County, as the City did not qualify for direct support from the Coronavirus Aid, Relief, and Economic Security Act (also known as the CARES Act). With substantially more direct financial support from the federal government expected in 2021, we anticipate being able to fully offset our financial losses.

I welcome any feedback, comments, or concerns regarding the information included in this report.

Michael E. Lamb  
City Controller



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, 2019

Christopher P. Morrill  
Executive Director/CEO

Photos: Clockwise from top left: Oh My Goodness is a neighborhood market that provides the residents of Regent Square and Pittsburgh's East End with local, organic, and sustainably farmed groceries and prepared foods, photo by John Altdorfer; Michael E. Lamb; The spectacular view from the Duquesne Incline; 2019 Award for Outstanding Achievement in Popular Annual Financial Reporting.



## Demographic and Economic Statistics

<b>Estimated City Population</b>	302,205
◆ Male	49%
◆ Female	51%
<b>Median Age</b>	
◆ City Median Resident Age	32.9 years
◆ Pennsylvania Median Age	40.8 years
<b>Race</b>	
◆ White	67%
◆ Black or African American	23%
◆ Asian	6%
◆ Hispanic	3%
◆ Other	1%
<b>Language Spoken at Home</b>	
◆ English Only	89%
◆ Language other than English	11%
<b>Educational Attainment</b>	
◆ No Degree	7%
◆ High School	26%
◆ Some College	23%
◆ Bachelor's Degree	23%
◆ Graduate Degree	21%
<b>Estimated Median Household Income</b>	
◆ Pittsburgh	\$48,711
◆ Pennsylvania	\$61,744
<b>Housing Units</b>	
◆ Owner-Occupied	47%
◆ Renter-Occupied	53%

## City Staffing

◆ Total City Employees	3,200
◆ Number of Police Officers	991
◆ Number of Fire Fighters	626
◆ Number of Paramedics/EMT:	184
◆ Other City Department Personnel	1,399

Source: City of Pittsburgh, Employees as of March 2020

## Employment

◆ Service Occupations	26%
◆ Production, Transportation and Material Moving	25%
◆ Management, Business, Science and Arts	23%
◆ Sales and Office Occupation	20%
◆ Natural Resources, Construction, and Maintenance	6%

[https://www.bis.gov/regions/mid-atlantic/news-release/areaunemployment\\_pittsburgh-pa.htm](https://www.bis.gov/regions/mid-atlantic/news-release/areaunemployment_pittsburgh-pa.htm)

## Unemployment Rates

◆ Nation (Dec 2020)	6.7%
◆ Pennsylvania (Dec 2020)	7.1%
◆ Pittsburgh (Dec 2020)	6.2%*

Source: U.S. Bureau of Labor Statistics

\*Rate is not seasonally adjusted

## Per Capita Income (2015-2019)

\$34,083

## Persons Below Poverty Line

◆ Pittsburgh	20.5%
◆ Pennsylvania	12.4%

Source: U.S. Census 2018 ACS 5-Year Survey

<https://worldpopulationreview.com/us-cities/pittsburgh-pa-population>

## Pittsburgh Public Schools Statistics

### Pittsburgh Public Schools 2019-20

◆ Total Enrollment	22,665
◆ K-12 Official Enrollment	21,291
◆ Early Childhood Enrollment	1,374
◆ 2020 Graduates	1,413
◆ Number of Teachers	2,078
◆ Number of Schools	54
◆ Spending per Student	*\$30,032
◆ PA average spending per student (2018-2019)	**\$16,395

\*Per Pittsburgh Public Schools 2019 CAFR

\*\* Per Pennsylvania School Boards Association

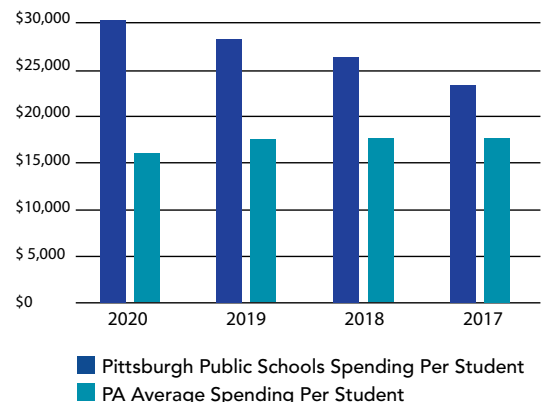
Source: PA Department of Education

### 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

## Spending Per Student



Pittsburgh Public Schools average spending per student continues to steadily increase. A reason for this is the total enrollment has decreased over the last several years while the number of teachers has increased.

