



2019 POPULAR ANNUAL  
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019  
PREPARED BY: MICHAEL E. LAMB, CITY CONTROLLER





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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 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

## 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

### City Council Members

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

## CITIZENS OF THE CITY OF PITTSBURGH

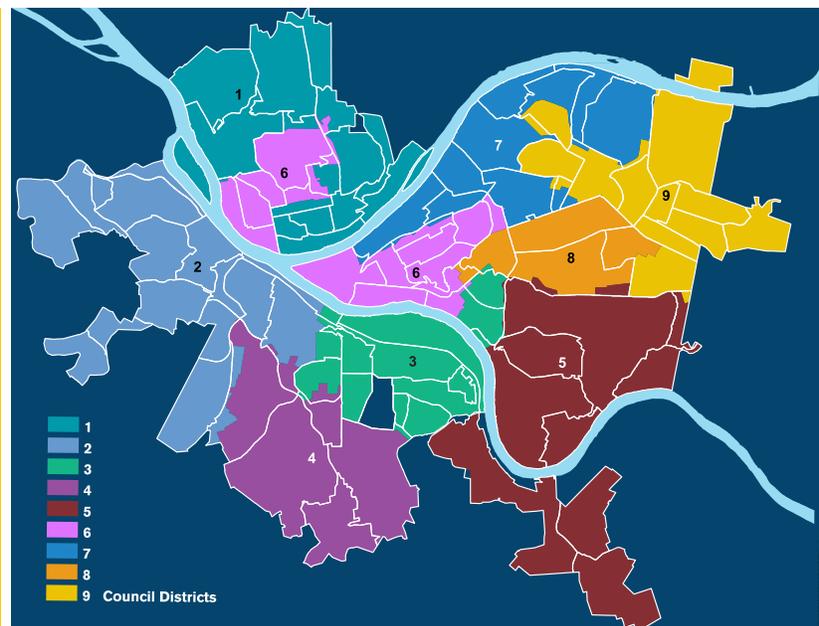
### CITY CONTROLLER

### 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, left side, top to bottom: A beautiful Flamingo in the National Aviary, photo by VisitPittsburgh; Phipps Conservatory and Botanical Gardens, photo by VisitPittsburgh; A great place to walk dogs at the West End-Elliott Overlook Park; Center photo: Where the Three Rivers meet, an aerial view of Pittsburgh, by John Altdorfer; Right side, top to bottom: House on the hill, perched near California Avenue's post office overlooking Pittsburgh from the North Side; It's a short walk over the Clemente Bridge from PNC Park to downtown Pittsburgh, photo by John Altdorfer; A beautiful Troy Hill neighborhood wall mural makes one smile, photo by John Altdorfer.

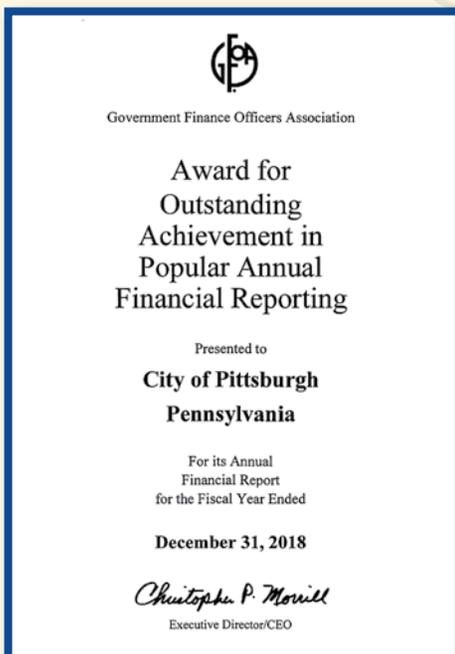
# A Message from the City Controller

I am pleased to present to you the City of Pittsburgh's (the City's) Popular Annual Financial Report (PAFR) for the year ended December 31, 2019.

This report is intended to increase awareness throughout the community of the financial operations of the City. As such, this report is written in a user-friendly manner that will summarize and communicate the City's financial condition. For the tenth consecutive year, this report has received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association ("the GFOA") for the Popular Annual Financial Report.

After successfully exiting financially distressed status in early 2018, the City of Pittsburgh continued on a path to maintain financial solvency in 2019. The City saw increased revenues and continued efforts to control costs. These efforts led to a \$20.7 million General Fund surplus and a fund balance of \$133 million. At the onset of 2020, the City was on track for another positive year for City finances, however, as the nation and most of the world was hit with the COVID-19 pandemic, governments including the City of Pittsburgh saw decreased revenues. While the City recognizes that the budgetary impact of the COVID-19 pandemic will be significant we remain optimistic that steps can be taken to manage city finances going forward.

