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Comparing Municipality Employee Counts

Our recent report on municipal financial statistics (Report # 2010-04) shed light on the spending and revenues of a cross section sample of twenty municipalities in Allegheny County. The report noted that, compared to the City of Pittsburgh, municipalities in our sample spent much less and collected less in revenues on a per capita basis. Another metric to consider is the number of full-time employees each municipality has per 1,000 residents and to see how that stacks up against the City, other municipalities and cities across Pennsylvania.

Employment figures were taken from the Commonwealth of Pennsylvania's Public Employee Retirement Commission (PERC) which not only tracks the funding levels for each municipality's pension plans, but also the number of active members in each plan. The number of active members corresponds to the number of full-time employees since only full-time employees are granted benefits such as pensions be they defined contribution or defined benefits and whose information is reported to PERC. The plans are divided into three types—police, fire and non-uniformed.

Looking at the total number of full-time employees per 1,000 citizens shows the sample average to be 3.5. The highest value belongs to Findlay with nearly nine full-time employees per 1,000 residents while the lowest value is 1.5 in Wilmerding. Twelve municipalities had three or fewer full-time employees per 1,000 residents. Only Monroeville (5.3) and Findlay had more than five. By comparison, the City of Pittsburgh has more than ten full-time employees per 1,000 citizens—far greater than the sample average. Findlay's high level of employment and spending relative to other municipalities appears to be due in large part to the presence of the Pittsburgh International Airport and a large waste disposal facility in that community.

The next step is to look at public safety personnel and non-uniformed employees separately. We will combine police and fire into a "public safety" category since only two of the municipalities in our sample have a paid fire department (Mt. Lebanon and Swissvale).

First, a look at public safety employment: The number of full-time public safety employees per 1,000 residents ranges from zero (Frazer and Wilmerding) to a high of 3.2 for Findlay. The weighted average, calculated by taking the sum of all public safety personnel in the sample and dividing by the sum of the municipal populations is 1.4. The low average number reflects the fact that only three of the twenty municipalities in the sample had two or more

full-time public safety employees per 1,000 residents (Fox Chapel, 2.0, Swissvale, 2.1, and Findlay) and only two municipalities have paid fire fighters.

By comparison, the City of Pittsburgh employs 4.7 full-time public safety employees per 1,000 residents (2.7 police and 2.0 fire fighters). As mentioned above the data are taken from PERC reports. All of the public safety pension plans for this sample of twenty municipalities are defined benefit plans as are the fire and police pension plans for the City.

For full-time non-uniformed personnel, the weighted sample average is a bit higher at 2.10 per 1,000 residents. This number is driven by the high value of 5.7 in Findlay. The next highest municipalities are Monroeville (3.7) and Fox Chapel (2.8). The lowest value in the sample belongs to Forward (0.9). Thirteen municipalities in the sample have fewer than two full-time non-uniformed personnel per 1,000 residents. The City has 5.7 full-time non-uniformed personnel for every 1,000 residents placing it above nearly every municipality in this sample with the lone exception of Findlay where they are tied.

Unlike the public safety pension plans mentioned above, not all non-uniformed pension plans in this sample are defined benefit plans. There are two municipalities with defined contribution pension plans for their full-time non-uniformed personnel, Pine and South Park.

Of course Pittsburgh is not the only large Pennsylvania city with a high level of full-time employees. The state's capitol, Harrisburg, employs nearly 13 full-time workers per 1,000 residents which tops Pittsburgh's count. Reading, in Berks County, has more than eight full-time personnel per 1,000 residents. All three are experiencing financial difficulties, with Pittsburgh and Reading under Act 47 oversight and Harrisburg contemplating bankruptcy.

As the analysis above indicates, the employee per 1,000 resident count for the overwhelming majority of municipalities is far lower than in several larger Pennsylvania cities. Our recent study demonstrated a much lower level of spending per capita by municipality as well.

Yet there are those who believe it is time to fold municipality services into the county governments. A far better approach would be to look at the spending and payrolls of cities that are in financial trouble and fix their out of line spending and personnel counts.

Frank Gamrat Ph.D., Sr. Research Assoc.

Jake Haulk, Ph.D., President

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| <p>Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd. * Suite 208 * Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: aipp@alleghenyinstitute.org</p> |
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