

CITY OF PITTSBURGH 2017 BUDGET AND FIVE-YEAR FINANCIAL PLAN

OVERVIEW

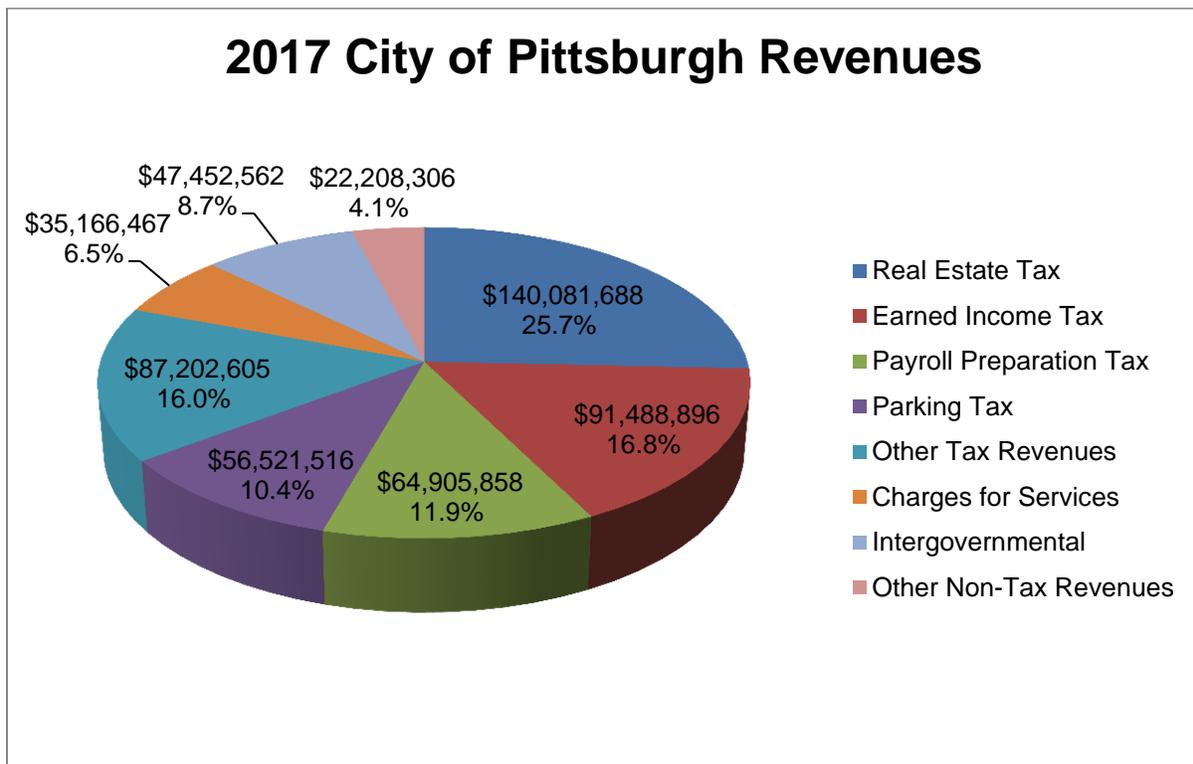
The 2017 Budget and Five-Year Plan submitted by the City to the ICA highlights Mayor Peduto's commitment to developing a long-term financial sustainability plan, improving the efficiency and effectiveness of government operations, and strengthening financial management practices.

Key elements of the proposed 2017 operating and capital budgets include the following:

2017 Operating Budget

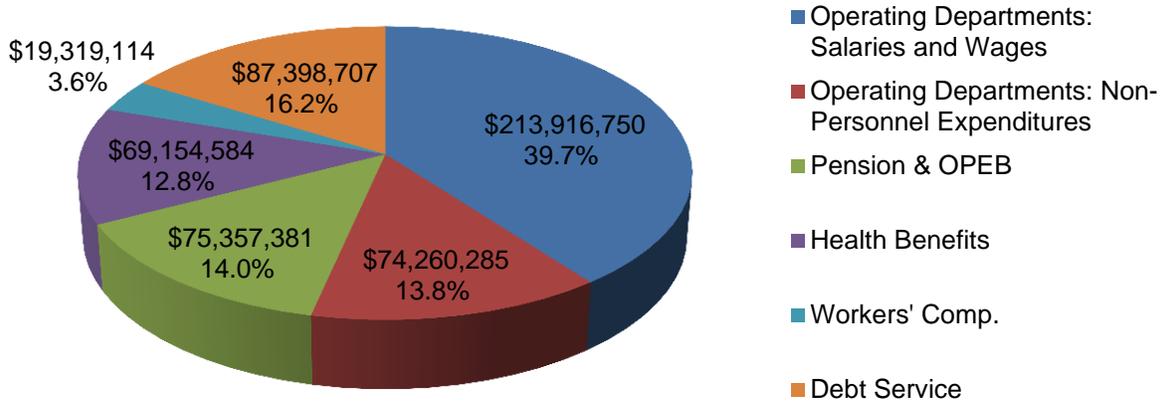
- Total projected revenues: \$545,027,898
- % increase in revenues 2016-2017: 3.8%
- Total projected expenditures: \$539,406,822
- % increase in expenditures 2016-2017: 3.9%
- Projected operating result: \$5,621,076
- Fund balance as % of general fund expenditures: 11.8%
- Debt service as % of general fund expenditures: 16.2%