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. Pittsburgh's economy is supported by a vast network of for-profit and not-for-profit businesses. It is important for us to demonstrate the role City government is playing in supporting these activities.

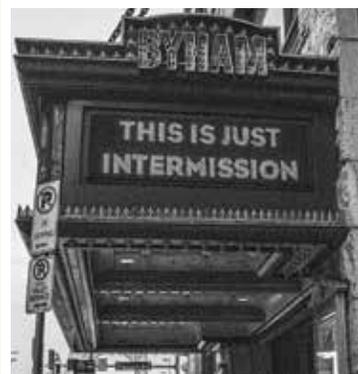


Financial information within this report is derived in large part from the City's 2019 independently audited set of financial statements that are prepared in accordance with generally accepted accounting principles. These audited statements are part of the City's 2019 Comprehensive Annual Financial Report ("CAFR").

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

A handwritten signature in black ink that reads "Michael E. Lamb".

**Michael E. Lamb**  
City Controller



Photos: Top to bottom: Michael E. Lamb; The City County Building; The Byham Theater, keeping Pittsburghers safe with its intermission during the COVID-19 crisis.



# About Pittsburgh



## Demographic and Economic Statistics

<b>Estimated City Population</b>	301,048
• Male	48.9%
• Female	51.1%
<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	8%
• High School	26%
• Some College	23%
• Bachelor's Degree	23%
• Graduate Degree	20%
<b>Estimated Median Household Income</b>	
• Pittsburgh	\$45,831
• Pennsylvania	\$59,445

## Housing Units

• Owner-Occupied	48%
• Renter-Occupied	52%

## City Staffing

• Total City Employees	3,373
• Number of Police Officers	1,065
• Number of Fire Fighters	670
• Number of Paramedics	206
• Other City Department Personnel	1,432

Source: City of Pittsburgh, Employees as of March 2020

## Employment

• Service Occupations	26%
• Production, Transportation and Material Moving	25%
• Management, Business, Science and Arts	22%
• Sales and Office Occupation	21%
• Natural Resources, Construction, and Maintenance	6.0%

## Unemployment Rates

• Nation (March 2020)	4.5%
• Pennsylvania (March 2020)	6.0%
• Pittsburgh (March 2020)	6.2%*

Source: U.S. Bureau of Labor Statistics

\*Rate is not seasonally adjusted

**Per Capita Income (2014-2018)** \$31,972

## Persons Below Poverty Line

• Pittsburgh	21.4%
• Pennsylvania	12.2%

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

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

## Pittsburgh Public Schools Statistics

### Pittsburgh Public Schools 2019-20

• Total Enrollment	22,859
• K-12 Official Enrollment	21,275
• Early Childhood Enrollment	1,584
• 2019 Graduates	1,478
• Number of Teachers	2,070
• Number of Schools	54

Source: PA Department of Education

### Pittsburgh Public Schools Demographics

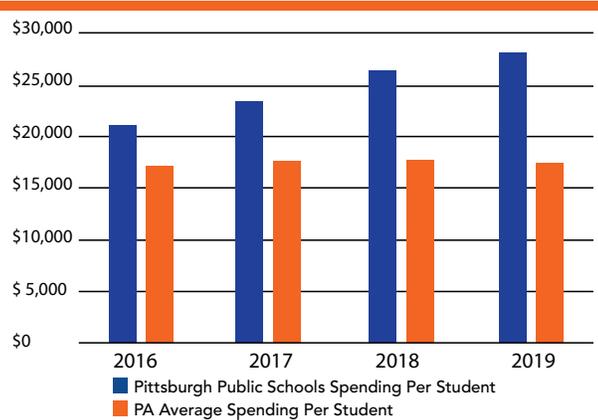
• African-American Students	53%
• White Students	33%
• Students of Other Races	14%
• Countries Represented in PPS	57
• Native Languages Spoken by Students	95

Source: Pittsburgh Public Schools



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: Pittsburgh Public Schools



Photos: Top to bottom: Pittsburghers and visitors enjoying a stroll in the Strip District; A view from the Mattress Factory in the Mexican War Streets on the North Side, photo by John Altdorfer; A view of Pittsburgh from Station Square, where a vintage steel-making vessel sits, photo by John Altdorfer.