Photos: Top to bottom: A Point Park University dancer, Mallory Neil Photography; One of many face mask signs posted in storefronts; Brother's Brothers Foundation donates specialized Pediatric Medical Equipment to Reagan's Journey, photos by BBF.

# Pittsburgh Education, Culture & 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 Museums of Pittsburgh  
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 Zoo & PPG Aquarium  
Senator John Heinz History Center  
Soldiers & Sailors Memorial Hall & Museum  
University of Pittsburgh's Nationality Rooms

## 2020 Fortune 500 Companies Headquartered in Pittsburgh

Alcoa Corporation  
Howmet Aerospace, Inc.  
The PNC Financial Services Group, Inc.  
PPG Industries, Inc.  
United States Steel Corporation  
WESCO International, Inc.  
Westinghouse Air Brake, Wabtec Corp.

Source: 2020 Fortune Magazine, Fortune 500

## Largest Health and Social Service Nonprofits\*

Achieva  
Baptist Homes Society  
Brother's Brother Foundation  
The Children's Institute of Pittsburgh  
Goodwill of Southwestern Pennsylvania  
Jewish Federation of Greater Pittsburgh  
Life Pittsburgh  
Pittsburgh Mercy Health System  
Pressley Ridge  
United Way of Southwestern Pennsylvania  
Vincentian Collaborative System  
Wesley Family Services  
YWCA of Greater Pittsburgh

## 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  
Girl Scouts of Western Pennsylvania  
Phipps Conservatory and Botanical Gardens  
Pittsburgh Ballet Theatre  
Pittsburgh CLO  
The Pittsburgh Cultural Trust  
Pittsburgh Opera, Inc.  
Pittsburgh Symphony Orchestra  
Pittsburgh Zoo & PPG Aquarium  
Senator John Heinz History Center  
Western Pennsylvania Conservancy

\*Source: 2020 Pittsburgh Business Times Book of Lists

Photos: Clockwise from top left: Enjoying a day out in a North Side park; Aurora Cosentino enjoying the Koi pond at Phipps Conservatory; CMU Civil and Environmental Engineering student project, photo provided courtesy of Carnegie Mellon University; The National Aviary is back in business; Heinz Hall announcement of a virtual experience with Manfred Honeck; Pittsburgh Ballet Theatre's Jessica McCann and Yoshiaki Nakano, photo by Kelly Perkovich; Xander H. from Troop 560 earned Boy Scouting's highest ranking of Eagle Scout after leading a team of youth and adult volunteers in building a Food Pantry at the Shaler North Hills Library. Photo by professional scouting staff.



## Overall Picture

Like most major cities across the country, the COVID pandemic and resulting public health restrictions had a significant impact on the City's finances. Compared to 2019, Actual General Fund revenues were \$56.5 million less than budgeted revenues. Pittsburgh ended 2020 with a \$50.4 million general fund deficit. The shortfall was mostly driven by decreases in the parking tax, amusement tax, payroll preparation tax, rentals and charges, and fines and forfeitures.

## Parking Tax

The City collects a 37.5% tax on parking transactions, with some of the revenue funding the pensions of city employees. The impact of the pandemic meant fewer people working in offices, traveling, or shopping in neighborhoods where the city primarily collects the tax.

The Pittsburgh Downtown Partnership estimated that before March 2020, downtown served more than 117,000 people on a daily basis, and the pandemic dropped that number by 90%. Parking garage occupancy plummeted in early 2020, falling from 94% in February to 16% in April.

As a result, the city saw a \$29.3 million decrease in parking tax revenues.

## Amusement Tax

As the virus made its way to Pittsburgh in March 2020, events were one of the first things impacted. Shows, games, and conventions were abruptly postponed or canceled, creating a very real social disruption to the city's landscape. VisitPITTSBURGH tallied the cancellation or postponement of 485 business and sport events.

