

TCG

THOMAS
CONSULTING
GROUP

Office of Management and Budget

Transition Briefing



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Executive Summary

Executive Summary



Executive Summary

The Office of Management and Budget drafts and executes policies that serve as a guide for project budgets, and operates Fiscal Focus Pittsburgh, an online system which allows residents to clearly see budgets outlined, and how money is spent on goods and services. The Office of Management and Budget is organized into five teams to strengthen city-wide financial management:

The Office of Management and Budget (OMB) is responsible for preparing the Mayor's Annual Budget and begins preparation in May. Throughout the summer, OMB analysts meet with departments to discuss baseline budgets, requests, position changes, organizational changes, departmental highlights, and new objectives. The analysts present requests and recommendations to the Director of the Office of Management and Budget who will make final recommendations to the Mayor. The Mayor then presents a preliminary operating and capital budget to City Council on or prior to September 30 of each calendar year. The Mayor formally submits the proposed budgets to City Council on the second Monday of November of each fiscal year, pursuant to Chapter 505 of the Home Rule Charter.

City Council reviews the budget and holds a number of meetings and televised hearings with Departments. After consideration of public input and priorities, City Council makes minor changes and adopts the budget.

OMB is responsible for implementing and overseeing the City of Pittsburgh's operating and capital budgets. Throughout the fiscal year, OMB monitors the City's expenditures and revenue receipts, provides legislative overseeing on any matters related to the budget, and oversees budget transfers and adjustments. Analysts in OMB prepare quarterly reports on the performance of major revenue sources and expenditure categories, reports on key factors driving the budget, cash flow, and brief updates on important management initiatives.



Findings



Decreased Revenues

Parking and amusement-related revenues were down in Fiscal Year 2021. There was an operating deficit of \$30M in Fiscal Year 2020, and a mandate that the fund balance must equal a minimum of 10% of the expenditures. \$120M was the fund balance going into 2020. \$64M was the fund balance going into 2021. End of year estimated fund balance is \$77.5M. Estimated fund balance at end of Fiscal Year 2022 estimated at \$93M.

Debt Service

Debt Service cannot be more than 12% of budget expenditures, and there is an ordinance in place that requires level debt service. In FY20, \$160M in debt was refinanced. To do so, OMB went to the Council and asked for a waiver from the level debt service requirement. As such, there is a very large debt service peak from FY22 through FY26, which correlates with the entire first term of the new administration. Then debt service drops by \$30M/yr in FY27.

ARPA Funding

The American Rescue Plan (ARPA) passed by Congress in March allocated \$335 million to the City of Pittsburgh, and city leaders moved quickly in devising [plans to spend it](#). The mayor's office in late June released a plan to spend the entire sum over the next four years, and City Council gave final approval July 20.

More than 50% of the money was earmarked for the city's operating budget to fill gaps caused by a steep drop in revenue during the pandemic. Around a third was used to stave off impending layoffs from the city workforce. The rest went to capital projects — infrastructure, existing public facilities and new social programs and affordable housing. About 18% of the total was allocated to the city's own capital budget, while 22% is set to be transferred to the Urban Redevelopment Authority (URA), 5% to the Pittsburgh Water and



Sewer Authority, and less than 1% each to the Pittsburgh Parking Authority and nonprofit OnePGH.

According to the August 2021 American Recovery Plan Act required report, the City of Pittsburgh has created and adopted a four-year plan for deployment of the American Rescue Plan funding. The plan uses funds to restore core city services, complete construction and tech upgrades to existing community recreation centers, fleet improvements for alternative fuel vehicles, projects to improve mobility for constituents, projects to enhance economic development in our “Avenues of Hope” initiative, lead remediation, and a mixture of housing initiatives that include protecting affordable housing and homeownership utilities programs.

The City of Pittsburgh's City Council held multiple cable casted post-agenda meetings discussing ARP funds, proposed uses, ideas, and restrictions. These meetings were attended by the public where citizens received three minutes of uninterrupted time to voice their opinions about a proposed plan. The Mayor's Office Administration and budget office also attended a separate post agenda meeting and were available for City Council members to ask questions City of Pittsburgh and request more information about the proposed ARPA plan. City Council eventually passed a four year plan as a blueprint on how ARPA funds will be spent for the City of Pittsburgh.

This plan is required to be re-visited each year and has the ability to be amended at any time. It is unclear whether the level of community engagement in developing the plan was sufficient, if additional attention should be given to small business recovery efforts, and whether the plan will be found to subsidize ongoing programmatic costs should revenues not return to pre-pandemic levels.



About the Agency



Contact

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Office of Management & Budget
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412.255.2640

Enabling Legislation

§ 113.04 - OFFICE OF MANAGEMENT AND BUDGET.

An Office of Management and Budget shall be created as a bureau under the Mayor's Office. The office shall have a director which shall be appointed by the Mayor and confirmed by City Council under the provisions of Section 209 of the Home Rule Charter.

(Ord. No. 2-2014, § 1, eff. 2-19-14)

§ 113.05 - POWERS AND DUTIES OF DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

The Director of the Office of Management and Budget shall have the following powers and duties:

- (a)The management, development, execution, and oversight of the annual operating budget, capital budget, and special revenue funds; and
- (b)The oversight of the Division of Procurement, Fleet, and Asset Management and the creation of long-term sustainable procurement policies and fleet and asset management plans and policies; and
- (c)Communication and collaboration with departments and bureaus across City government to maintain compliance with the operating budget, capital budget, and special revenue funds.