# 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  
 Frick Art and Historical Center  
 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

## 2019 Fortune 500 Companies Headquartered in Pittsburgh

Alcoa Corporation  
 Kraft Heinz  
 The PNC Financial Services Group, Inc.  
 PPG Industries, Inc.  
 United States Steel Corporation  
 WESCO International, Inc.

Source: 2019 Fortune Magazine, Fortune 500

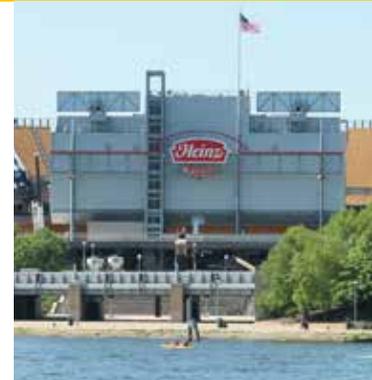
## Largest Health and Social Service Nonprofits\*

Achieva  
 Baptist Homes Society  
 Brother’s Brother Foundation  
 Goodwill of Southwestern Pennsylvania  
 The Jewish Association on Aging and Jewish Home and Hospital for the Aged  
 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: 2019 Pittsburgh Business Times Book of Lists



Photos: Left to right and side: Fort Pitt Museum located in Point State Park, photo by VisitPittsburgh; UPMC Children’s Hospital in Lawrenceville; Vincentian Collaborative System’s Terrace Place is a pet-friendly community; A snowy day at the Frick Art and Historical Center, photo by VisitPittsburgh; Alcoa’s corporate headquarters; Senator John Heinz History Center, a must-to-see in the Strip District; Heinz Field viewed from Point State Park.



# Pittsburgh Happenings

## UPMC and Highmark Sign Deal for Patient Access

Thanks to negotiations led by the Governor and state Attorney General, UPMC and Highmark reached an agreement that narrowly avoided a major disruption in local residents' access to UPMC care when their previous consent decree was set to expire. The 10-year contract ensures that patients with Highmark insurance can continue to use UPMC facilities and physicians as part of their in-network benefits.



## A Beautiful Day in the Neighborhood Premieres

Few Pittsburgh-born figures have captured the imagination of children across the nation like Fred Rogers, whose life and spirit was celebrated in Marielle Heller's *A Beautiful Day in the Neighborhood*. Starring Tom Hanks as Rogers, it premiered at the Toronto International Film Festival in September, but its theatrical release occurred in November to widespread acclaim from both critics and audiences who still fondly remember the TV host and educator. The movie was largely filmed in the Pittsburgh area using the state's film tax credit and recreated from scratch the iconic set from *Mister Rogers' Neighborhood* at WOQD-TV with help from his widow, Joanne, the Fred Rogers Center, and Fred Rogers Productions.

## Affordable Homes in Larimer & East Liberty

The City's East End has been one of the fastest developing neighborhoods in the region, and community groups have been working with public officials to make sure affordable housing is not left out of the conversation. Thanks to collaboration between the Urban Redevelopment Authority of Pittsburgh (URA), Pittsburgh Urban Initiatives (the City's NMTC CDE), US Bank, Dollar Bank, and East Liberty Development, Inc. (ELDI), 26 affordable housing units will be coming to Larimer and East Liberty.

The partnership leverages \$7 million from New Markets Tax Credits to build six new homes and rehabilitate 20 more – 18 of which will be sold to families with incomes at or below 80% of area median income.



## Ground Broken on I-579 Cap Connector Project

The first stage of the Lower Hill District redevelopment plan broke ground with the start of construction on the I-579 "Cap" Urban Connector Project this past September. When finished, the green space will provide the first major pedestrian walkway from the Lower Hill into Downtown since the 1950s and feature works from local artists commemorating historical Hill District residents. PennDOT crews will be working on the project on overnight shifts to avoid major traffic disruptions until its estimated completion date in 2022.



Photos: Top, left to right: UPMC Life Changing Medicine; Mr. Rogers with trolley, photo by The Fred Rogers Company; A wonderful place to call home in the City's East End, photo by URA; Bottom, left to right: A bird's-eye-view of the new green space and pedestrian walkway currently being built from the Lower Hill into Downtown Pittsburgh, illustrations by PennDOT.



## the pittsburgh promise.

In cooperation with the Pittsburgh Public School District, the City of Pittsburgh is involved with The Pittsburgh Promise program. For 2019 classes and beyond, this program provides scholarships of up to \$5,000 per year to qualified students for any postsecondary education within Pennsylvania. As of the end of 2019, more than 9,500 graduates of the Pittsburgh Public Schools have taken advantage of The Pittsburgh Promise scholarships.