The lack of these events also impacted the city's finances in a tangible way. A part of city revenue is derived from an amusement tax, a fee incurred anytime someone attends any amusement in the City of Pittsburgh. This includes any form of entertainment such as concerts, movies, night clubs, conventions, or sporting events. Overall, the missing events cost the city nearly \$13.6 million and represented more than 25% of the 2020 deficit.

Photos: Left column, top to bottom: Parking signage directions in downtown Pittsburgh; Pittsburgh Opera's production of *Così fan Tutte* with Maire Therese Carmack and Madeline Ehlinger, photo by David Bachman Photography; Cultural Distict banner; A handmade, mask-required sign at Construction Junction. Right column, top to bottom: Agnes R. Katz Plaza sculpture, photo, Renee Rosensteel; Keeping the David L. Lawrence Convention Center sanitized, photo, DLLCC; A lonely Heinz Field, photo, Pittsburgh Steelers, Karl Roser.

- ◆ The Pittsburgh Cultural Trust closed its 30 venues and canceled more than 4,000 events. More than one million patrons were unable to engage and participate in our vibrant cultural and arts scene.



- ◆ In 2020, the David L. Lawrence Convention Center had a little over 215,000 attend a scheduled event compared to 2019 attendance of 576,315. A total of 93 events were cancelled in 2020 due to the pandemic.



- ◆ At Heinz Field, due to the virus, public health officials limited access to seating and only allowed 18,102 fans to see Steelers games in person in the 2020-2021 season, compared with 593,960 the season prior. Similarly, PPG Paints Arena saw a significant dwindling of attendance, and sadly, the Pirates were unable to host any fans at PNC Park.





## Payroll Preparation Tax

A 0.55% Payroll Tax is levied on all businesses that perform work or services within city limits. The shutdown of non-essential businesses, as well as permanent layoffs and business closures resulted in a \$7.3 million decrease in payroll preparation tax collections as compared to 2019.

## Fines and Forfeitures

Fines and forfeitures cover a broad range of penalties assessed by the city. \$4.1 million less was collected in 2020 as compared to 2019.

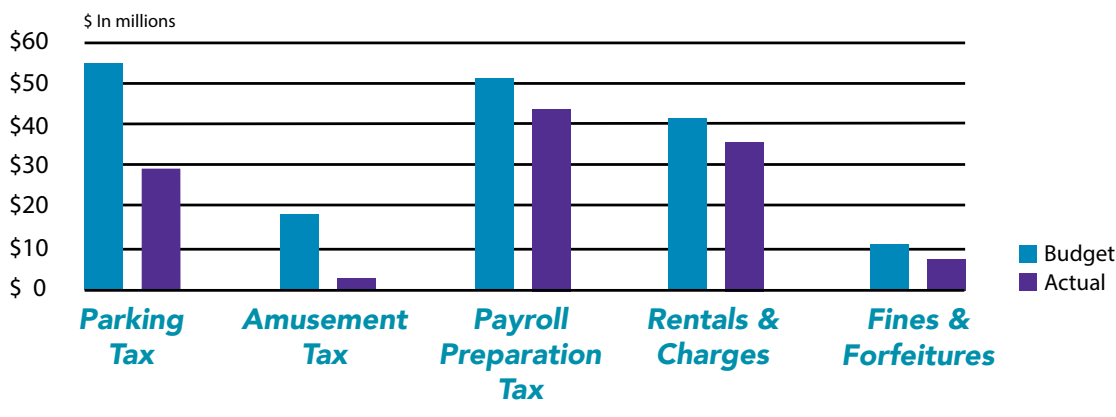
The largest sources of revenue in this category are parking authority tickets and traffic court. See further information under Parking Tax on page 5.

## Rentals and Charges

Landlords who rent property within the city must pay an annual permit registration fee, which ranges from \$45-\$65 based on the number of units on the property. Collections on this fee saw a \$6.6 million decrease in 2020 compared to the prior year.

Many City departments provide various services for which rent or fees are charged. Examples of these fees include payments for safety inspections, copying City documents, rents from City properties, and the use or sale of rights of way. In addition, the City is compensated for services provided to other municipalities and governmental entities.

## 2020 Operating Budget Vs. Actual



## Revenue Sources

Photos: Clockwise from top left: A sweeping view of downtown from the exit off of the Fort Pitt Bridge; Western Pennsylvania Conservancy's Pittsburgh Redbud Project. WPC owns more than 12,000 acres of land, free and open to the public for outdoor recreation, Photo courtesy of WPC; Biking in a Pittsburgh neighborhood; A downtown lunchtime stroll back to work.