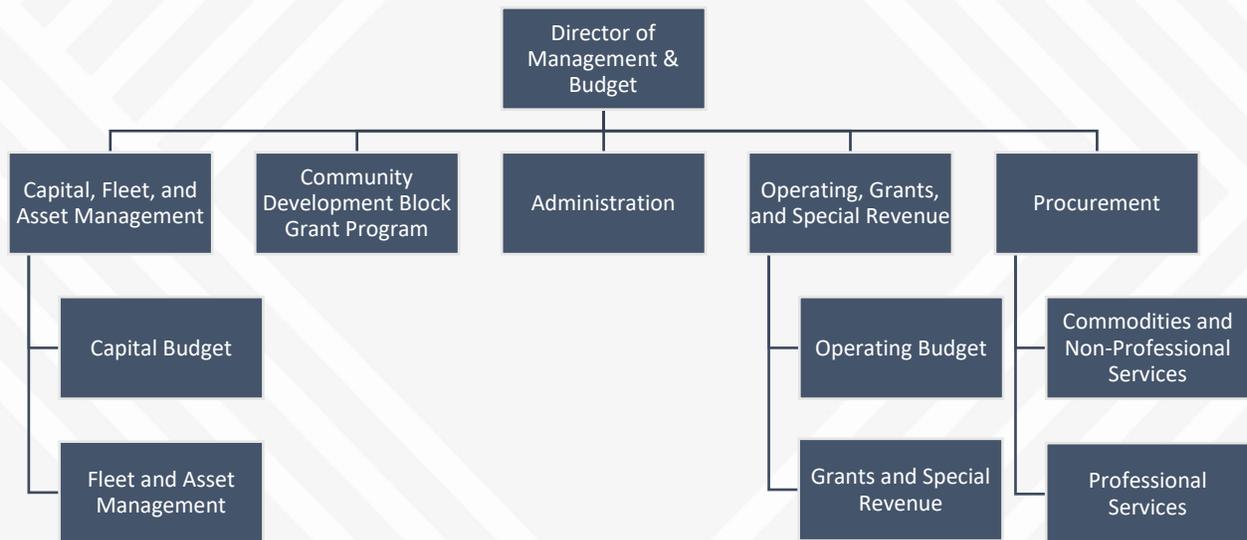
(Ord. No. 2-2014, § 1, eff. 2-19-14)



Mission

The mission of the Office of Management and Budget is to ensure the effective and efficient use of resources in order to sustain the delivery of quality services to the residents of the City of Pittsburgh. The Office of Management and Budget serves as a strategic business partner to promote actions to achieve the City's priorities; establish and maintain sound fiscal policies; deliver a clear and accurate picture of the City's current and future financial position; improve the efficiency, effectiveness, and integration of the City's financial management processes; provide excellent customer service to internal and external customers; and stimulate behaviors across the organization to achieve strategic and financial objectives.

Organizational Chart





Description of Services

The Office of Management and Budget (OMB) is responsible for preparing the Mayor's Annual Budget and begins preparation in May. Throughout the summer, OMB analysts meet with departments to discuss baseline budgets, requests, position changes, organizational changes, departmental highlights, and new objectives. The analysts present requests and recommendations to the Director of the Office of Management and Budget who will make final recommendations to the Mayor. The Mayor then presents a preliminary operating and capital budget to City Council on or prior to September 30 of each calendar year. The Mayor formally submits the proposed budgets to City Council on the second Monday of November of each fiscal year, pursuant to Chapter 505 of the Home Rule Charter.

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The Office of Management and Budget is organized into the following core teams to strengthen citywide financial and grant management:



Administration

This team provides overall leadership and direction for the department; oversees departmental planning and management functions; handles all administrative and human resource functions for the Mayor's Office, Bureau of Neighborhood Empowerment, and Office of Management and Budget; and coordinates city-wide business processes such as legislation, position control, and travel requests.

Capital, Fleet and Asset Management

This team is responsible for the preparation and implementation of the annual capital budget and six-year capital improvement program; planning and administration of the City's asset management function; fleet operations and management of the fleet management contract; and the development and financial oversight of the City's long-term infrastructure investment plan.

Community Development Block Grant Program

This team employs flexible programs that provide the City with resources to address a wide range of unique community development needs. The primary focus of the Community Development Division is to improve housing conditions; community and economic development; improve public facilities; and improve and enhance the quality of life for residents of the City of Pittsburgh, most specifically those with low-income. The Community Development Division utilizes Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) which are funded by the US Department of Housing and Urban Development (HUD) in order to accomplish our goals.



Operating, Grants, and Special Revenue

This team is responsible for the preparation and implementation of the annual operating budget and five-year forecast; long-term financial planning; financial policy development; maximizing opportunities to pursue, secure, and effectively administer grants from federal, state, county, corporate, and foundation partners; leading the transformation of the City's finance functions, talent, processes, and technologies; and the management of enterprise-wide projects that will have a significant financial and/or operational impact.

Procurement

This team is responsible for organizing and directing the day-to-day operations of the procurement function; driving improvements in procurement processes, policies, and technology; and implementing cost management initiatives related to procurement, warehousing, and inventory management.



Agency Goals



Increase resident engagement with the operating budget.

Strategies to Achieve Goal

- Partner with the Office of Community Affairs to plan and publicize events.
- Collaborate with the Capital team to better integrate the Operating Budget and Capital Budget Forums.

How Success Will Be Measured

- Increased response rate for surveys and budget simulations.
- Increased attendance at virtual and/or in-person forums and meetings.
- Participation rates that accurately represent City demographics and geographic distribution.