For more information on The Pittsburgh Promise, please visit: [pittsburghpromise.org](http://pittsburghpromise.org)

Photo credits: Top photo: Josh Franzos; Bottom photo: Shannon Chavez

# 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 7 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.

## 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 CAFR.

## 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.



Photos: Left to right: Healthy Ride bike rentals, helping visitors and residents to navigate and enjoy our fair City; Pittsburgh Public Works in action; Department of Mobility and Infrastructure maintains access to public walkways and bridges; Pittsburgh Parking Authority providing convenient parking near the Strip District; Arlington houses Pittsburgh Bureau of Fire, Engine 22, and is in District 3.



# 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 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



## 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



## 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 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



# Fostering Diversity Through Community Support

## Brashear Association

At Brashear, community development is defined by the implementation of comprehensive strategies that produce long-lasting neighborhood change while delivering programs and services that meet the needs of vulnerable populations. The Brashear Association promotes community engagement and civic involvement, and are committed to inter-agency collaboration to coordinate service delivery to benefit consumers and the community.



## East End Cooperative Ministry

Founded in 1970 and celebrating its Golden Anniversary, East End Cooperative Ministry (EECM) is an organization supported by a number of religious congregations throughout Pittsburgh's East End. EECM provides food for families, hot meals and a safe place to sleep for those in need. EECM also offers educational, drug and alcohol prevention and violence prevention programs. During the summer months, EECM has a summer day camp for children.



## Grow Pittsburgh

Growing food is a key factor in building and supporting healthy and equitable communities in Pittsburgh. Grow Pittsburgh is a nonprofit that serves as a resource and guide for backyard, school and community gardeners, as well as urban farmers across the Greater Pittsburgh region. Our mission is to teach people how to grow food and to promote the benefits that gardens bring to our neighborhoods.



## Literacy Pittsburgh

Through free classes and one-to-one tutoring, Literacy Pittsburgh helps adults become ready and relevant for the workforce. Students improve reading and math skills, get their high school credential, learn English, and develop skills to succeed in college and job training. Most important of all, their families gain stability, security and a brighter future.



## Pittsburgh Action Against Rape

PAAR's mission is to respond, educate and advocate to end sexual violence in Allegheny County. Since 1972, PAAR has been providing free, confidential counseling to survivors of sexual violence and training in responding to trauma from sexual violence to organizations throughout Allegheny County.



## Sarah Heinz House

Sarah Heinz House offers more than 100 quality after-school and summer programs for kids, grades 1 through 12. A membership fee of just \$25 a year gives a child access to a variety of educational, health and fitness programs. Additional programs like robotics, dance, and media production are available for a low fee. Sarah Heinz House also offers programs for preschool-aged children.



Photos: Left column, top to bottom: Brashear Association working together to continue the community engagement program for the adult population through workforce readiness; EECM President and CEO Carole Bailey looks on as Mayor Peduto kicks off the Thanksgiving season at the East Liberty non-profit; Students at Pittsburgh Morrow Pre K-8 planting herbs during their school's Learning Garden kickoff day; Right column, top to bottom: With Literacy Pittsburgh's help, Mala Acharya, a refugee from Bhutan, learned English and became a U.S. citizen; PAAR's children's waiting and play room where children and their families wait for their therapy appointments; Sarah Heinz House girls resident camp in Elwood City.



# 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:

## Revenue Fluctuations

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

The net increase of about \$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.

