

THE ACKLIN BUDGET PLAN: Investing in Our Police & Neighborhoods

To my neighbors, the residents of Pittsburgh:

The budget of the City of Pittsburgh is a reflection of the Mayor's priorities. My commitment to you, as your next Mayor, is to invest in public safety and neighborhood improvement, while paying down the city's substantial debt and pension obligations. As mayor I will veto any budget that fails to make progress in these key areas.

To this end, I propose this alternative budget as a contrast to Mayor Ravenstahl's proposal of September 21st, 2009. My budget proposal invests heavily in public safety and neighborhood improvement, saves the pension fund from state takeover, pays down the city debt, and protects every investment in the City's pay-as-you-go capital budget without cutting a single city job, cutting a single city service, or raising a single dollar of taxes on Pittsburghers.

After a rash of arson, scrawling headlines of tragic murders, and a public clamoring for safer streets and more neighborhood investments, I was surprised to see that Mr. Ravenstahl proposed a budget that was almost exactly the same as last year's.

My budget meets the demands of Pittsburghers across the city by making heavy – and deficit-neutral – investments in our police force. I will commit to increase the size of our police bureau by 200 officers in my first term as Mayor of Pittsburgh. My budget provides new technology, safer protective gear, and better tools for fighting crime in our city. It creates a new Neighborhood Safety Commission charged with directing our public safety resources toward the neighborhoods, where they belong. My budget gives Pittsburghers exactly what they deserve: a clear plan to make Pittsburgh the safest big city in America.

It is time to put our neighborhoods first.

When I'm Mayor, that's exactly what we'll do. By refocusing the URA on neighborhood development instead of providing corporate welfare to large-scale developers, we can bolster our struggling business districts and invest in our neighborhoods. Pittsburgh has built a great past on its city planning and development. But now it's time to spur a new Pittsburgh renaissance not just in the downtown, or along the shores, but in our own backyards.

My budget rejects the philosophy that you have to tax working people to pay the bills. Mayor Ravenstahl's Patient and Student Taxes are regressive and misguided and will only hinder Pittsburgh's future growth. At a time when health care costs are soaring, it is inappropriate to ask hospital patients to pay more. When our city's future depends on young families choosing to settle in Pittsburgh, laying a new tax on college students, our most eligible future residents, is no way to roll out a welcome mat. Under my plan, we will repeal the Ravenstahl Taxes and replace them by expanding the contribution from the City's corporate non-profits.

The Acklin Budget Plan is a strong alternative to the Ravenstahl spending plan, one that meets the demands of Pittsburghers by making our streets safer and cleaner while keeping our promises to city workers and retirees. It is a road map that will lead Pittsburgh to greater prosperity, and all of us to a brighter future.

Kevin Acklin

Getting our Priorities Right: Putting Neighborhoods First

The neighborhoods must be a top priority in the city's budget, but today they are not. If we ever hope to escape the seemingly constant threat of bankruptcy, we must grow our population and attract new families into our neighborhoods. That means making real investments and bringing real amenities that young families are seeking.

The Mayor's proposed 2010 city budget sheds some interesting light on his real priorities. His budget proposal requires the city to spend:

- More on car washes than on cement to repair our sidewalks
- More on its phone bill than on salt to plow our roads
- More on the Mayor's office than on repairing our community centers
- Twice as much on dog food as on our libraries

Under an Acklin Administration, our city's K-9 units won't starve, but neither will our libraries. We can make the investments we need by streamlining our operations, identifying cost savings, and making smarter choices about our energy use.

Several expenditures in Mr. Ravenstahl's proposed budget would not be top priorities under an Acklin administration. Most of them fall under three categories:

Modernization

The city wastes money by over-spending to support outmoded and inefficient technologies. For instance, the city's yearly phone bill comes to an astounding \$678,633, a cost that can be cut in half if we pursue VOIP technology instead of traditional land lines. Most departments spend incredible sums of money on "papers & forms" – most notably the Department of Finance, which spends more than a quarter of a million dollars on this line item each year. If we commit to go near paperless in our offices, we can drastically cut the cost of paper and other office supplies.