# COVID – Community Support

*The COVID pandemic forced families, businesses, nonprofits, and local governments to adapt to unprecedented challenges. Despite hard times, many local community groups offered a helping hand to those most in need.*

## **The Pittsburgh Foundation**

The organization turned 75 years old in 2020 and awarded \$67 million in grants, the largest amount in its history. Of that, \$14.5 million was collected through special COVID initiative and racial justice funds and granted almost immediately back into the community.



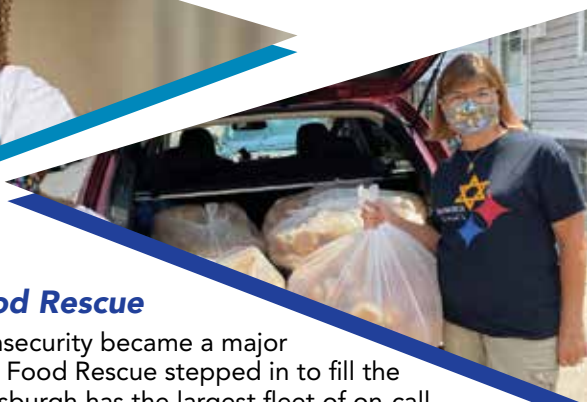
## **CitiParks**

After senior centers were closed, Pittsburgh’s Parks and Recreation Department repurposed many of those facilities to begin distributing free meals to children and seniors. In partnership with local restaurants and food vendors, the department distributed over a half million free meals to residents in need.



## **412 Food Rescue**

As food insecurity became a major issue, 412 Food Rescue stepped in to fill the need. Pittsburgh has the largest fleet of on-call volunteer drivers who use an app to “rescue” surplus and donated food from retailers and restaurants. After the pandemic hit, rescues surged, allowing them to deliver boxes of free food directly to families in need.



## **POISE Foundation**

The POISE Foundation launched the Critical Community Needs Fund to help support Black-led organizations by distributing grants between \$5,000 and \$25,000.

## **Greater Pittsburgh Community Food Bank**

After the spike in regional, virus-induced unemployment, the organization distributed enough food for more than 45 million meals with the help of 6,000 volunteers. The GPCFB serves/has a network of more than 600 agencies, partners, and programs in an 11-county region.



## **The Heinz Endowments**

In April of 2020, The Heinz Endowments established a COVID Emergency Fund to deliver aid to nonprofits in need. In the first four months, it delivered \$11.4 million in grants to at least 80 local organizations to address the severe impact of the pandemic on areas such as health, nutrition, education, child care, employment, housing and equity. Over the past year, the foundation has awarded a total of nearly \$20 million in COVID relief to assist individuals and communities in the Pittsburgh region.



Photos: Left column, top to bottom: Mattie Johnson donned protective clothing to tend to residents at the Safe Haven Hotel, photo, Joshua Franzos; A 412 Food Rescue volunteer driver picking up surplus food, photo, 412 Food Rescue; One of the many food distributions by the Greater Pittsburgh Community Food Bank. The GPCFB distributed 1,400 meals one morning to cars lined up at PPG Paints Arena, photo, GPCFB. Right column: CitiParks workers distribute meals for children at the Paulson Rec Center in Lincoln-Larimer, photo, Citiparks; The Homewood Brushton Business Association prepares information to be distributed locally about sustainability during the pandemic, photo, HBBA; A deserted Strip District during the pandemic, photo, Joshua Franzos.



## 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.

### 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.

### 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 9-10 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.

Photos: Clockwise from top left: A Pittsburgh crossing guard on the North Side; Port Authority Transit enforcing the mask mandate policy; Emergency Medical Services Training Division in the Strip District.



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



### 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. **This site offers three separate applications that**

**provide a guided view into the City's financial data:**

- > [Budget Explorer](#)
- > [CheckbookPGH](#)
- > [Payroll Explorer](#)

The charts, graphs, and tables are all highly interactive. Users can analyze and download reports based on data from the City's budget, and monthly spending, as well as City employee compensation and demographics.