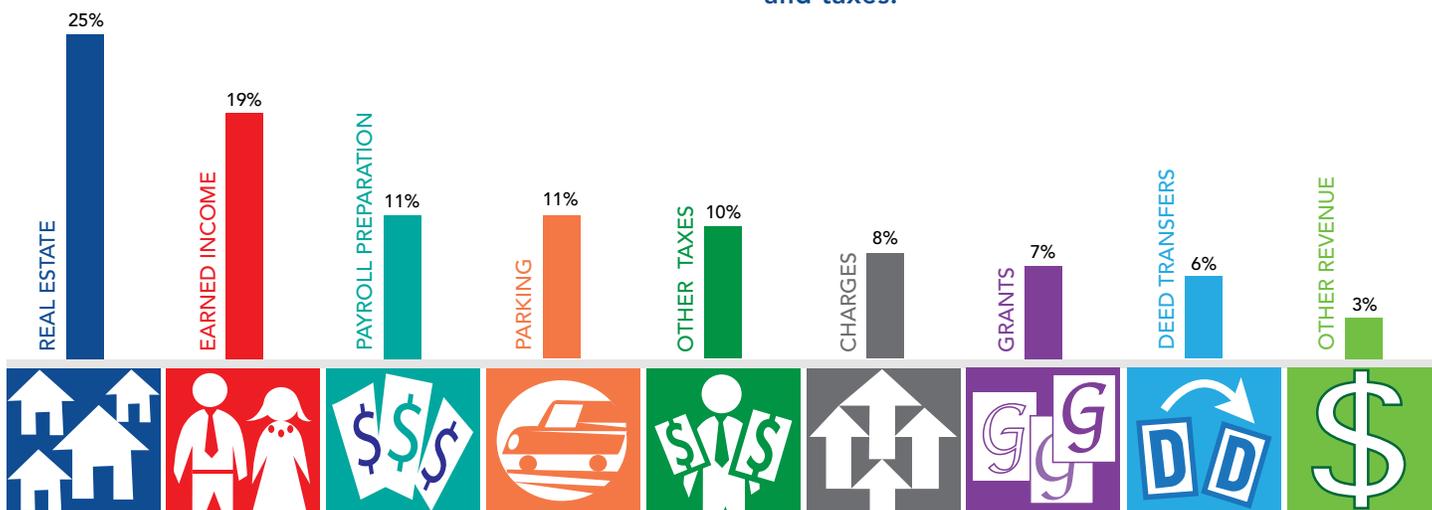
**Total General Fund revenues increased approximately \$29 million or by 5.29%, from 2017 to 2018.**

The net increase of \$31 million in tax revenue was mostly due to increases of \$11.6 million in payroll preparation, \$7.3 million in deed transfer taxes, \$4 million in real estate taxes, and \$3 million in earned income taxes.

Revenue by Type (in thousands)			
	2019	2018	2017
Real Estate Taxes	\$147,340	\$147,239	\$143,238
Earned Income Taxes	109,713	99,874	96,627
Payroll Preparation Taxes	65,788	69,459	57,779
Parking Taxes	60,552	60,353	58,663
Deed Transfer Taxes	36,862	37,029	29,763
Other Taxes	57,298	63,945	60,881
<b>Total Taxes</b>	<b>\$477,553</b>	<b>\$477,899</b>	<b>\$446,951</b>
Charges	47,759	41,424	45,365
Grants	41,684	40,959	41,132
Other Revenue	20,078	13,825	11,836
<b>Total</b>	<b>\$587,074</b>	<b>\$574,107</b>	<b>\$545,284</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 grants, charges and taxes.



## MAJOR TAXES ASSESSED BY THE CITY

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 2018 to 2019.

### 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, 2019, 2018 and 2017, 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 6.1% from 2018 to 2019.

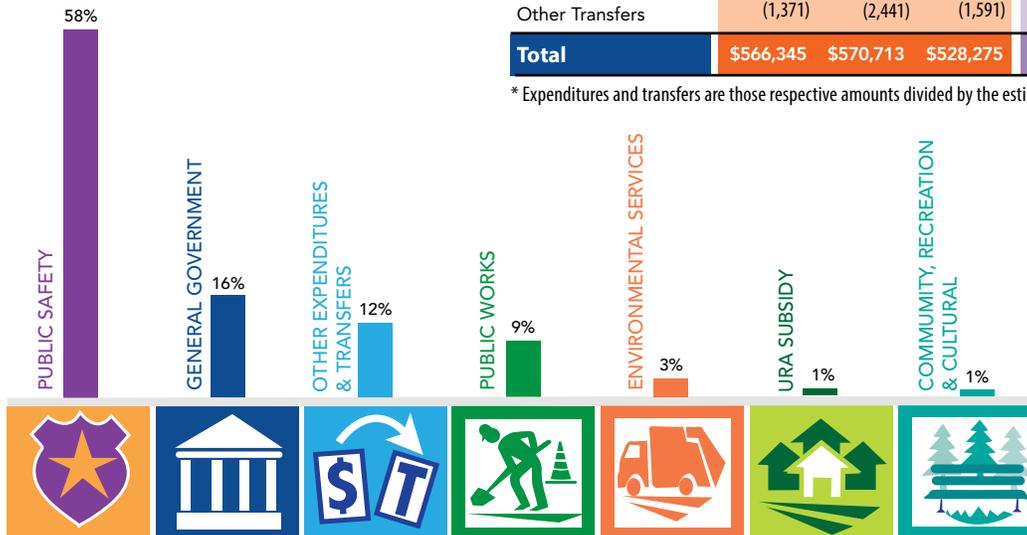
Elements of this increase include a 9.4% increase in General Government, a 5.8% increase in Public Safety, and an 11.6% increase in Public Works.

