

SUBCOMMITTEE REPORT #1

(Please use one report for each subcommittee recommendation)

Subcommittee Name	Budget & Finance Subcommittee
Subcommittee Chairperson(s)	Wayne D. Gerhold
Title of recommendation	Revenue
Describe the recommendation	See the Attached
Is this an immediate or long term recommendation?	Long Term
How will this address our challenges or reach our goals?	It will increase revenues.
What are the obstacles to implementation?	a. & c The Governor and the General Assembly for items b (I am not sure. Any help from the Subcommittee) d. The Housing Authority e. Determining who will do the work f. Determining who will do the work
Who needs to be involved?	Finance Office and other professionals
What city resources need to be invested?	The time of the staff
What will be different if the recommendation is adopted?	Revenues will be increased
Describe any background materials that you consulted	For c.- 2012 Local Assessment Roll-Allegheny County
Have other cities implemented this recommendation?	Flint Michigan for item e
Are there any other considerations?	

Revenue – Initiate a tax reform program that would probably be given to the Pennsylvania General Assembly and the Governor for new legislation, if necessary, or the City Council, if state legislation is not necessary, in the areas of (a) non-profit corporations, (b) occupational tax and (c) non-resident tax.

a. Amend Act 55 to expand the payroll preparation tax to non-profit organizations. This would increase annual revenues by \$20 million.

b. Consider adding on the service of their municipal tax collection services similar to the service currently provided to Mt. Oliver and Library.

c. The 2012 Allegheny County Report of Real Estate Valuations indicates that 39.40% of the real estate located in the City of Pittsburgh is tax exempt. The average exempt property percentage for all Boroughs and Townships located in Allegheny County are 12.80% and 14.30% respectively. A strong argument can be made to the Governor and the General Assembly to provide a subsidy at all municipalities that have over 20% of their real estate values tax exempt. The taxpayers of these municipalities carry the additional burden of providing services to tax exempt entities that benefit all of the other taxpayers in their respective regions.

d. Review the delinquent tax status of all properties that receive Section 8 subsidies from HUD. Then work with the Housing Authority to withhold the Section 8 subsidies until the back taxes are paid.

e. The City currently owns approximately 10,000 parcels. A program should be implemented that markets these parcels to put them back on the tax rolls. City Council passed legislation for a Land Bank program now the program should be implemented. Flint Michigan already has a Land Bank program that should be considered as a model.

f. Look into the feasibility of having the owners of senior high rises make “Payments In Lieu Of Taxes” (PILOT) which would then allow eligible residents to receive rent rebates from the Commonwealth of Pennsylvania.



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SUBCOMMITTEE REPORT #2

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Subcommittee Name	Budget & Finance
Subcommittee Chairperson(s)	Wayne D. Gerhold
Title of recommendation	Expenses
Describe the recommendation	See the attached
Is this an immediate or long term recommendation?	Long term
How will this address our challenges or reach our goals?	a. Will save money b. Performance can be measured c. A justification process will lead to greater efficiency.
What are the obstacles to implementation?	Staff time allocation.
Who needs to be involved?	Finance and Budget Department
What city resources need to be invested?	none
What will be different if the recommendation is adopted?	Money will be saved
Describe any background materials that you consulted	
Have other cities implemented this recommendation?	
Are there any other considerations?	

Expenses

- a. Convert all paperwork to an electronic system as much as possible.
- b. It is recommended that each City Department develop a set of key performance standards measuring the effectiveness of that Department. For example, these could be measures of service activity (i.e., number of permits issued, etc. and the average length of time to issue a document). Subsequent Departmental audits should include an examination of the various performance standards being reported by each Department.
- c. Capital Budget – It is recommended that the Finance Department develop a standard template for use in evaluating significant capital expenditures. This would include specific information such as: cost, bidding process, justification for the expenditure (i.e., efficiency and savings and how to pay for each expenditure).