**We invite you to explore this transparent look at where your money goes.** For more information 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. These unclaimed funds belong to people and businesses that have failed to get money owed to them, through such

means as earned income and real estate tax refunds, or City vendor payments.

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](#)



### 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. In addition to its fraud and waste reporting capabilities, the app also allows citizens to access OpenBook Pittsburgh, Fiscal Focus Pittsburgh, audits and reports completed by the Controller's office, and the City's unclaimed property website.

PGH Watchdog is available for free on the Apple App store and Google Play or [Twitter @PGHWatchdog](#)



### OpenBook 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) or [Twitter @OpenBookPGH](#)

## 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 2020

### Fiscal Audits:

- ◆ Parks and Recreation Imprest Fund
- ◆ Special Events Trust Fund
- ◆ Annual Follow-Up Report for Fiscal Audits

### Performance Audits:

- ◆ Public Works Snow and Ice Removal and Street Pothole Maintenance Program
- ◆ Bureau of Police Secondary Employment
- ◆ Pittsburgh Parks Conservancy
- ◆ Department of Innovation and Performance
- ◆ Pittsburgh Public Schools Device Inventory (Special Report)

Photo, top: Enjoying a day out in the Strip District; Top right, and center: Pittsburgh views upon emerging from the Fort Pitt Tunnel; The Gateway Center Subway Station.





# General Fund Revenues

When assessing the financial results of the City, 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.

The City collects taxes from different entities for a variety of reasons. The major categories of tax collections of the City are shown to the right:

## General Fund Revenue Fluctuations

**Total General Fund revenues decreased approximately \$50.8 million or by 9.5%, from 2019 to 2020.**

The net decrease of about \$50.8 million is attributable mainly to decreases of \$29.3 million in parking taxes, \$7.8 million in other taxes, \$19.3 million in other revenues, and \$10.6 million in charges. The decreases were partially offset by increases of \$7.8 million in grants, and \$7.1 million in deed transfers.

**Total General Fund revenues increased approximately \$13 million or by 2.21%, from 2018 to 2019.**

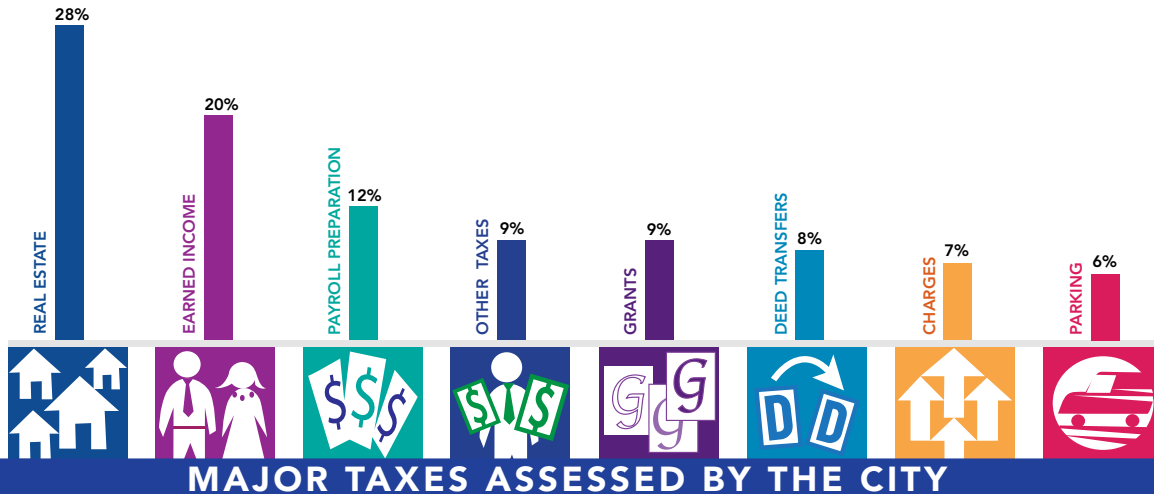
The net increase of \$13 million is attributable mainly to increases of \$9.8 million in earned income taxes, \$6.3 million in charges, and \$6.3 million in other revenue. The increases were partially offset by decreases of \$6.6 million in other taxes, and \$3.7 million in payroll preparation taxes.