## General Fund expenditures increased by 9.8% from 2017 to 2018.

Elements of this increase include a 25% increase in General Government, an 8% increase in Public Safety, and a 2% increase in Public Works.

### WHERE YOUR MONEY GOES

Once the City collects taxes and other revenues the funds must be spent efficiently to provide services to the citizens and businesses of the City. As this section will further detail, the City provides a variety of services to its residents and businesses.



## 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.

## General Fund Expenditures and Transfers

Expenditures	Aggregate (in thousands)			Per Capita*		
	2019	2018	2017	2019	2018	2017
Government	\$ 90,034	\$ 82,277	\$ 65,609	\$ 299	\$ 269	\$ 215
Public Safety	326,097	308,180	286,619	1,083	1,008	938
Public Works	52,839	47,337	46,336	176	155	152
Environmental Services	19,744	19,364	18,405	66	63	60
Community, Recreational and Cultural	6,854	6,529	6,660	23	21	22
Urban Redevelopment Authority Subsidy	4,590	6,429	5,715	15	21	19
Other Expenditures	2,096	3,117	1,740	7	10	6
<b>Total Expenditures</b>	<b>\$502,254</b>	<b>\$473,233</b>	<b>\$431,084</b>	<b>\$1,669</b>	<b>\$1,547</b>	<b>\$1,412</b>
<b>Transfers</b>						
Transfers to Capital Projects	15,000	26,366	12,166	50	86	40
Transfers to Debt Service	50,462	73,555	86,616	168	241	283
Other Transfers	(1,371)	(2,441)	(1,591)	(5)	(8)	(5)
<b>Total</b>	<b>\$566,345</b>	<b>\$570,713</b>	<b>\$528,275</b>	<b>\$1,882</b>	<b>\$1,866</b>	<b>\$1,730</b>

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



# 2019 Financial Highlights

## Outlook for City Finances

### The City's Cash Position

During 2019, 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 2019 with a total fund balance of \$299.7 million, an increase of \$55.1 million from 2018. \$133.5 million of the \$299.7 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-19 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-19 pandemic will be significant, but are optimistic that steps can be taken to manage City finances going forward.

### Long-Term Debt

The City's total debt at the end of 2019 was \$427.5 million, an increase of \$27.3 million from 2018. The increase is due to the City's borrowing for capital projects.

## The Challenges Ahead

### Reducing Air Pollution

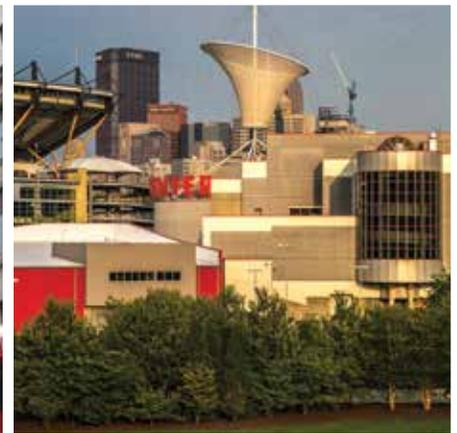
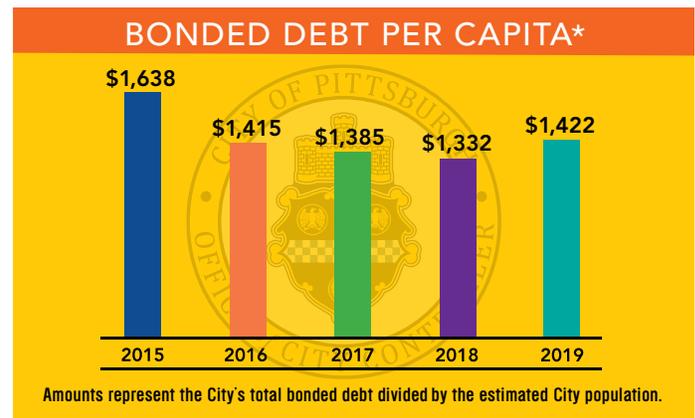
According to a 2019 report released by Penn Environment, Allegheny County is in the top 1% of counties nationwide at risk for cancer due to air pollutants, as well as high rankings for premature deaths and childhood asthma – consistent with failing grades from the American Lung Association. Reducing pollution and guaranteeing clean air is a long-term challenge that City and County officials will face as we consider the right balance between economic growth and health equity for all of our residents.