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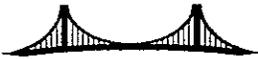
SUBCOMMITTEE REPORT #3

(Please use one report for each subcommittee recommendation)

Subcommittee Name	Budget & Finance
Subcommittee Chairperson(s)	Wayne D. Gerhold
Title of recommendation	Benchmarks
Describe the recommendation	Develop benchmarks for financial performance. See the attached.
Is this an immediate or long term recommendation?	Immediate
How will this address our challenges or reach our goals?	It will put the incurrence of debt in perspective.
What are the obstacles to implementation?	None.
Who needs to be involved?	Finance Department
What city resources need to be invested?	None
What will be different if the recommendation is adopted?	Hopefully the City will not get into the debt problem created by the Murphy administration
Describe any background materials that you consulted	Rating Agency and GFOA research materials.
Have other cities implemented this recommendation?	
Are there any other considerations?	

Pittsburgh Benchmark Status

Benchmark Ratio	Recommended	Current Pittsburgh Status
Total debt as a % of the fair market value of all taxable property.	2%	3.23%
Total debt per capita.	\$2,500 per capita or less	\$1,782
Total debt per capita as a % of per capita personal income.	Less than 19.5%	6.7%
What % of real property is tax exempt?	Average Allegheny County Boroughs 12.83% Townships 14.30%	39.40%
Total debt service as a % of property tax revenue.	10% or less	68%
Total debt service as a % of all revenue available for debt service.	15% or less	18.1%
Debt service per capita as a % of personal income per capita.	Less than 1%	1.1%
Annual debt service per capita	Less than \$162	\$285
Debt service as a % of all operating expenditures	Less than 16.4%	18.1%
Level of unfunded pension liability.	50% or less	36%
Unencumbered fund balance as a % of revenue	12% or more	14.7%
The recommended amortization of total debt outstanding	25% in 5 years 50% in 10 years.	55% in 5 years 81% in 10 years



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SUBCOMMITTEE REPORT #4

(Please use one report for each subcommittee recommendation)

Subcommittee Name	Budget & Finance
Subcommittee Chairperson(s)	Wayne D. Gerhold
Title of recommendation	Create a realistic metropolitan governance process
Describe the recommendation	Explore centralized functions with the County and/or other municipalities in Allegheny County. There should be some determination of the functions now implemented with the County and for example, garbage collection in the Borough of Wilkinsburg. Look into the process required for other municipalities to merge with the City.
Is this an immediate or long term recommendation?	Long term
How will this address our challenges or reach our goals?	It will create more efficient government Countywide and lower taxes due to the elimination of the duplication of services.
What are the obstacles to implementation?	The County local governments
Who needs to be involved?	City and Local Government officials
What city resources need to be invested?	Allocation of staff and professional time
What will be different if the recommendation is adopted?	Expenses of the City and local government will be lower
Describe any background materials that you consulted	
Have other cities implemented this recommendation?	

Are there any other considerations?

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SUBCOMMITTEE REPORT #5

(Please use one report for each subcommittee recommendation)

Subcommittee Name	Budget & Finance
Subcommittee Chairperson(s)	Wayne D. Gerhold
Title of recommendation	Fiscal Communications- Administration, City Council & Comptroller
Describe the recommendation	<p>Fiscal Responsibility interface with the City Comptroller's Office and the other City Departments. Monthly meetings should be held between the Office of Management and Budget, the Controller's Office and all City Departments.</p> <p>a. Develop a system that requires the Office of Management and Budget to work more closely with the City Council's Budget Office.</p>
Is this an immediate or long term recommendation?	Immediate
How will this address our challenges or reach our goals?	It will create a common team of fiscal responsibility not the current confederacy
What are the obstacles to implementation?	Administration, City Council and the Controller when the members of City Council and the Controller are running for Mayor
Who needs to be involved?	Staff of each office
What city resources need to be invested?	Time of staff
What will be different if the recommendation is adopted?	Everyone will be on the same page when making budget and financial decisions

Describe any background materials that you consulted	
Have other cities implemented this recommendation?	
Are there any other considerations?	