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Introduction

Faced with declining revenues and increasing costs, local governments across the country struggle to secure the money and resources they need to provide citizens with quality public services. To address this challenge, local public officials have several options. They can raise taxes, reduce services, or change the way they deliver public services. On the day of deliberation, you will be asked to put yourself in the place of a local public official and answer the question: What would you do?

This booklet has been developed to help you prepare to discuss this question with your fellow citizens. Section One provides information about local governments in Pennsylvania, the services they provide, and how these services are funded. Section Two describes the fiscal challenges facing local governments in Allegheny County. These challenges will require citizens and public officials to make tough decisions, and in one day it would be difficult to consider how these decisions would affect every public service. Therefore, our day of deliberation will focus on just one service—police. Section Three presents the various ways police services are provided in Allegheny County and reviews how police services might be affected by a choice to pursue different options—raising taxes, reducing services, or changing the way services are delivered.

LOCAL GOVERNMENT: STRUCTURE, SERVICES, AND FUNDING

There are three levels of government in the United States: federal, state, and local. Legally, the term local government refers to any governmental unit below the state level. In Pennsylvania, these include county governments, municipal governments (cities, boroughs, and townships), and school districts. Municipal governments are responsible for providing the types of public service that provide the focus for our day of deliberation, so in this section we focus on how municipal governments are organized, the types of services they provide, and how they generate money to pay for these services.

In addition to having a legal definition, the term local government calls to mind several ideals: local democracy, autonomy, and control. Many believe that local governments—especially municipal governments—provide the most accessible arena for citizens to exert control over the decisions that affect the quality of life in their communities. Because local governments are believed to be the place where citizens can exert the most control, local government officials strive to make sure that they maintain as much authority as possible—or autonomy—to make the decisions and to provide the services that address their citizens' particular needs.

Historically, the changing political map of Allegheny County seems to reflect a desire to maintain autonomy. In 1788, when it was founded, Allegheny County had seven municipalities; by 1850 there were 30. Today there are 130 (see map on page 5). Many municipalities occupy less than one square mile and most have a population of fewer than 5,000 people (Figure 1.1).

Municipal Population Distribution in Allegheny County

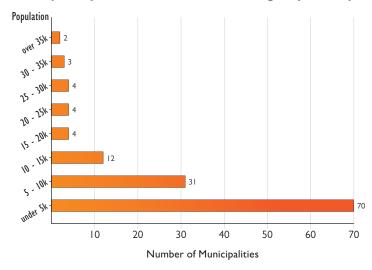


Figure 1.1: Municipal Population Distribution In Allegheny County

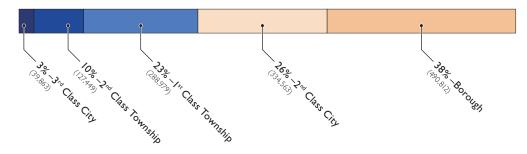
More than half of the municipalities in Allegheny County have fewer than 5,000 residents.

source

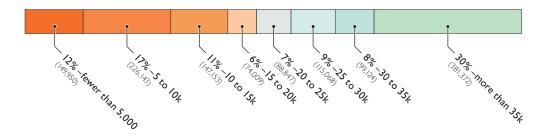
U.S. Census, via Pennsylvania DCED

Where We Live...

...By Municipality Classification



...By Municipality Population



Total Population of Allegheny County: 1,281,666

Figure 1.2: Where We Live In Allegheny County

source

Pennsylvania Data Center. Pennsylvania County and Municipality Demographic Profiles; US Census 2000

1.A: Local Government Structure

The term local government may call to mind ideals of local control, but the autonomy of municipal governments is limited in significant ways by both state law and Pennsylvania's Constitution. Local governments are "creatures of the state," which means that the state legislature sets the rules for how municipalities can be organized and for how they can generate revenue. In Pennsylvania, a municipality can be one of the following:

- Borough
- City of the first, second, or third class
- Township of the first or second class

Municipal classifications are important because they determine three things:

- 1. Which elected officials have which powers (i.e., governance structure);
- 2. Which taxes and fees can be levied;
- 3. The maximum rate possible for each of the taxes or fees.

Table 1.1 (page 4) provides information about elected officials, powers, and the taxes that most directly affect residents.