Improve outreach for the development of the 2021 Annual Action Plan

Strategies to Achieve Goal

- Hire a consultant that specializes in outreach to under-served communities.
- Ask for input from community partners on the outreach plan.
- Utilize in-house staff for the creation of sections of the Annual Action Plan.

How Success Will Be Measured

- Increase in engagements in the Annual Action Plan development process (meeting attendees, survey responses, questions from the public).
- Increased participation from historically under-represented populations.
- Enhanced staff capacity and knowledge of the Annual Action Plan development; better program outcomes.



Update the City's CDBG/HOME/ESG/HOPWA Policies and Procedures Manual.

Strategies to Achieve Goal

- Continue reviewing current Policies and Procedures Manual for updates.
- Check current HUD regulations for updates to incorporate into the document.
- Develop updated final document.

How Success Will Be Measured

- Policies and Procedures Manual that reflects current HUD guidelines.
- No identified issues with the document per a HUD monitoring.

Create and implement a sustainable purchasing strategy and policy as we work toward becoming a fossil fuel free and zero waste City.

Strategies to Achieve Goal

- Improve specification development to include sustainable and social return requirements in applicable solicitations (energy and natural gas procurements, etc.).
- Work with existing and new suppliers to reduce packaging waste and implement the use of reusable shipping containers when possible and to restrict purchases by the City of environmentally unfriendly products such as Styrofoam and plastic bags wherever possible.
- Create and implement a deconstruction program in coordination with other key City departments.

How Success Will Be Measured

- A reduction in the amount of emissions and waste.
- An increase of social return on major contracts, including but not limited to: workforce development, living wage and renewable energy requirements.
- An increase in the number of agencies included in the Buying Plan.



Continue to support the Mayor's 2030 goal of a fossil fuel free fleet.

Strategies to Achieve Goal

- Apply for Alternative Fuels Incentive Grants offered by the PA Department of Environmental
- Protection, Clean Diesel Grants offered by the Environmental Protection Agency, and other grant opportunities for cleaner-burning vehicles and supporting infrastructure.
- Collaborate with multiple departments and agencies to develop an EV infrastructure plan, including the City's Resiliency Team and Grants office, Pittsburgh Region Clean Cities, local utility companies, and other environmentally-focused groups.
- Encourage ride sharing and smarter routes for City operations.
- Conduct industry-wide research for all alternative fuel vehicle options and incorporate into the 5-year vehicle purchase plan.

How Success Will Be Measured

- Increased number of electric, hybrid, and other cleaner burning vehicles.
- Increased charging infrastructure.
- Decreased emission by the fleet.
- Decreased utility use in City facilities.

Reassess Chapter 218 of City Code.

Strategies to Achieve Goal

- Review Capital Program Facilitation Committee (CPFC) scoring criteria used to evaluate capital project proposals for the subsequent budget year.
- Review parameters for capital accounts currently included in the Annual Accounting Close and Report.

How Success Will Be Measured

- Increased alignment between how capital project proposals are reviewed and the Mayor's priorities that are established at the start of the annual Capital Budget process.
- The City's financial resources will be targeted at its existing need rather than the needs of budgets from prior years.



Budget



Staffing & Salaries

City of Pittsburgh Operating Budget
Fiscal Year 2022

Office of Management & Budget
102200

Position Summary

Title	2021	Rate/	Hours/	2021	2022	Rate/	Hours/	2022
	FTE	Grade	Months	Budget	FTE	Grade	Months	Budget
Director, OMB	1	35G	12	\$ 114,720	1	35G	12	\$ 118,162
Assistant Director - Capital & Asset Management	1	32G	12	98,369	1	32G	12	101,320
Assistant Director - Operating	1	32G	12	98,369	1	32G	12	101,320
Assistant Director - Procurement	1	32G	12	98,369	1	32G	12	101,320
Senior Budget Analyst	1	26G	12	77,589	1	26G	12	79,917
Senior Budget Analyst	1	26G	6	38,794	—	26G	—	—
Budget Analyst	3	22G	12	197,410	5	22G	12	338,890
Budget Analyst	1	22G	4	21,935	—	22G	—	—
Budget Analyst	1	22G	5	27,418	—	22G	—	—
Budget Administrator	1	22E	12	60,563	1	22E	12	62,380
Budget Accounts/Technician	1	17G	12	53,400	1	17G	12	55,002
Senior Grants Officer	1	26G	12	77,589	1	26G	12	79,917
Grants Officer	1	23D	12	60,563	2	23D	12	124,760
Grants Officer	1	23D	4	20,188	—	23D	—	—
Fleet Services Manager	1	27G	12	80,876	1	27G	12	83,302
Fleet Contract Administrator	1	20G	12	60,563	1	20G	12	62,380
Senior Manager, Contracting	1	32E	4	30,334	—	32E	—	—
Senior Sourcing Specialist	1	24E	6	32,902	1	24E	12	67,778
Sourcing Specialist	4	20G	12	242,250	5	20G	12	311,895
Sourcing Specialist	1	20G	6	30,281	—	20G	—	—
Procurement Coordinator	1	20D	12	53,400	1	20D	12	55,002
Total Full Time Permanent Positions	26			\$1,575,882	24			\$1,743,345
Temporary, Part-Time, and Seasonal Allowances								
Grants Officer, Part-Time	—	24E	1,500	\$ 26,875	—	24E	—	\$ —
Intern	—	10.00-15.00	—	42,724	—	10.00-15.00	—	42,724
	—			\$ 69,599	—			\$ 42,724
Total Full Time Permanent Positions	26			\$1,575,882	24			\$1,743,345
Temporary, Part-Time, and Seasonal Allowances	—			69,599	—			42,724
Vacancy Allowance	—			(31,130)	—			(34,867)
Total Full-time Positions and Net Salaries	26			\$1,614,351	24			\$1,751,202