## General Fund Revenue by Type (in thousands)

	2020	2019	2018
Real Estate Taxes	\$151,813	\$147,340	\$147,239
Earned Income Taxes	108,300	109,713	99,874
Payroll Preparation Taxes	64,095	65,788	69,459
Parking Taxes	31,258	60,552	60,353
Deed Transfer Taxes	43,985	36,862	37,029
Other Taxes	49,459	57,298	63,945
<b>Total Taxes</b>	<b>\$448,910</b>	<b>\$477,553</b>	<b>\$477,899</b>
Charges	37,155	47,759	41,424
Grants	49,457	41,684	40,959
Other Revenue	780	20,078	13,825
<b>Total</b>	<b>\$536,302</b>	<b>\$587,074</b>	<b>\$574,107</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:

### 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

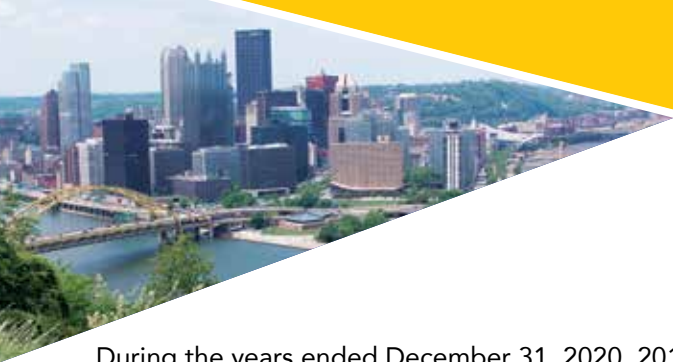
A tax equal to 37.5% of the consideration paid for each parking transaction is levied on the patrons of non-residential parking places in the City.

### Deed Transfer Taxes

A tax of 2.5% of the consideration paid for real property transfers is levied upon the transfer of an interest of real property situated in the City. No tax increases from 2019 to 2020.

### 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, 2020, 2019 and 2018, 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.

## General Fund expenditures increased by 5.2% from 2019 to 2020.

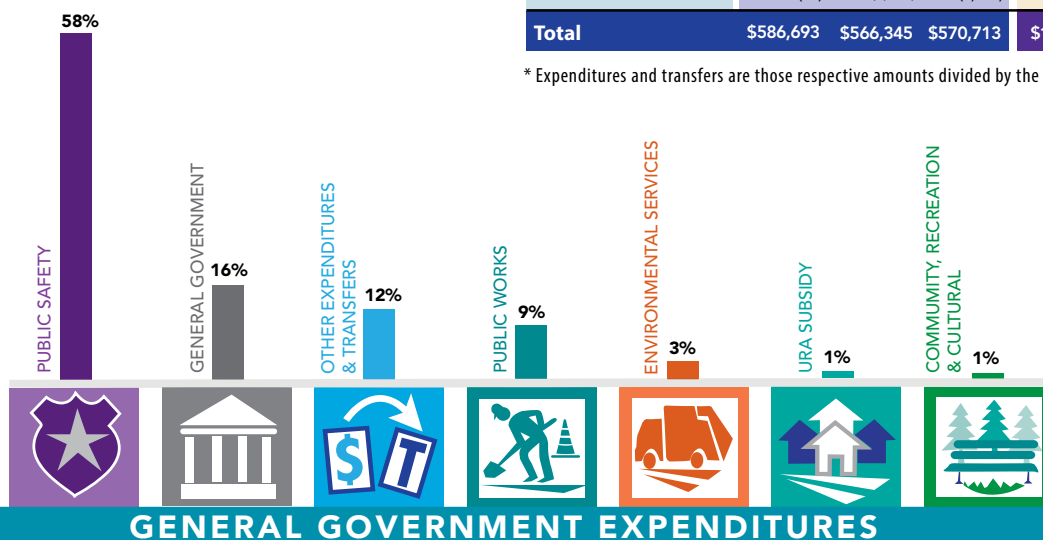
Elements of this increase include an 8.4% increase in General Government, and a 6.0% increase in Public Safety. These increases were partially offset by decreases in urban redevelopment and community, recreational, and cultural expenditures.

## General Fund expenditures increased by 6.1% from 2018 to 2019.

Elements of this increase include a 9.4% increase in General Government, a 5.8% increase in Public Safety, and an 11.6% increase in Public Works.