The state also provides local governments with the option of "home rule." Governments that adopt home rule can choose how they wish to structure their government and they have more control over the types and the rates of the taxes they can levy. Governments wishing to adopt home rule must draft a Home Rule Charter, and citizens must vote to adopt the charter. The citizens of Allegheny County adopted a Home Rule Charter in 2001, changing the County's governing structure from a board of commissioners to one with an elected executive and a 15 member council. Seventeen municipalities in Allegheny County, including the City of Pittsburgh, also operate under home rule charters.

Classification	County Total	Governance	Real Estate (Property Tax)	Earned Income Tax	Local Services Tax
2nd Class City (pop. 250,000–999,999)	I	Mayor and Council Mayor oversees all public services Council approves management positions	No limit	1%	\$52 annually for all employed persons making over \$12,000
3rd Class City (pop. 10,000–249,999)	3	Mayor and Four Commissioners • Each commissioner oversees a major public service Mayor and Council • Similar to 2nd class cities	25 mils ¹	1%	\$52 annually for all employed persons making over \$12,000
Borough (pop. at least 500)	84	Mayor and Council Council has the most power Mayor oversees police Council often hires a Borough Manager to carry out day-to-day operations	30 mils ¹	1%	\$52 annually for all employed persons making over \$12,000
Ist Class Township (pop. at least 300 per sq. mi.)	27	Board of Commissioners Commissioners make all decisions Commissioners often hire a Township Manager to carry out day-to-day operations	30 mils ¹	1%	\$52 annually for all employed persons making over \$12,000
2nd Class Township	15	Supervisors (3 or 5) • Supervisors make all legislative and executive decisions • Supervisors often hire a Township Manager to carry out day-to-day operations	I4 mils ¹	1%	\$52 annually for all employed persons making over \$12,000

A mil equals \$1 in taxes for every \$1000 of a property's assessed value. For example, 1 mil on a home worth \$100,000 is \$100.

Table 1.1 (above): Pennsylvania's Municipal Classifications and Tax Rates

> Map (below): Municipalities in Allegheny County

In 1850 Allegheny County had 30 municipalities. Today there are 130.

2nd Class City

I. Pittsburgh

3rd Class Cities

- Clairton 2.
- Duquesne
- McKeesport

Haysville

Homestead

44. Heidelberg

46. Ingram

43.

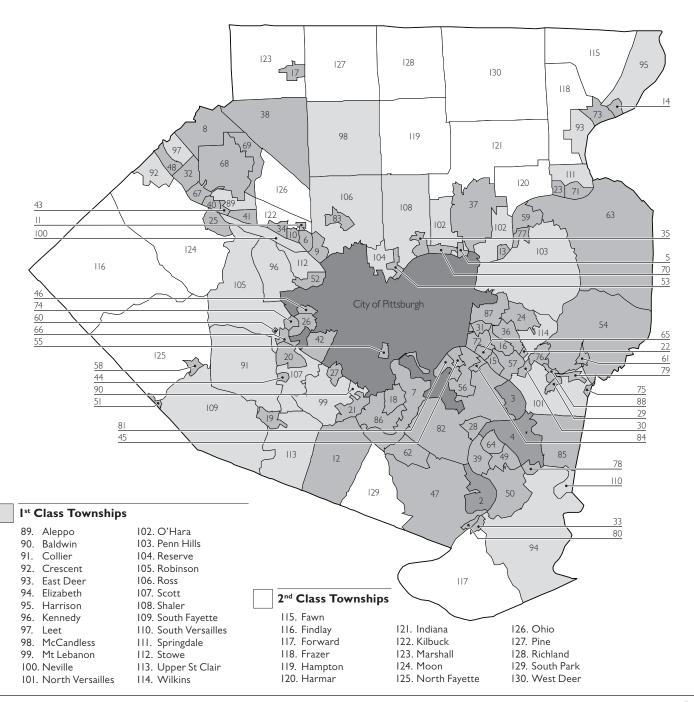
Boroughs Aspinwall lefferson Hills 5. Avalon Leetsdale Baldwin Liberty 7. 8. Bell Acres Lincoln 51. McDonald Bellevue 10. Ben Avon 52. McKees Rocks 53. Millvale Ben Avon Heights Bethel Park 54 Monroeville 12. 13. Blawnox 55. Mount Oliver 14. Brackenridge 56. Munhall 57. North Braddock 15. Braddock Oakdale Braddock Hills 16. Bradford Woods 59. Oakmont Brentwood 60. Pennsbury Village 18. 19. Bridgeville Pitcairn Carnegie 62. Pleasant Hills 20. 21. Castle Shannon 63. Plum Port Vue 22. Chalfant 64. 23. Cheswick Rankin Rosslyn Farms 24. Churchill 25. Coraopolis 67. Sewickley Crafton Sewickley Heights 26. 27. Dormont Sewickley Hills Sharpsburg 28. Dravosburg East McKeesport 71. Springdale East Pittsburgh 72. Swissvale Edgewood 31. 73. Tarentum 32. Edgeworth 74. Thornburg 33. Elizabeth 75. Trafford 34. Emsworth 76. Turtle Creek 35. Etna 77. Verona 36. Forest Hills 78. Versailles Fox Chapel Wall 37. 38. Franklin West Flizabeth 39. Park Glassport 81. West Homestead 40. Glen Osborne 82. West Mifflin Glenfield 41. 83. West View Green Tree Whitaker 42.