Other Operations Funds

City of Pittsburgh Operating Budget
Fiscal Year 2022

Office of Management & Budget
102200

Subclass Detail

	2020	2021	2022	Increase/	%
	Actual	Budget	Budget	(Decrease)	Change
Expenditures					
51 - PERSONNEL-SALARIES & WAGES	\$ 1,646,603	\$ 1,614,353	\$ 1,751,203	\$ 136,850	8.5%
51101 - Regular	1,641,193	1,614,353	1,751,203	136,850	
51203 - Allowances	2,250	—	—	—	
51207 - Leave Buyback	3,160	—	—	—	
52 - PERSONNEL-EMPLOYEE BENEFITS	458,057	437,832	495,893	58,061	13.3%
52101 - Health Insurance	259,999	229,075	245,336	16,261	
52111 - Other Insurance/Benefits	34,166	30,640	34,333	3,693	
52201 - Social Security	122,812	127,520	141,224	13,704	
52301 - Medical-Workers' Compensation	1,596	1,597	—	(1,597)	
52601 - Personal Leave Buyback	25,016	32,000	60,000	28,000	
52602 - Tuition Reimbursement	14,468	17,000	15,000	(2,000)	
53 - PROFESSIONAL & TECHNICAL SERVICES	605,841	736,454	905,520	169,066	23.0%
53101 - Administrative Fees	308,003	385,003	374,033	(10,970)	
53301 - Workforce Training	6,793	2,695	25,750	23,055	
53509 - Computer Maintenance	192,719	241,828	276,101	34,273	
53725 - Maintenance-Miscellaneous	25,371	34,824	34,824	—	
53901 - Professional Services	72,955	72,104	194,812	122,708	
54 - PROPERTY SERVICES	7,091,679	7,608,958	7,721,161	112,203	1.5%
54101 - Cleaning	250	400	400	—	
54201 - Maintenance	6,757,046	6,965,311	7,187,855	222,544	
54501 - Land & Buildings	292,633	605,247	406,905	(198,342)	
54513 - Machinery & Equipment	41,750	38,000	126,000	88,000	
55 - OTHER SERVICES	351,539	526,396	596,153	69,757	13.3%
55101 - Insurance Premiums	351,041	523,896	593,653	69,757	
55309 - Regulatory	498	2,500	2,500	—	
56 - SUPPLIES	4,985,033	5,867,163	5,903,979	36,816	0.6%
56101 - Office Supplies	2,397	8,000	8,000	—	
56103 - Freight Charges	5	—	—	—	
56105 - Postage	—	100	100	—	
56151 - Operational Supplies	1,472	10,416	8,140	(2,276)	
56201 - Fuel	1,963,052	3,024,323	3,007,129	(17,194)	
56401 - Materials	16,062	10,000	10,000	—	
56501 - Parts	3,002,045	2,814,324	2,870,610	56,286	
57 - PROPERTY	31,998	—	—	—	n/a
57501 - Machinery & Equipment	31,998	—	—	—	
58 - MISCELLANEOUS	2,400	4,000	4,000	—	—%
58101 - Grants	2,400	4,000	4,000	—	
Expenditures Total	\$ 15,173,151	\$ 16,795,156	\$ 17,377,908	\$ 582,753	3.5%



5-Year Forecast

City of Pittsburgh Operating Budget
Fiscal Year 2022

Office of Management & Budget
102200

Five Year Forecast

	2022	2023	2024	2025	2026
Expenditures					
51 - PERSONNEL-SALARIES & WAGES	\$ 1,751,203	\$ 1,785,372	\$ 1,820,224	\$ 1,855,773	\$ 1,892,034
52 - PERSONNEL-EMPLOYEE BENEFITS	495,893	513,878	532,812	552,744	573,751
53 - PROF. & TECHNICAL SERVICES	905,520	887,589	888,356	830,801	832,446
54 - PROPERTY SERVICES	7,721,161	7,952,733	8,190,079	8,232,312	8,484,739
55 - OTHER SERVICES	596,153	674,654	764,925	868,931	988,996
56 - SUPPLIES	5,903,979	5,943,303	6,001,863	5,497,434	5,596,063
58 - MISCELLANEOUS	4,000	4,000	4,000	4,000	4,000
Total	\$ 17,377,909	\$ 17,761,529	\$ 18,202,259	\$ 17,841,995	\$ 18,372,028
% Change from Prior Year	3.5%	2.2%	2.5%	(2.0)%	3.0%



Capital Budget – 2022

CDBG ADMINISTRATION

Functional Area: Administration/Sub-Award

Project Type: Recurring, Special Revenue Project

Responsible Department: OFFICE OF MANAGEMENT AND BUDGET

Project Manager: Senior Manager, Community Development

Capital Improvement Program

Source	2021	2022	2023	2024	2025	2026	2027	Total 2022-2027
CDBG	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$360,000
BOND								\$0
PAYGO								\$0
OTHER								\$0
TOTAL	\$60,000	\$360,000						

Project Description

This line item provides administrative funding for the operations of the Community Development Block Grant program. This project enables the City to effectively produce and provide information to the federal government and the public regarding grant programs, which includes providing advertisements on when to apply for funding, funding recipients, and oversight of the contract process.