Revenue Highlights



Expenditure Highlights

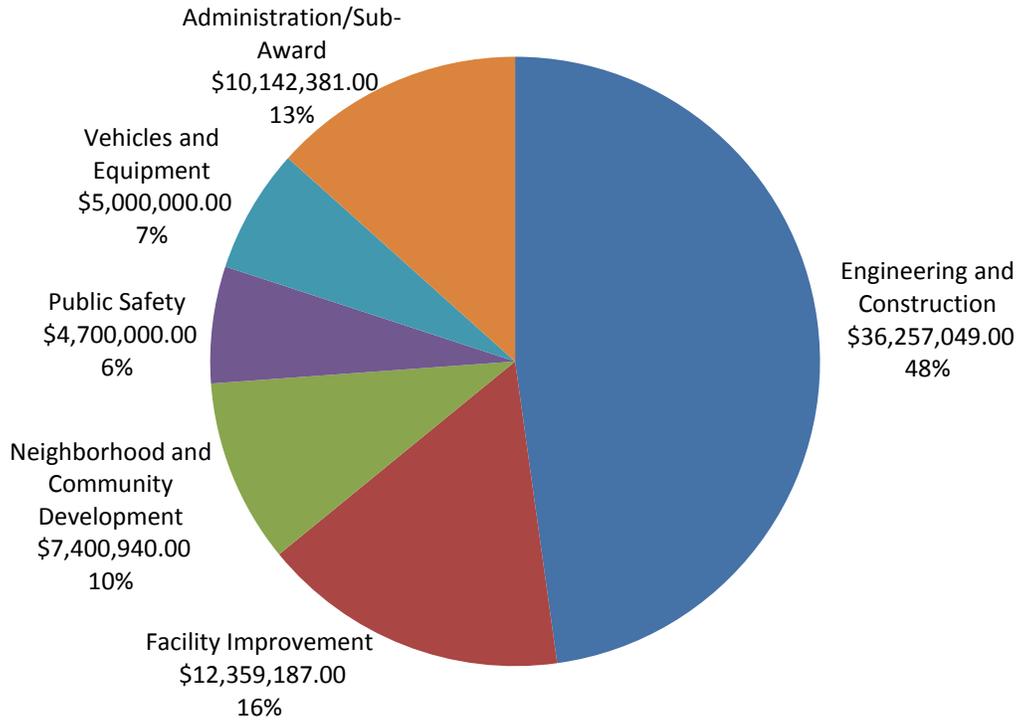
2017 City of Pittsburgh Expenditures



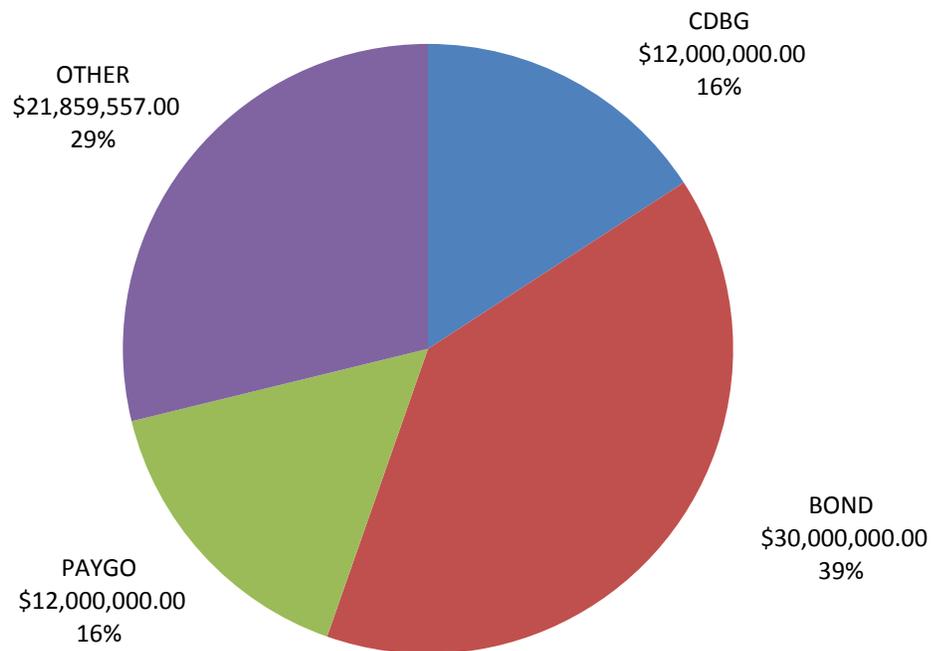
2017 Capital Budget and CIP

- Total 2017 capital budget: \$75,859,557
- Total 2017-2022 Capital Improvement Plan: \$544,314,564

2017 Capital Budget by Functional Area



2017 Capital Budget by Fund Source



KEY ELEMENTS OF THE 2017 BUDGET AND FIVE-YEAR PLAN

The 2017 Budget and Five-Year Plan are designed to achieve the following goals and objectives:

- Reinforce the City's commitment to achieving the primary objectives of the Act 47 Recovery Plan which called for:
 - Eliminating the operating deficits in the baseline multi-year financial projection while preserving core municipal services;
 - Gradually reducing the City's debt burden to provide more resources to support daily operations;
 - Keeping the City's fund balance at an appropriate level to avoid the need for cash flow borrowings and provide an adequate buffer against unanticipated revenue shortfalls or expenditure increases;
 - Gradually increasing the City's pension fund contributions to the levels recommended by its actuary; and
 - Directing more funding to the City's capital budget, with the priority to invest more in the City's roads, bridges, public safety facilities, and other core infrastructure.
- Provide a fiscally responsible path to address legacy costs and position the City for long-term financial stability:
 - Continues efforts to reorganize city government and improve the delivery of core services with only 3,129 General Fund positions, which is 33 fewer positions than the 2014 Budget submitted before the Peduto administration assumed office.