Rethinking Privatization

The city has continued to privatize its operations, from the city garage to legal and budget related work. These privatization schemes end up costing the city a lot of money and delays, and we need to stop. As your Mayor, I will stop the privatization of city services, and I will work to rescind costly privatization contracts like the city garage, which is costing Pittsburgh almost \$5 million a year and resulting in unnecessary delays and complaints.

Wasteful Spending

There are many examples of wasteful spending in the city budget, from unnecessarily large car-washing budgets, to lobbying contracts that aren't doing the city any good. As Mayor, I will cut wasteful spending wherever I see it, starting with my own office.

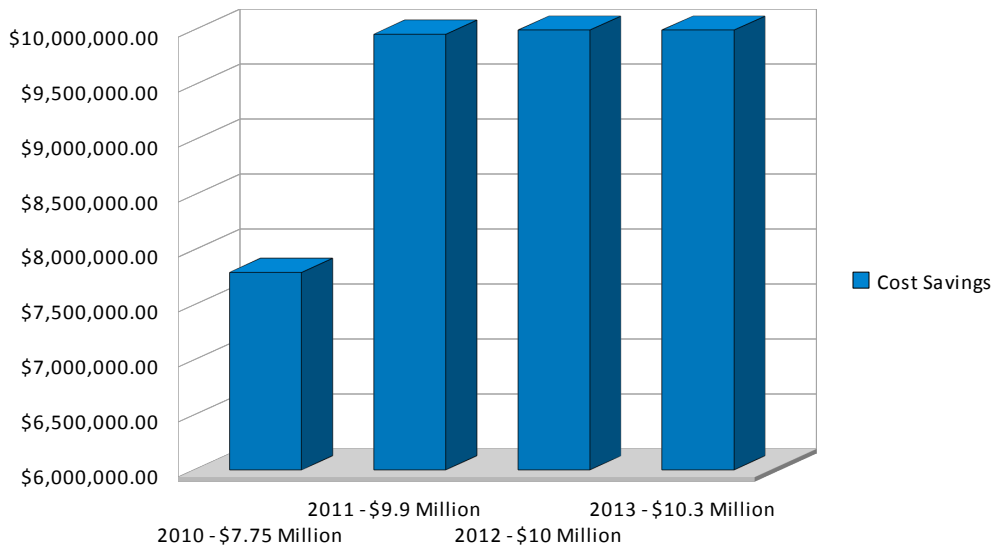
The city also has a tendency to over-budget its administrative costs – that is, to allocate substantially more to a department's administrative unit than it will realistically spend. By adjusting the budget so that it more accurately reflects actual expenditures, we can lower the budgeted resources for each department without actually cutting any funds from their operations.

Energy Efficiencies

Additionally, the city can save money by strengthening its commitment to energy efficiency. The Acklin Budget Plan calls for the acceleration of LED street light installation, energy efficient appliances and light bulbs in all city buildings, and a comprehensive energy use study to identify additional cost savings. These cost-saving initiatives could save the city an additional \$3.6 million a year by 2011.

\$37.95 Million Savings Over 4 Years

These cost-saving initiatives will help the city invest more in public safety in the years to come. The yearly savings in the next four years are estimated to be:



Additional Cost-Savings

There are several other cost-saving initiatives that Kevin Acklin would pursue once elected:

Reduce City-County Administrative Duplication: \$2.2 Million

Merging administrative functions with the county in the law, payroll, personnel, tax collection, and other departments could bring needed savings with little to no impact on the city's workforce or ability to deliver neighborhood services. Kevin Acklin would pursue any reduction in duplication that would save Pittsburgh money annually.

Federal COPs Grants: \$3-7 Million

While the city was shut out of Federal COPs grant money this year, the election of President Obama and Vice President Biden (the original author of the COPs legislation) means it is likely these funds will continue to grow and be available for years to come.