### Infrastructure

In 2019, the City continued with an aggressive paving program for the miles of streets and roads within the City of Pittsburgh. While keeping up with maintenance of City streets is critical, the City also maintains bridges, stairways, storm sewers and other systems and facilities that continue to age. Securing funding to upgrade and improve these assets will be vital in the years to come.

## CITY'S OUTSTANDING BONDS

The City's total bond issuances outstanding as of December 31, 2019 equal approximately \$428 million. Over the past five years, the City has paid off approximately \$418 million of outstanding debt, including refundings.



Photos: Left to right: A view of Pittsburgh from the North Shore, photo by John Altdorfer; A historical marker in front of the Park Building downtown, commemorates the 1804 McClurg Foundry in Pittsburgh. During the war of 1812 it supplied cannons and ammunition, and in 1835 the first locomotive west of the Alleghenies was built on the site; The Carnegie Science Center in the foreground overlooks Heinz Field and beautiful downtown Pittsburgh, photo by John Altdorfer.

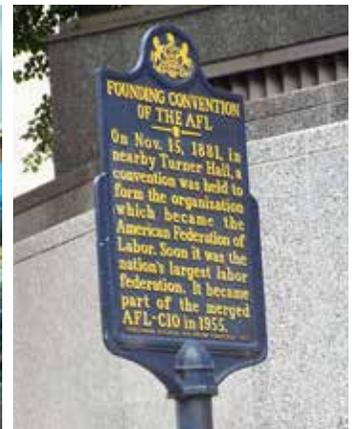
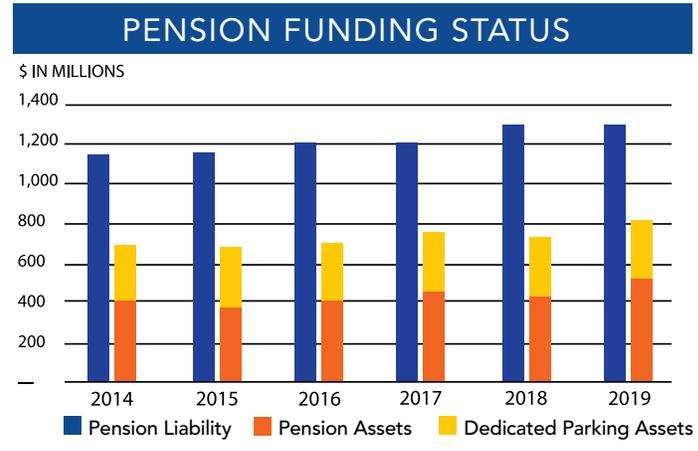
# 2019 Financial Highlights

## 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.

In 2018 and 2019 the City contributed \$26.8 million per year and will continue to contribute \$26.8 million per year from 2020 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 2019, with revenue from the City's parking tax, the City's pension fund held approximately 62% of the funds needed.



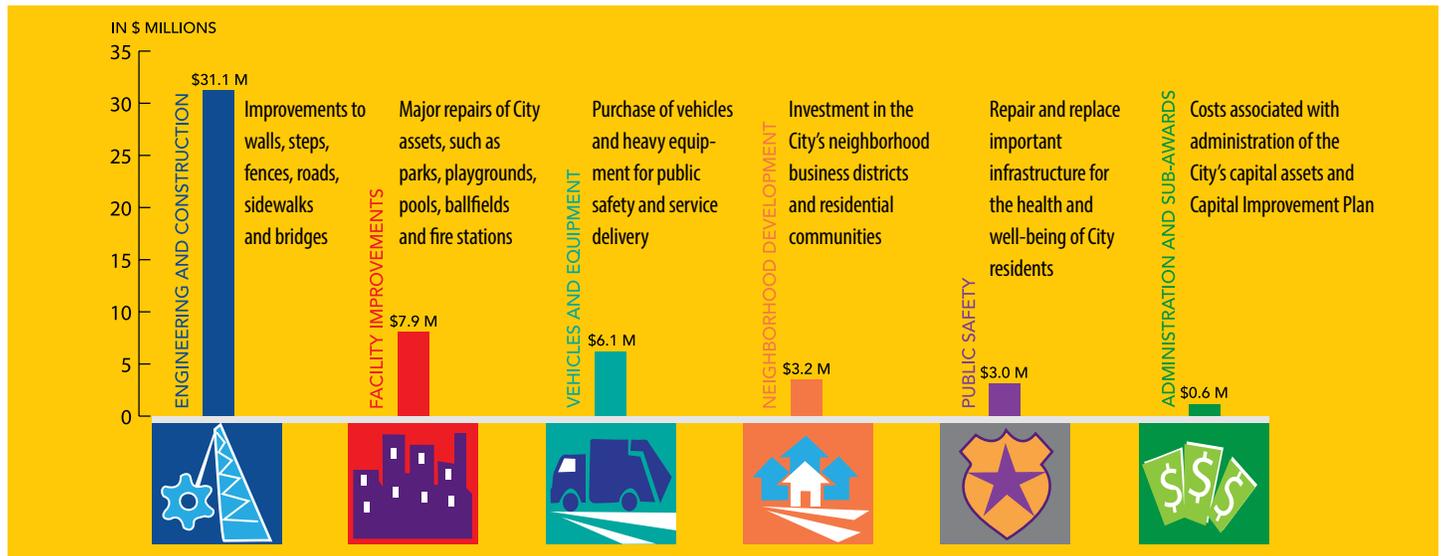
Photos: Top: There is nothing finer than steering your boat on a sunny summer day to the shoreline in front of PNC Park; Bottom left to right: A busy street view from 18th Street in the Strip District towards downtown Pittsburgh; An open-air tour bus makes its way through the South Side, passing a creative neighborhood wall mural; A historic landmark near the corner of the Omni William Penn Hotel which commemorates the Founding Convention of the American Federation of Labor, (AFL) in 1881, in nearby Turner Hall. It became part of the merged AFL-CIO in 1955.