- Allocates an additional \$203 million to the pension fund over five years beyond the state mandated minimum municipal obligation (MMO).
 - Reduces the City's debt burden from 18% of general fund expenditures in 2014 to 9.7% in 2021.
 - Continues to add \$2.5M in annual contributions to the other post-employment benefits (OPEB) trust fund.
 - Maintains a minimum unassigned fund balance of 10% of general fund expenditures.
 - Continues the City's efforts to reduce overall worker's compensation costs, which have decreased for five consecutive years.
- Transform the organization of city government to position the City to meet the current and future needs of our residents, businesses, neighborhoods, employees, and other stakeholders:
 - Establish a new Department of Mobility & Infrastructure to improve the organization, planning, coordination, and execution of mobility and transportation projects, processes, and initiatives.
 - Transform the personnel function into modern human resources department focused on recruiting, developing, managing, and retaining a highly qualified and diverse workforce.
 - Establish the role of Chief Financial Officer to position the City on a path towards long-term financial sustainability, strengthen citywide financial management, optimize the organization and delivery of information technology services, and increase the focus on service delivery efficiency and effectiveness.
 - Increase staffing dedicated to the maintenance and operation of City facilities to facilitate execution of the Facilities Optimization Plan currently being performed by Massaro.
 - Establish a centralized finance and administration team in the Department of Public Safety to improve financial management, implement standardized processes, support cross-training, and facilitate succession planning.
 - Establish an Office of Communications to enhance the development, coordination, and dissemination of internal and external communications across a variety of mediums.
 - Align the Sustainability and Resiliency staff currently housed in the Department of Innovation & Performance with the Department of City Planning to enhance overall planning efforts.
- Emphasize the Mayor's priorities for enhancing the delivery of core municipal services.
 - Allocates funding for two Police and one Firefighter recruit class.
 - Includes funding to hire 20 Emergency Medical Technicians (EMTs) to improve patient care while reducing overtime costs.
 - Maintain the 2016 commitment to increase funding for police vehicles to \$1.6 million a year to improve the overall condition of the fleet.
 - Continue to invest in Police Bureau training, equipment, and technology and enhance the Bureau's ability to conduct data-driven community policing.
 - Allocates funding for additional inspectors in the Department of Permits, Licenses, and Inspections to handle the increased permit workload.
 - Maintain the City's increased investment in Learn & Earn Program through a \$1M allocation for summer youth employment leveraging CDBG funds.

- Implement the Mayor's vision for modernizing city government and implementing leading practices to provide taxpayers with an efficient, effective, transparent, and more accountable government.
 - Pursue efforts to modernize the City's licensing and inspection system.
 - Initiate a multi-year effort to overhaul the City's self-assessed tax collection system.
 - Continue efforts to improve the efficiency and effectiveness of the City's procurement function through improvements in policies, processes, and technology.
 - Standardize and streamline capital project management processes.

- Allocate \$75.9M in 2017 funding for capital projects and continue the Mayor's commitment to developing a long-term maintenance and investment plan for the City's assets.
 - Includes \$15.1M for street resurfacing, providing for ~60 miles to be completed. The budget for street resurfacing has more than doubled since Mayor Peduto came into office in 2014.
 - Includes \$12.4M for facility improvements, including critical public safety facilities, park reconstruction, play area improvements, swimming pool rehabilitation, and improvements to recreation and senior centers throughout our neighborhoods.
 - Provides funding to address critical needs identified by the facility optimization plan required in the Mayor's Executive Order related to strategic investment and maintenance of facilities.
 - \$2.2 million for the installation of a computerized station alerting system for Fire and EMS stations.
 - \$100,000 to add inclusive and accessible playground equipment to various locations.
 - Includes \$5M for capital equipment acquisition such as vehicles essential for the delivery of public safety and public works services.
 - Dedicates \$7.4M to neighborhood and community development projects and \$2.5M in demolition funds including an expansion of the party wall program to enhance the quality of life and public safety.