Project Justification

The Community Development Block Grant administration line item ensures efficient disbursement of CDBG funds by providing the capacity to manage, advertise, and facilitate work needed to oversee the City of Pittsburgh's federal grants.

Operating Budget Impact

Community Development Block Grant Administration funds support the salaries and administrative costs of the CDBG program. There is no operational cost to the City.

Unexpended/Unencumbered Prior Year Funds

\$358,095



CDBG ADMINISTRATION

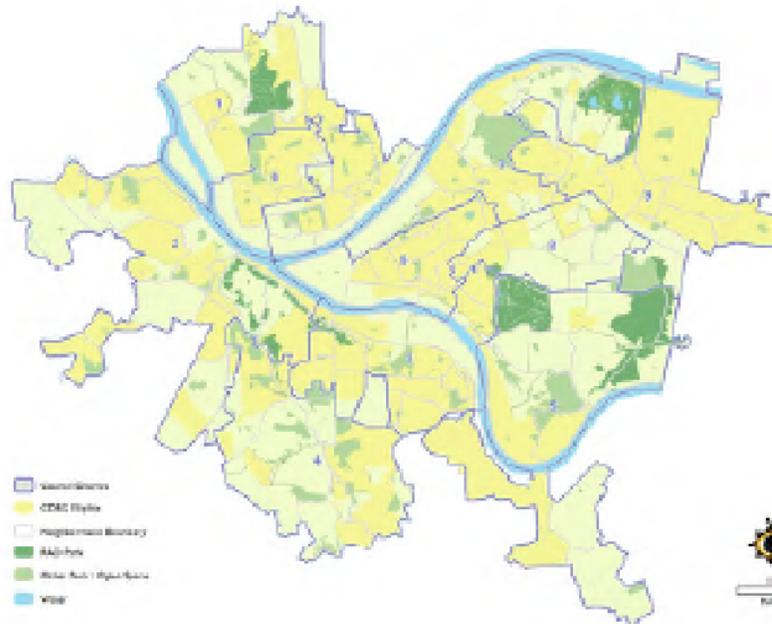
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2022 Deliverables and Objectives

Deliverable/Objective	Location	District	Fund	Cost
ADMINISTRATION OF THE CDBG PROGRAM	City-Wide	City-Wide	CDBG	\$80,000

Deliverables are tentative and subject to change

Location





EMERGENCY SOLUTIONS GRANT

Functional Area: Administration/Sub-Award
Project Type: Recurring, Special Revenue Project
Responsible Department: OFFICE OF MANAGEMENT AND BUDGET
Project Manager: Senior Manager, Community Development

Capital Improvement Program

Source	2021	2022	2023	2024	2025	2026	2027	Total 2022-2027
CDBG								\$0
BOND								\$0
PAYGO								\$0
OTHER	\$1,214,418	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$7,200,000
TOTAL	\$1,214,418	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$7,200,000

Project Description

Funds from the Emergency Solutions Grant provide support for homeless citizens in three ways. Funds help individuals by providing childcare, job training, and drug and alcohol abuse education. Funds also help organizations that serve the homeless by supporting operating expenses.

Project Justification

The U.S. Department of Housing and Urban Development provides funding for essential services and mandates that the funding is used to target specific populations. ESG provides housing and support services for homeless persons and persons at risk of becoming homeless.

Operating Budget Impact

This project is managed by Community Development Block Grant-funded personnel, so there is no operational cost to the City.

Unexpended/Unencumbered Prior Year Funds

\$1,214,418



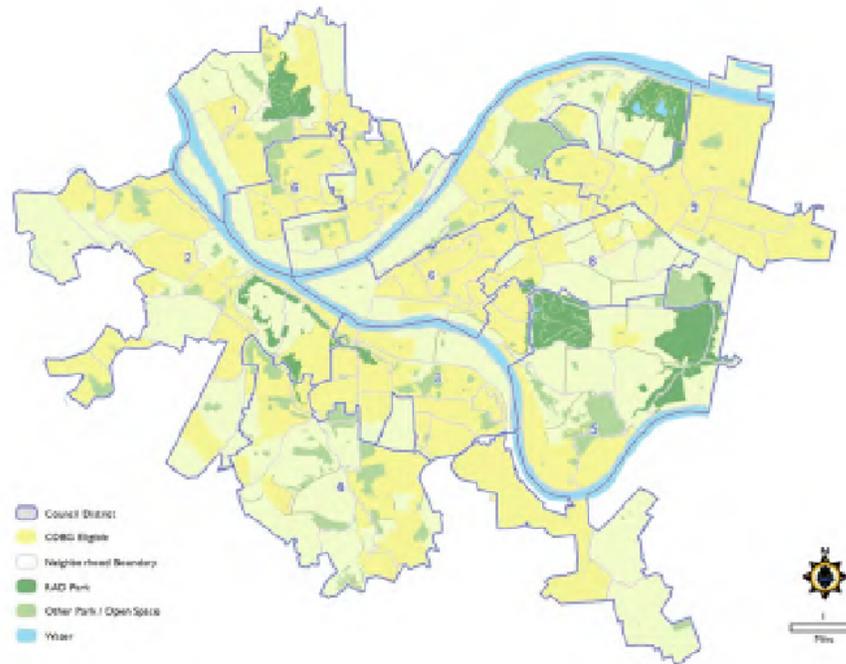
EMERGENCY SOLUTIONS GRANT

2022 Deliverables and Objectives

Deliverable/Objective	Location	District	Fund	Cost
EMERGENCY SOLUTIONS GRANT	City-Wide	City-Wide	OTHER	\$1,200,000