# 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 2019 the City spent \$51.8 million on Capital Projects.

## BY FUNCTION



### CITYWIDE:

**\$45.5 million**

**Largest Citywide Projects:**

in millions

- Street Resurfacing: \$18.4
- Capital Equipment (Vehicles): \$6.1
- Facility Improvements: \$4.4
- Slope Failure Remediation: \$1.9
- Condemned Building Remediation: \$1.8

### NEIGHBORHOOD SPECIFIC:

**\$6.3 million**

**Largest Neighborhood Projects:**

in millions

- East Carson Street Modernization: \$3.1
- McFarren Street Bridge: \$1.1
- Smallman Street Reconstruction: \$0.3
- 18th Street Signal Updates: \$0.3
- Penn Avenue Reconstruction: \$0.3



### HIGHLIGHTS OF THREE NEIGHBORHOOD PROJECTS

1. Smallman Street Reconstruction  
*(Photo at right, provided by 'Next Pittsburgh'.)*
2. Landslide control on Saw Mill Run Blvd. and McArdle Roadway.

3. Three projects currently in the planning stage are:
  - a. New Public Works Fourth Division Building on Bausman Street in the Knoxville neighborhood.
  - b. Work on the former Thaddeus Stevens School in Elliot is to be converted for Public Safety.
  - c. A new Robert E. Williams Community Center in the Hill District.



# Pittsburgh's 2019 Recognitions

## AMONG TOP CITIES TO LIVE IN

- *Geographic Traveler* (UK), *The Cool List 2019*.
- *Nature World News* says Pittsburgh is one of the seven best cities for Gen Xers.
- Pittsburgh is ranked sixth among the top 10 large college cities in America by WalletHub.
- Realtor.com says Pittsburgh is one of ten cities where you can retire early.
- Pittsburgh is ranked among the top three best cities in the U.S. for first-time homebuyers according to Lending Tree.
- Pittsburgh is the 5th best city for STEM professionals says WalletHub.
- Pittsburgh has been named one of the 2019 Top 100 Best Places to Live by Livability.com.
- Pittsburgh made Valuer's list of 25 up-and-coming startup cities projected to grow into the hubs of the future.

## TRAVEL AND RECREATION

- Pittsburgh topped the list of best cities for football fans according to WalletHub.
- Pittsburgh Penguin fans were ranked No. 1 in the NHL in Forbes' best fans ratings.
- *Travel+Leisure* ranks Pittsburgh International Airport as one of the top 10 best domestic airports.
- *Harper's BAZAAR* ranks Pittsburgh as one of the top 10 destinations for a summer get away.
- Pittsburgh ranks in the top cities to visit for people in their 20s by Trip Advisor.
- Pittsburgh's Great Allegheny Passage has been named one of the top eco-friendly travel destinations by Ecophiles.



View of Pittsburgh from Mt. Washington



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Although this report is largely based on the City's 2019 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 2019 CAFR, which is prepared in accordance with GAAP, is located at [www.pittsburghpa.gov/controller/controller.html](http://www.pittsburghpa.gov/controller/controller.html).

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