Pursuing Tax Fraud: \$1 Million

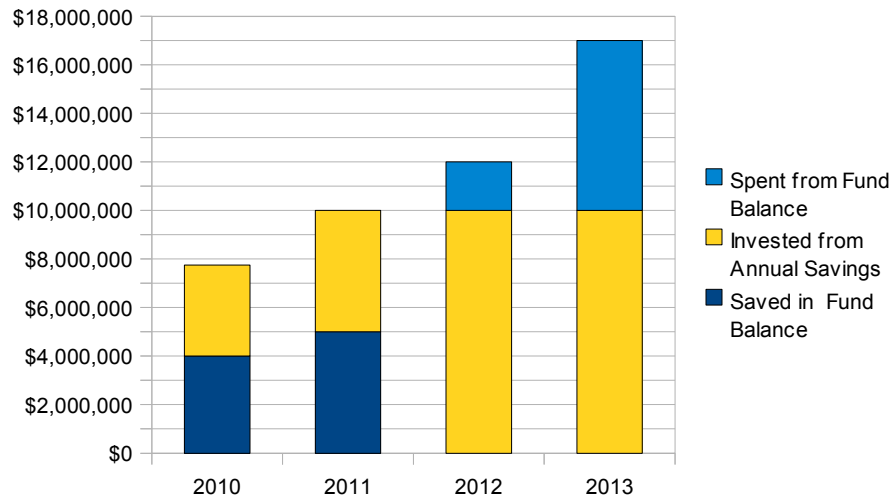
Tax fraud is a problem in Pittsburgh with many passing through the city undetected. It's time to make sure everyone is paying their fair share. By pursuing tax fraud violations, the city can increase its net revenue by as much as \$1 Million.

Outcome Based Budgeting: \$1.8 Million

Currently there is no formalized system for creating department-by-department goals and tracking performance. If the city were to adopt outcome based budgeting, these common-sense management practices could save almost \$2 Million annually.

The Acklin Plan: Promoting Safety and Growth

Under an Acklin Administration, the budget savings we have identified will be invested entirely in public safety and the neighborhoods. Kevin Acklin's pledge to increase the size of the police force by 200 officers can be accomplished with these savings by starting the hiring process slowly, then incrementally increasing the size of the force by 200 officers over four years.



While the annual savings from the first two years are left in the city's fund balance, they will accrue interest. This interest is estimated to total \$940,000 at the end of Kevin's first term as Mayor and will be completely allocated over the 4 years to the Carnegie Libraries of Pittsburgh.

Finally, Kevin Acklin will also make substantial investments in the Bureau of Building Inspection. BBI is the sole city agency charged with monitoring and improving the quality of housing in Pittsburgh. In his 2010 budget plan, Mr. Ravenstahl proposes an almost 10% budget cut for this vital program. As part of his plan to re-focus the Urban Redevelopment Authority on neighborhood development, Kevin Acklin will allocate \$1 million of the URA's almost \$80 million annual revenue toward the BBI so it can modernize its operations, hire more professionals, and strengthen its ability to ensure quality housing for Pittsburgh's families.

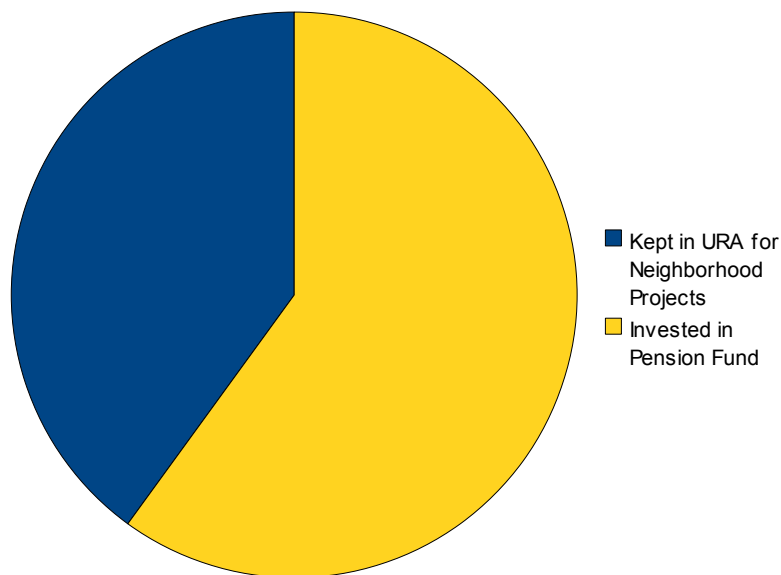
Solving our Legacy Crisis: Delivering on our Promises

