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Advice for Pittsburgh's new mayor

Ed Gainey becomes Pittsburgh's 57th mayor next month. And as per the Allegheny Institute's long-running custom, it has compiled a list of recommendations for the incoming city leader and, by extension, Pittsburgh City Council.

"While the city has exited distressed status and oversight, addressed its underfunded pension plans by using a large portion of the parking tax and has received a large dollop of federal COVID-19 relief, underlying issues remain and must be addressed head-on," say Jake Haulk, president-emeritus of the Pittsburgh think tank, and Eric Montarti, its research director (in *Policy Brief Vol. 21, No. 44*).

The institute offers five core recommendations:

First, it urges a city government hiring freeze. In its proposed 2022 operating budget, the city's total full-time equivalent (FTE) headcount is 3,373. Based on 2020's population, that translates to 11.1 FTE per 1,000 people, significantly higher than comparable cities.

"Excessively high numbers of employees per resident point to very high comparative expenditures per resident and higher tax burdens for residents and businesses," Haulk and Montarti stress. "A hiring freeze would allow retirements and normal attrition to begin the process of dramatically slowing the rise in employee costs, both salaries and non-salary benefits which are very large and burdensome."

Second, the Allegheny Institute recommends that the city's 10 departments, four offices, two boards and one commission be examined for increased efficiencies.

"A major independent study of how more efficient (and less costly) cities operate across all departments should be undertaken immediately with the goal of finding ways to improve workflow and productivity," the think tank researchers say. "Creating a bonus program for employees who suggest implementable cost savings and/or productivity enhancements should be a priority."

The third recommendation is to outsource non-core government functions.

“(T)here may be opportunities in public works, such as garbage collection (which many cities outsource), or in public safety if positions can be civilianized,” Haulk and Montarti note.

The Allegheny Institute’s fourth recommendation is to push for a Taxpayer Bill of Rights in the city’s Home Rule Charter.

“A good addition, and one that has been recommended for some time, is an article requiring that general fund expenditures shall increase no more than the rate of inflation, that any surplus tax collection above and beyond the amount necessary to meet general fund expenditures shall be returned to the taxpayers of the City of Pittsburgh and that each city department, agency, authority and function is subject to periodic sunset review to determine the necessity of continuing said department, agency, authority or function,” the think tank scholars urge. “There should be no tax rate increases without a three-fourths vote of City Council or by referendum, preferably the latter.”

The institute’s fifth core recommendation is for the new mayor and the council to not support anti-business measures or subsidies for specific businesses.

“The mayor should oppose any measure that seeks to impose a stricter regulatory environment on businesses,” Haulk and Montarti say. “Similarly, support for favored businesses using city-based incentives is a practice that should have been eliminated years ago and certainly needs to end now.”

Additionally, the institute says the mayor should also look closely at zoning, planning and permitting processes to see if those are streamlined and friendly to business and, if not, initiate changes to make the processes friendlier and less costly.

“Successful implementation of our recommendations outlined above will demonstrate the long-term commitment to sound fiscal practices needed to grow the city’s population and tax base,” Haulk and Montarti conclude. “Those two areas are in a state of uncertainty as the effects of COVID-19 on office workers, events and education are still unfolding.”

But, make no mistake, failure to change policy course will result in an economic malaise far worse than Pittsburgh’s embarrassingly sluggish labor force and household employment gains and continuing population losses over the past two decades.

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