CAPITAL BUDGET HIGHLIGHTS
2017 Capital Projects by Department

Project Name	2017 Total
BUREAU OF FIRE	
FIREFIGHTING EQUIPMENT	\$2,200,000
CITY COUNCIL	
CITY COUNCIL'S UNSPECIFIED LOCAL OPTION	\$450,000
CITY PLANNING	
ADA COMPLIANCE	\$33,000
CDBG ADMINISTRATION	\$55,000
CDBG PERSONNEL	\$1,100,000
CITIZEN PARTICIPATION	\$200,000
COMMUNITY-BASED ORGANIZATIONS	\$600,000
COMPREHENSIVE PLAN	\$160,000
EMERGENCY SOLUTIONS GRANT	\$1,149,245
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	\$735,136
SIGNAGE AND WAYFINDING	\$542,100
URBAN LEAGUE- HOUSING COUNSELING	\$100,000
WAR MEMORIALS AND PUBLIC ART	\$50,000
COMMISSION ON HUMAN RELATIONS	
FAIR HOUSING	\$100,000
EQUIPMENT LEASING AUTHORITY	
CAPITAL EQUIPMENT ACQUISITION	\$5,000,000
FINANCE	
ISAT	\$750,000
INNOVATION AND PERFORMANCE	
INFORMATION SYSTEMS MODERNIZATION	\$500,000
MAYOR'S OFFICE	
MAYOR'S UNSPECIFIED LOCAL OPTION	\$300,000
PARKS AND RECREATION	
SENIOR COMMUNITY PROGRAM	\$750,000
PERMITS, LICENSES, AND INSPECTIONS	
DEMOLITION OF CONDEMNED BUILDINGS	\$2,500,000
PERSONNEL AND CIVIL SERVICE COMMISSION	
NEIGHBORHOOD EMPLOYMENT CENTERS	\$150,000
PITTSBURGH EMPLOYMENT PROGRAM	\$150,000
PITTSBURGH SUMMER YOUTH EMPLOYMENT PROGRAM	\$700,000

PUBLIC WORKS ADMINISTRATION	
BIKE SHARE	\$774,500
BOB O'CONNOR GOLF COURSE	\$200,000
CARNAHAN ROAD WENZELL AVENUE (TIP)	\$2,800,000
GREENFIELD AVENUE BRIDGE (TIP)	\$800,000
PW - BUREAU OF ENVIRONMENTAL SERVICES	
LITTER CAN UPGRADES AND MONITORING	\$290,000
PW - BUREAU OF OPERATIONS	
PARK RECONSTRUCTION	\$1,656,600
PARK RECONSTRUCTION - REGIONAL ASSET DISTRICT PARKS	\$900,000
PLAY AREA IMPROVEMENTS	\$1,214,574
POOL REHABILITATION	\$1,835,000
RECREATION AND SENIOR CENTERS	\$400,000
SPORT FACILITY IMPROVEMENTS	\$1,742,013
TRAIL DEVELOPMENT	\$3,867,902
WATER FEATURE UPGRADES	\$640,000
PW - BUREAU OF TRANSPORTATION AND ENGINEERING	
18TH STREET SIGNAL UPDATES (TIP)	\$263,000
AUDIBLE PEDESTRIAN AND TRAFFIC SIGNALS	\$125,000
BEECHVIEW COMMUNITY AND SENIOR CENTER	\$100,000
BIKE INFRASTRUCTURE	\$380,000
BRIDGE REPAIRS	\$100,000
CHARLES ANDERSON BRIDGE (TIP)	\$709,000
DESIGN, CONSTRUCTION, AND INSPECTION SERVICES	\$175,000
FACILITY IMPROVEMENTS	\$3,381,000
FLEX BEAM GUIDERAILS AND FENCING	\$50,000
FLOOD CONTROL PROJECTS	\$2,500,000
McFARREN STREET (SECOND AVENUE) BRIDGE (TIP)	\$715,000
PENN AVENUE RECONSTRUCTION, PHASE II (TIP)	\$500,000
PENNDOT LOCAL SHARE (TIP)	\$203,000
RAMP AND PUBLIC SIDEWALK	\$200,000
SLOPE FAILURE REMEDIATION	\$550,000
SMITHFIELD STREET (TIP)	\$750,000
STEP REPAIR AND REPLACEMENT	\$385,000
STREET RESURFACING	\$15,108,825
STREETSCAPE AND INTERSECTION RECONSTRUCTION	\$2,690,822
WEST OHIO STREET BRIDGE (TIP)	\$2,610,000
URBAN REDEVELOPMENT AUTHORITY	
CENTER FOR INNOVATION AND ENTREPRENEURSHIP	\$200,000
CHOICE NEIGHBORHOOD	\$2,508,840

ECONOMIC DEVELOPMENT AND HOUSING	\$3,200,000
MAJOR DEVELOPMENTS	\$500,000
URBAN REDEVELOPMENT AUTHORITY PERSONNEL	\$2,160,000
URBAN REDEVELOPMENT AUTHORITY PROPERTY MAINTENANCE	\$400,000
Totals	\$75,859,557