2019 POPULAR ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019
PREPARED BY: MICHAEL E. LAMB, CITY CONTROLLER
### Table of Contents

2  A Message from the City Controller  
3  About Pittsburgh  
4  Pittsburgh Education, Culture and Business  
5  Pittsburgh Happenings  
6  Pittsburgh Government  
7  Pittsburgh’s City Controller  
8  Fostering Diversity Through Community Support  
9  General Fund Revenues  
10  General Fund Expenditures  
11-12  Financial Highlights  
13  Pittsburgh’s Capital Spending  
14  Pittsburgh’s 2019 Recognitions

### Elected Officials

#### Mayor: William Peduto

<table>
<thead>
<tr>
<th>TERM</th>
<th>4 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESPONSIBILITY</td>
<td>Chief Executive</td>
</tr>
</tbody>
</table>
| CONTACT INFO | 414 Grant Street  
Room 512  
Pittsburgh, PA 15219  
412-255-2626 |

#### Controller: Michael E. Lamb

<table>
<thead>
<tr>
<th>TERM</th>
<th>4 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESPONSIBILITY</td>
<td>Financial oversight, financial reporting and auditing</td>
</tr>
</tbody>
</table>
| CONTACT INFO | 414 Grant Street  
1st Floor  
Pittsburgh, PA 15219  
412-255-2054 |

### City Council Members

<table>
<thead>
<tr>
<th>Council Member</th>
<th>District</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bobby Wilson</td>
<td>1</td>
<td>(412) 255-2135</td>
</tr>
<tr>
<td>Theresa Kail-Smith, President</td>
<td>2</td>
<td>(412) 255-8963</td>
</tr>
<tr>
<td>Bruce Kraus</td>
<td>3</td>
<td>(412) 255-2130</td>
</tr>
<tr>
<td>Anthony Coghill</td>
<td>4</td>
<td>(412) 255-2131</td>
</tr>
<tr>
<td>Corey O’Connor</td>
<td>5</td>
<td>(412) 255-8965</td>
</tr>
<tr>
<td>R. Daniel Lavelle</td>
<td>6</td>
<td>(412) 255-2134</td>
</tr>
<tr>
<td>Deborah Gross</td>
<td>7</td>
<td>(412) 255-2140</td>
</tr>
<tr>
<td>Erika Strassburger</td>
<td>8</td>
<td>(412) 255-2133</td>
</tr>
<tr>
<td>Rev. Ricky Burgess</td>
<td>9</td>
<td>(412) 255-2137</td>
</tr>
</tbody>
</table>

### CITIZENS OF THE CITY OF PITTSBURGH

#### City Controller

- City Clerk

#### Mayors

- Management & Budget  
- Citiparks  
- Public Works  
- City Planning  
- Department of Mobility & Infrastructure  
- Public Safety  
- Human Resources & Civil Service  
- Citizens Police Review Board

- Innovation & Performance  
- Finance  
- Human Relations Commission  
- Law  
- Office of Municipal Investigations  
- Equal Opportunity Review Commission  
- Equipment Leasing Authority  
- Permits, Licenses and Inspections

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.

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.
### Demographic and Economic Statistics

**Estimated City Population**: 301,048
- Male: 48.9%
- Female: 51.1%

**Median Age**
- City Median Resident Age: 32.9 years
- Pennsylvania Median Age: 40.8 years

**Race**
- White: 67%
- Black or African American: 23%
- Asian: 6%
- Hispanic: 3%
- Other: 1%

**Language Spoken at Home**
- English Only: 89%
- Language other than English: 11%

**Educational Attainment**
- No Degree: 8%
- High School: 26%
- Some College: 23%
- Bachelor's Degree: 23%
- Graduate Degree: 20%

**Estimated Median Household Income**
- 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

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**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.

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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
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.
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 WQED-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.