Deliverables are tentative and subject to change

Location





HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Functional Area: Administration/Sub-Award
Project Type: Recurring, Special Revenue Project
Responsible Department: OFFICE OF MANAGEMENT AND BUDGET
Project Manager: Senior Manager, Community Development

Capital Improvement Program

Source	2021	2022	2023	2024	2025	2026	2027	Total 2022-2027
CDBG								\$0
BOND								\$0
PAYGO								\$0
OTHER	\$1,202,295	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	\$6,900,000
TOTAL	\$1,202,295	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	\$6,900,000

Project Description

This project funds housing-related services for those with HIV/AIDS in the City of Pittsburgh. Funding provides for tenant-based rental assistance, emergency short-term mortgage assistance, utility assistance, and information referrals.

Project Justification

HOPWA funds serve a growing population of individuals with HIV/AIDS by providing housing opportunities and referral services. Without such funding, the HIV/AIDS population in the City of Pittsburgh would be adversely affected in a substantial way.

Operating Budget Impact

This project is managed by Community Development Block Grant-funded personnel, so there is no operational cost to the City.

Unexpended/Unencumbered Prior Year Funds

\$1,202,295



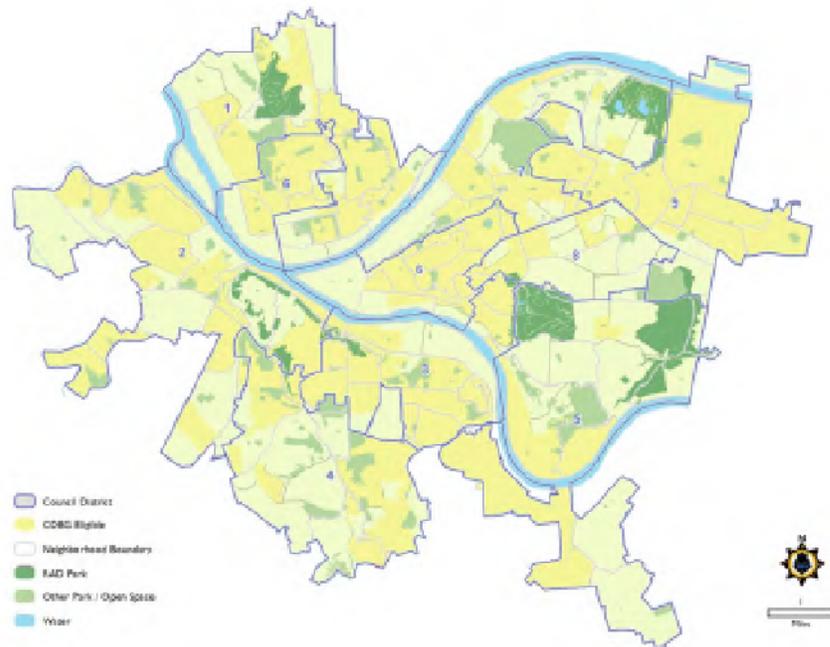
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

2022 Deliverables and Objectives

Deliverable/Objective	Location	District	Fund	Cost
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	City-Wide	City-Wide	OTHER	\$1,150,000

Deliverables are tentative and subject to change

Location





NEIGHBORHOOD ECONOMIC DEVELOPMENT

Functional Area: Administration/Sub-Award

Project Type: Recurring, Special Revenue Project

Responsible Department: OFFICE OF MANAGEMENT AND BUDGET

Project Manager: Senior Manager, Community Development

Capital Improvement Program

Source	2021	2022	2023	2024	2025	2026	2027	Total 2022-2027
CDBG	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$3,000,000
BOND								\$0
PAYGO								\$0
OTHER								\$0
TOTAL	\$500,000	\$3,000,000						

Project Description

This project funds community development corporations and neighborhood groups doing work in Community Development Block Grant-eligible areas.

Project Justification

As community advocates, community-based organizations are uniquely qualified to respond to pressing issues in their neighborhoods.

Operating Budget Impact

This project is managed by Community Development Block Grant-funded personnel, so there is no operational cost to the City.

Unexpended/Unencumbered Prior Year Funds

\$522,610



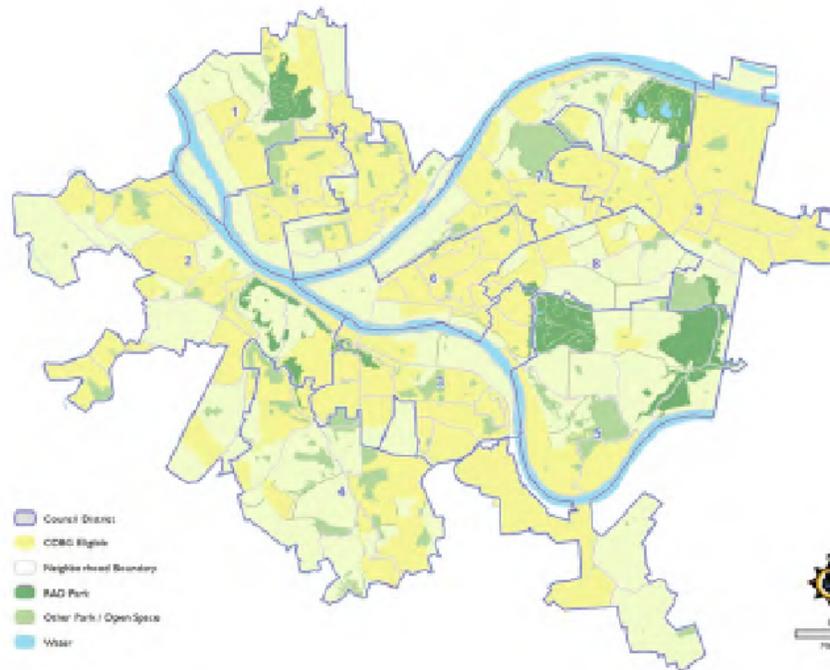
NEIGHBORHOOD ECONOMIC DEVELOPMENT

2022 Deliverables and Objectives

Deliverable/Objective	Location	District	Fund	Cost
NEIGHBORHOOD ECONOMIC DEVELOPMENT GRANTS	City-Wide	City-Wide	CDBG	\$500,000