The crushing unfunded liabilities in our city's pension fund will drive Pittsburgh into more debt and more state control unless we find a way to bring it to 50% solvency in the next two years.

Kevin Acklin's plan is to re-focus the Urban Redevelopment Authority away from large-scale, corporate projects and toward neighborhood developments that will improve our livable communities and attract young families to our housing. We can then divest a portion of the URA's considerable assets and invest them in the pension fund.

The URA has \$416 million in assets, much of which is in liquid cash and investments. To put that into perspective, the operating budget for the entire city of Pittsburgh in 2009 was almost exactly the same size. In Minnesota they have the twin cities of Minneapolis and St. Paul; here, we have Pittsburgh and the URA!

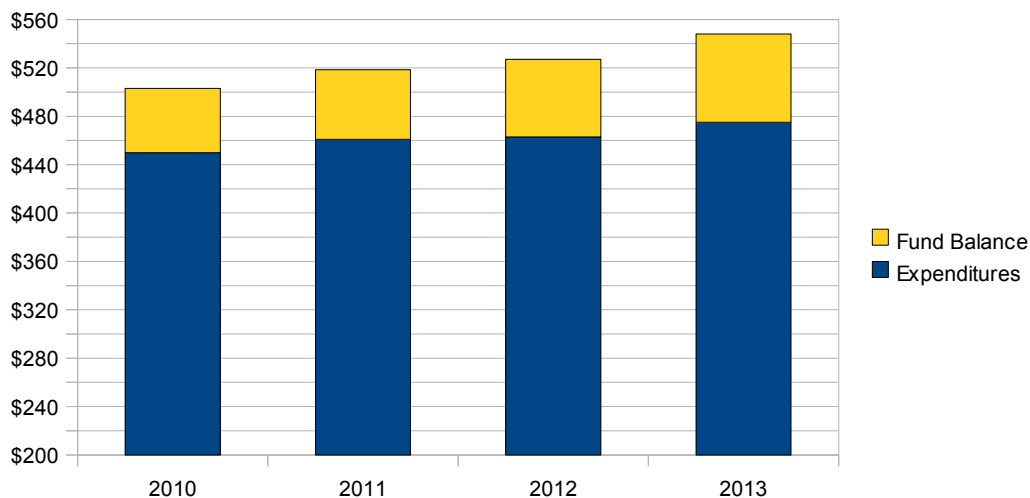
Divesting \$225 million from the URA and infusing it into the pension fund would immediately save the pension fund from state takeover and bring the plan to a sustainable level of funding.



Kevin Acklin's plan is a sustainable solution that allows for more investment in the neighborhoods and also allows the city to keep its promises to retirees and city workers.

Budgeting to Grow Pittsburgh

The Acklin Budget Plan will move Pittsburgh toward a healthier financial future while investing in our public safety and neighborhood needs, which are critical to growing this city. Over the next four years, the city's operating expenditures will only increase by \$25 million, while the reserve fund will grow to \$73 million – funds that can be transferred to the city's Pay-As-You-Go Capital Budget for more neighborhood investments.



There is no doubt that Pittsburgh can – and must – afford to make investments in the neighborhoods. The city's financial future rests on bringing new residents into the city who can spend money at our stores, occupy and care for our housing, and contribute to our tax revenues. The solution is not to cut away services, but invest in the services we need, so that we can remain competitive as a destination for people to live, work and raise their families.

This is the strength of the Acklin Budget Plan – its forward-thinking investments in city amenities that will grow Pittsburgh.

The only way to reach this goal is by investing in public safety and in our neighborhoods.