### 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

Expenditures	Aggregate (in thousands)			Per Capita*		
	2020	2019	2018	2020	2019	2018
Government	\$97,614	\$90,034	\$82,277	\$323	\$299	\$269
Public Safety	345,715	326,097	308,180	1,144	1,083	1,008
Public Works	53,296	52,839	47,337	176	176	155
Environmental Services	20,731	19,744	19,364	69	66	63
Community, Recreational and Cultural	5,830	6,854	6,529	19	23	21
Urban Redevelopment Authority Subsidy	2,136	4,590	6,429	7	15	21
Other Expenditures	2,826	2,096	3,117	9	7	10
<b>Total Expenditures</b>	<b>\$528,148</b>	<b>\$502,254</b>	<b>\$473,233</b>	<b>\$1,548</b>	<b>\$1,669</b>	<b>\$1,547</b>
<b>Transfers</b>						
Transfers to Capital Projects	14,625	15,000	26,366	48	50	86
Transfers to Debt Service	43,845	50,462	73,555	145	168	242
Other Transfers	(75)	(1,371)	(2,441)	(7)	(5)	(8)
<b>Total</b>	<b>\$586,693</b>	<b>\$566,345</b>	<b>\$570,713</b>	<b>\$1,867</b>	<b>\$1,882</b>	<b>\$1,866</b>

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

**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.

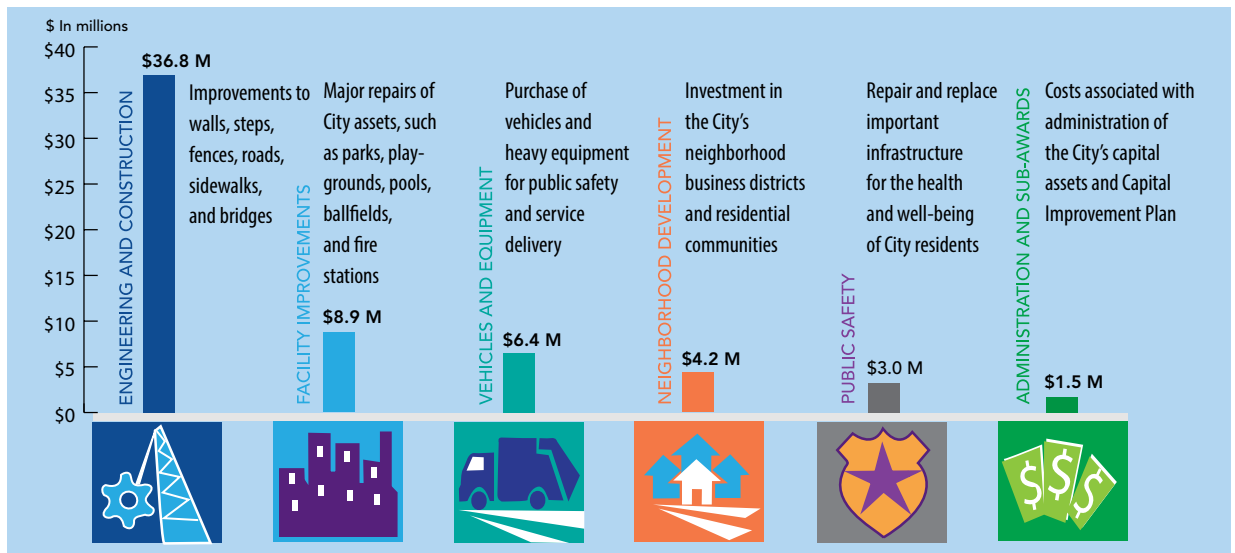
**Transfers** are funds provided by the General Fund to support other funds of the City.



# 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 2020, the City spent \$60.9 million on Capital Projects.

## BY FUNCTION



## BY AREA

- ◆ Citywide: **\$36.3 million** (59.6%)
- ◆ Neighborhood: **\$19.5 million** (32.0%)
- ◆ Central Business District: **\$5.1 million** (8.4%)

### Largest Central Business District Projects:

- ◆ 412 Boulevard of the Allies: **\$2.5 million**
- ◆ Traffic Signal Upgrades: **\$2.5 million**