Deliverables are tentative and subject to change

Location





PERSONNEL - COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Functional Area: Administration/Sub-Award
Project Type: Recurring, Special Revenue Project
Responsible Department: OFFICE OF MANAGEMENT AND BUDGET
Project Manager: Senior Manager, Community Development

Capital Improvement Program

Source	2021	2022	2023	2024	2025	2026	2027	Total 2022-2027
CDBG	\$1,100,000	\$1,064,750	\$1,064,750	\$1,064,750	\$1,000,000	\$1,000,000	\$1,000,000	\$6,194,250
BOND								\$0
PAYGO								\$0
OTHER								\$0
TOTAL	\$1,100,000	\$1,064,750	\$1,064,750	\$1,064,750	\$1,000,000	\$1,000,000	\$1,000,000	\$6,194,250

Project Description

This line item provides for the salaries and benefits necessary for the operation of the CDBG program.

Project Justification

This line item is necessary to assure prompt and efficient disbursement of CDBG funding.

Operating Budget Impact

CDBG funding is used to support the salaries and administrative costs of the CDBG program. There is no operational cost to the City.

Unexpended/Unencumbered Prior Year Funds

\$1,565,542



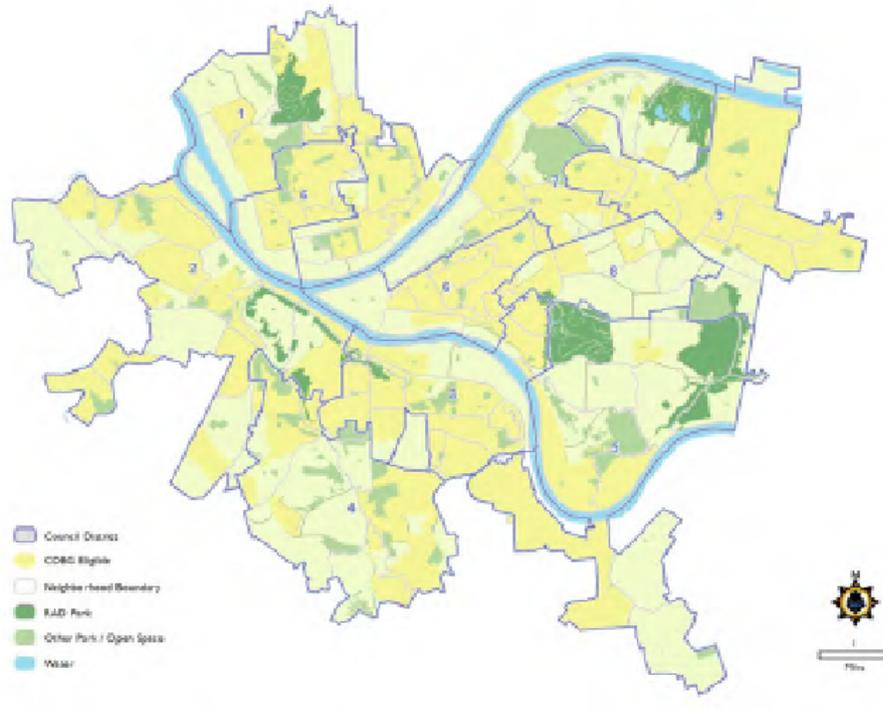
PERSONNEL - COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

2022 Deliverables and Objectives

Deliverable/Objective	Location	District	Fund	Cost
COMMUNITY DEVELOPMENT PERSONNEL	City-Wide	City-Wide	CDBG	\$1,000,000
FAIR HOUSING TRAINING	City-Wide	City-Wide	CDBG	\$64,750

Deliverables are tentative and subject to change

Location





URBAN LEAGUE - HOUSING COUNSELING

Functional Area: Administration/Sub-Award
Project Type: Recurring, Special Revenue Project
Responsible Department: OFFICE OF MANAGEMENT AND BUDGET
Project Manager: Senior Manager, Community Development

Capital Improvement Program

Source	2021	2022	2023	2024	2025	2026	2027	Total 2022-2027
CDBG	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$600,000
BOND								\$0
PAYGO								\$0
OTHER								\$0
TOTAL	\$100,000	\$600,000						

Project Description

This project funds comprehensive housing counseling services to low- and moderate-income City residents.

Project Justification

Housing counseling helps renters begin the path to homeownership and helps owners stay in their homes when they face challenges.

Operating Budget Impact

This project is managed by Community Development Block Grant-funded personnel, so there is no operational cost to the City.