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

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

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.
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 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 @UnclaimedPGH

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.
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 attributed 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)

<table>
<thead>
<tr>
<th>Type</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Taxes</td>
<td>$147,340</td>
<td>$147,239</td>
<td>$143,238</td>
</tr>
<tr>
<td>Earned Income Taxes</td>
<td>109,713</td>
<td>99,874</td>
<td>96,627</td>
</tr>
<tr>
<td>Payroll Preparation Taxes</td>
<td>65,788</td>
<td>69,459</td>
<td>57,779</td>
</tr>
<tr>
<td>Parking Taxes</td>
<td>60,552</td>
<td>60,353</td>
<td>58,663</td>
</tr>
<tr>
<td>Deed Transfer Taxes</td>
<td>36,862</td>
<td>37,029</td>
<td>29,763</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>57,298</td>
<td>63,945</td>
<td>60,881</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$587,074</td>
<td>$574,107</td>
<td>$545,284</td>
</tr>
</tbody>
</table>

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.

### WHERE OUR MONEY COMES FROM

**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.

### MAJOR TAXES ASSESSED BY THE CITY

The following are the descriptions of the major types of taxes the City levies:

- **Real Estate Taxes**
- **Earned Income Taxes**
- **Payroll Preparation Taxes**
- **Parking Taxes**
- **Deed Transfer Taxes**
- **Other Taxes**
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.

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**General Fund Expenditures and Transfers**

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Aggregate (in thousands)</th>
<th>Per Capita*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>$90,034</td>
<td>$82,277</td>
</tr>
<tr>
<td>Public Safety</td>
<td>326,097</td>
<td>308,180</td>
</tr>
<tr>
<td>Public Works</td>
<td>52,839</td>
<td>47,337</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>19,744</td>
<td>19,364</td>
</tr>
<tr>
<td>Community, Recreational and Cultural</td>
<td>6,854</td>
<td>6,529</td>
</tr>
<tr>
<td>Urban Redevelopment Authority Subsidy</td>
<td>4,590</td>
<td>6,429</td>
</tr>
<tr>
<td>Other Expenditures</td>
<td>2,096</td>
<td>3,117</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$502,254</td>
<td>$473,233</td>
</tr>
</tbody>
</table>

| Transfers                           |                |            |        |      |      |      |
| 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)  |
| **Total**                           | **$566,345**   | **$570,713** | **$528,275** | **$1,882** | **$1,866** | **$1,730** |

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

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**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.
In This Report

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.

BONDED DEBT PER CAPITA*

<table>
<thead>
<tr>
<th>Year</th>
<th>Bonded Debt Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,638</td>
</tr>
<tr>
<td>2016</td>
<td>$1,415</td>
</tr>
<tr>
<td>2017</td>
<td>$1,385</td>
</tr>
<tr>
<td>2018</td>
<td>$1,332</td>
</tr>
<tr>
<td>2019</td>
<td>$1,422</td>
</tr>
</tbody>
</table>

Amounts represent the City’s total bonded debt divided by the estimated City population.

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.
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.

<table>
<thead>
<tr>
<th>PENSION FUNDING STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ IN MILLIONS</td>
</tr>
<tr>
<td>2014</td>
</tr>
<tr>
<td>2015</td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>2017</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
</tr>
</tbody>
</table>

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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.
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Costs (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvements to walls, steps, fences, roads,</td>
<td>$31.5 M</td>
</tr>
<tr>
<td>sidewalks and bridges</td>
<td></td>
</tr>
<tr>
<td>Major repairs of City assets, such as parks,</td>
<td>$7.9 M</td>
</tr>
<tr>
<td>playgrounds, pools, ballfields and fire stations</td>
<td></td>
</tr>
<tr>
<td>Purchase of vehicles and heavy equipment for</td>
<td>$6.1 M</td>
</tr>
<tr>
<td>public safety and service delivery</td>
<td></td>
</tr>
<tr>
<td>Investment in the City's neighborhood</td>
<td>$3.2 M</td>
</tr>
<tr>
<td>business districts and residential communities</td>
<td></td>
</tr>
<tr>
<td>Repair and replace important infrastructure</td>
<td>$3.0 M</td>
</tr>
<tr>
<td>for the health and well-being of City</td>
<td></td>
</tr>
<tr>
<td>residents</td>
<td>$0.6 M</td>
</tr>
<tr>
<td>Costs associated with administration of the</td>
<td></td>
</tr>
<tr>
<td>City's capital assets and Capital Improvement Plan</td>
<td></td>
</tr>
</tbody>
</table>

### CITYWIDE:

- **$45.5 million**
  - **Largest Citywide Projects**:
    - 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**:
    - 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.
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).

**PAFR Consultants:**
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