

# Lamb talks fiscal health at PowerBreakfast

by Christian Morrow  
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When addressing the African American Chamber of Commerce's most recent PowerBreakfast crowd, Pittsburgh Controller Michael Lamb likened the city's financial position to a friend of his who had gotten overextended.

"The law firm I still maintain a small practice with got him interest-only payments on his mortgage, helped him pay down his credit-card debt and he even managed to put something in savings," said Lamb. "But he's going to have to start paying the principal down the road. Just like Pittsburgh. Year-to-year, we're doing great. But we have huge unfunded pension mandate, and we're just paying the interest."

Lamb praised city leaders' recent work in making significant spending cuts and improving the city's bond rating, the coming implementation of a financial management system that is projected to save \$10 million, and new quality control procedures to oversee for public works project materials and contractors.

With public safety taking up half the city budget, Lamb said he was pleased that both the fire and police unions had agreed to raise their retirement ages and switch new employees to a defined contribution plan that they control.

Lamb also said the city plans to use Internet auctions to get the best price on items ranging from pencils to furniture, rather than issuing long-term contracts. And speaking of contracts, the controller has set up a new website called Open Book Pittsburgh that lists every city contract. It can be found at

[www.openbookpittsburgh.com](http://www.openbookpittsburgh.com).

"Just for fun, we added political contributions to the site, so you can see who is paying and who is getting contracts," he said. "Shockingly, there are correlations."

As for revenues, Lamb said with the city's core revenue coming from property and wage taxes, a 50 percent decline in population and with tax exempt entities—mostly government—owning 40 percent of the city's property, income is down.

"When we wanted to see about how we could adjust the parking tax, the city couldn't even give us an inventory," he said.

The property tax assessments are also an issue because they are supposed to be revenue neutral as a whole. So if the total assessed value comes in higher than present, the city will have to either reduce the millage rate or increase the homestead exemption, or do some combination of both.

Lamb added, however, that he has seen no real improvement in the equity of assessments.

"The lawsuit didn't change anything," he said. "On average, high-end properties are still largely under-assessed while low-end properties are fully- or even over-assessed."

"I'll leave with this. My neighbor across the street has a parking pad that was valued at more than his condo. So, yes, we have some land-value issues."

After thanking Lamb for his presentation, chamber President and CEO Doris Carson Williams introduced new members and reminded everyone of the chamber's upcoming diabetes and small business tax workshops. Next month's scheduled PowerBreakfast speaker is Allegheny County Executive Rich Fitzgerald.

(Send comments to [cmorrow@newpittsburghcourier.com](mailto:cmorrow@newpittsburghcourier.com).)



**MONEY TALKS**—Pittsburgh Controller Michael Lamb fields questions on possible remedies for fiscal problems at the African American Chamber of Commerce February PowerBreakfast as chamber President and CEO Doris Carson Williams looks on.

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