## LARGEST CITYWIDE PROJECTS

- ◆ Street Resurfacing: **\$14.1 million**
- ◆ Capital Equipment (Vehicles): **\$6.2 million**
- ◆ Facility Improvements: **\$4.6 million**
- ◆ Park Reconstruction: **\$3.6 million**
- ◆ Complete Streets: **\$3.1 million**

### Largest Neighborhood Projects:

- ◆ McFarren Street Bridge: **\$2.1 million**
- ◆ West Ohio Street Bridge: **\$2.0 million**
- ◆ Wenzell Avenue Bridge: **\$1.2 million**
- ◆ List Street Slope Remediation: **\$1.1 million**
- ◆ Smallman Street Reconstruction: **\$0.9 million**



Photos: Left column, top to bottom: One of our many bridges in downtown Pittsburgh; Shopping safely at the East End Food Co-op; A friendly discussion at a historic home on Cedar Avenue near Allegheny General Hospital; Bottom, left to right: View of downtown skyscrapers and the David L. Lawrence Convention Center; The new McFarren Street Bridge.



## Outlook for City Finances

### The City's Cash Position

During 2020, the City continued efforts that had begun in the latter half of 2003 to control costs, improve collections, and maintain solvency. As a result, the City ended 2020 with a total fund balance of \$260 million, a decrease of \$39.7 million from 2019. \$85.4 million of the \$260 million is the "unassigned fund balance" which is available for the City to spend.

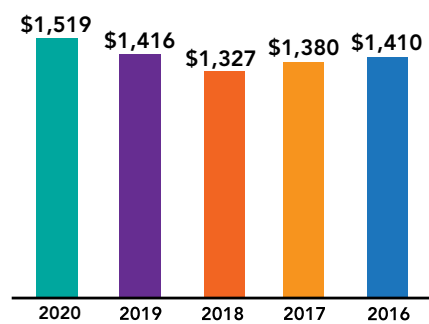
At the onset of 2020, the City expected cash flows to be sufficient enough to maintain a positive cash position. However, the COVID pandemic and the resulting restrictions put in place to stop the spread of the virus has of course had a negative effect on City revenues. City officials recognize that the impact of the COVID pandemic will be significant, but are optimistic that steps can be taken to manage City finances going forward.

### Long-Term Debt

In 2020, the City's debt increased by \$31.1 million to \$458.6 million. The increase is due to the City's borrowing for capital projects.

The City's total bond issuances outstanding as of December 31, 2020 equals approximately \$459 million. Over the past five years, the City has paid off approximately \$418 million of outstanding debt, including refundings.

### Bonded Debt Per Capita\*



\*Amounts represent the City's total bonded debt divided by the estimated City population.



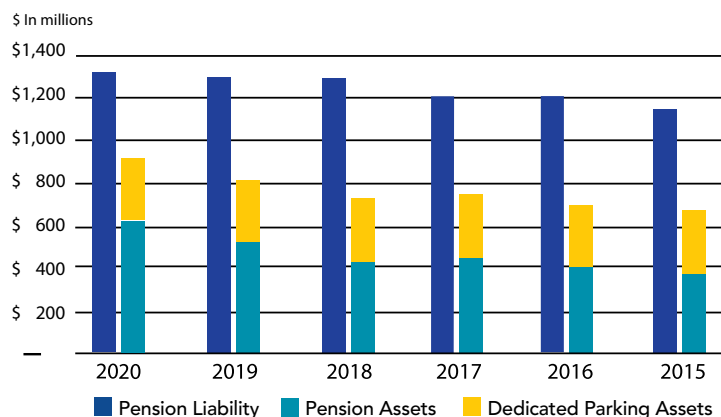
## Pension Funding

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 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 2041. From 2011 to 2017 the City contributed \$13.4 million in parking tax revenue every year.

From 2018 to 2020, the City contributed \$26.8 million of the parking tax revenue each year, and will continue to contribute \$26.8 million per year through 2041. 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 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 2020, with revenue from the City's parking tax, the City's pension fund held approximately 69% of the funds needed.

### Pension Funding Status





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PERMIT NO 5450

Although this report is largely based on the City's 2020 Comprehensive Annual 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 2020 Annual Report, which is prepared in accordance with GAAP, is located at [www.pittsburghpa.gov/controller/controller.html](http://www.pittsburghpa.gov/controller/controller.html).

**PAFR Consultants:**

The Binkley Kanavy Group, LLC, Pittsburgh, PA



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