Unexpended/Unencumbered Prior Year Funds

\$100,000



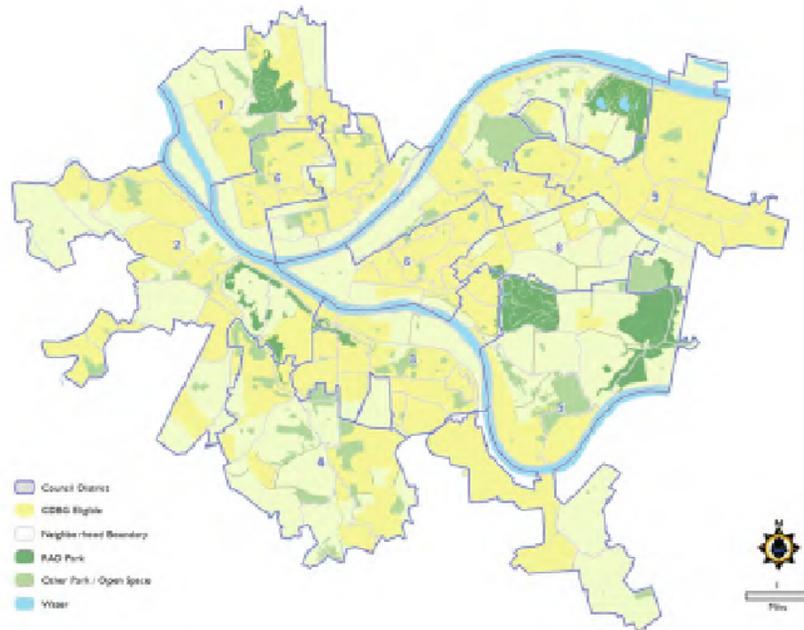
URBAN LEAGUE - HOUSING COUNSELING

2022 Deliverables and Objectives

Deliverable/Objective	Location	District	Fund	Cost
URBAN LEAGUE - HOUSING COUNSELING	City-Wide	City-Wide	CDBG	\$100,000

Deliverables are tentative and subject to change

Location





Programs & Projects



Peduto Administration Accomplishments

- Implemented program-based and priority-based budgeting into the annual budget process to identify future cost saving opportunities and provide data that supports decision-making and communication Citywide
- Secured 32 grants totaling \$15.2 million in 2021 and a total of 232 grants for \$110.2 million since 2014
- Updated City Code to modernize sustainable purchasing rules
- Codified the use of electronic signatures and continued to utilize the DocuSign platform to which the City has saved approximately 35,862 lbs. of wood, 105,591 gal. of water, 84,174 lbs. of carbon, and 5,826 lbs. of waste since implementing electronic signatures two years ago
- Implemented a new eProcurement tool that offers user-friendly platform for vendors as well as additional transparency for the public.

Key Strategic Projects Underway

N/A



Opportunities & Risks



This section is designed to make the incoming administration aware of important program/project events, as well as important decisions that will have to be made over the next year.

Significant Milestones between 11/3/21 and 4/30/22

The incoming administration will have to contemplate whether to introduce an amendment for the FY22 budget to align with the incoming mayor's priorities.

Important Decisions Between 1/6/21 and 12/31/22

- Whether to amend the FY22 budget.
- The development of the FY23 budget.
- Whether the American Rescue Appropriations need to be reprogrammed.
- Whether to issue additional debt for capital projects.

Risks Ahead

Reduced Revenues

Parking and amusement-related revenues were down in FY21. There was an operating deficit of \$30M in FY20, and a mandate that the fund balance must equal a minimum of 10% of the expenditures. \$120M was the fund balance going into FY20. \$64M was the fund balance going into FY21. End of year estimated fund balance is \$77.5M. Estimated fund balance at end of FY22 estimated at \$93M.

Debt Service

Debt Service cannot be more than 12% of budget expenditures, and there is an ordinance in place that requires level debt service. In FY20, \$160M in debt was refinanced. To do so, OMB went to the Council and asked for a waiver from the level debt service requirement. As



such, there is a very large debt service peak from FY22 through FY26, which correlates with the entire first term of the new administration. Then debt service drops by \$30M/yr in FY27.

ARPA Funding

The American Rescue Plan (ARPA) passed by Congress in March allocated \$335 million to the City of Pittsburgh, and city leaders moved quickly in devising [plans to spend it](#). The mayor's office in late June released a plan to spend the entire sum over the next four years, and City Council gave final approval July 20.

More than 50% of the money was earmarked for the city's operating budget to fill gaps caused by a steep drop in revenue during the pandemic. Around a third was used to stave off impending layoffs from the city workforce. The rest went to capital projects — infrastructure, existing public facilities and new social programs and affordable housing. About 18% of the total was allocated to the city's own capital budget, while 22% is set to be transferred to the Urban Redevelopment Authority (URA), 5% to the Pittsburgh Water and Sewer Authority, and less than 1% each to the Pittsburgh Parking Authority and nonprofit OnePGH.

This plan is required to be re-visited each year and has the ability to be amended at any time. It is unclear whether the level of community engagement in developing the plan was sufficient, if additional attention should be given to small business recovery efforts, and whether the plan will be found to subsidize ongoing programmatic costs should revenues not return to pre-pandemic levels.



Reports



Performance Audit Office of Management and Budget Bureau of Procurement

This report focuses on opportunities to better protect the City from contested bids and encourages the ongoing monitoring of contracted performance. It examines strategies used to ensure that the best price and quality of good and services are obtain with public dollars. The use of purchasing cards for minor expenses was found to have a higher than average allowable limit and to be used to frequently purchase the same item types, sometimes without obtaining receipts.

https://apps.pittsburghpa.gov/redtail/images/5872_Office_of_Management_and_Budget_-_Bureau_of_Procurement_May_2019.pdf