White Oak

Wilkinsburg

86. Whitehall

88. Wilmerding



Public Services Provided by Municipal Governments

- Businesses Licensing
- Code enforcement
- Fire protection
- Garbage & recycling collection
- Health services
- Parking and traffic control
- Parks and recreation
- Planning and zoning
- Police—patrol & investigation
- Water supply
- Sewage collection & treatment
- Public works—maintaining local roads, streets, signs, street lights

Figure 1.3: Average Municipal Spending in Allegheny County

source: Pennsylvania DCED: Municipal Statistics, 2008

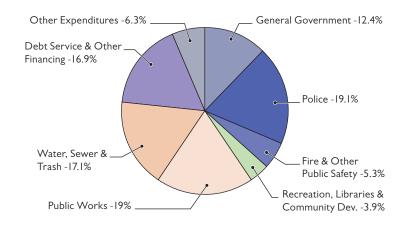
(2007 statistics substituted for the City of Pittsburgh as more recent data is unavailable)

1.B: Local Government Services

While Pennsylvania's Constitution and state laws determine how municipal governments operate and generate revenue, municipal governments have traditionally been responsible for providing public services. At left is a list of the types of public services that municipal governments provide. Figure 1.3, below, shows the percentages that municipalities in Allegheny County, on average, spend on these services.

When it comes to providing public services, the state has established minimal requirements for some services, but there are no uniform service standards that all municipal governments are required to meet. In fact, although municipal governments traditionally provide the services listed above, they are not legally required to provide all these services. For example, municipal governments are not required to provide police services. If a municipality chooses not to provide police, residents receive police services from the Pennsylvania State Police. If a municipality does provide police, its officers must receive standard

Average Municipal Expenditures in Allegheny County



training and pass certain tests. However, municipal governments are not required to provide any specific number of police officers or types of police service. The decisions each municipality makes about which services to provide often depend on how much money they have to fund these services. From one municipality to another the quality of services will vary, since quality is determined, in part, by the tax base each municipality has to support these services.

1.C: Local Government Funding

Local Taxes

Regardless of its size or population, each municipality relies on its local tax base to fund public services. This tax base consists of employed residents, property, and business activity within the municipality. The majority of a municipal budget is derived from real estate taxes and earned income taxes (Figure 1.4).

However, municipal governments are not the only local governments that rely heavily on these two taxes. Except for Pittsburgh, municipalities share revenue from the 1% earned income tax with local school districts, with each receiving half of one percent. Residents also pay real estate taxes to their school district and to the county. These are distinct local government units and state law provides separate tax-rate limits for each. Thus, when setting the tax rate for the most significant source of revenue—real estate taxes—municipal officials must consider both state limits and the real estate tax rates residents are paying to the school district and the county.

County, State and Federal Sources of Revenue

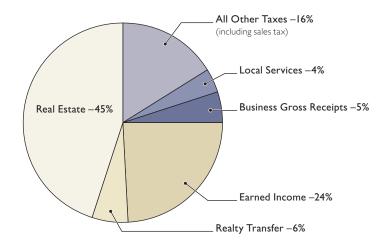
In addition to revenue from local taxes, municipalities rely on money from the county, state and federal governments to fund public services. Some of this money comes in the form of an intergovernmental transfer of funds. For example, residents of Allegheny County pay a sales tax of 7% on most of the things they buy. Six percent goes to the state and one percent is distributed within the County. A portion of the revenue from this additional 1% supports regional assets, such as libraries, museums, and parks, and another portion is distributed to each municipality to help fund public services and reduce other local taxes. Each municipality in Pennsylvania also receives a share of the state's gasoline tax. This share is based on population and road mileage in the municipality, and the money can only be spent on the maintenance of roads and streets.

There are also many special state and federal programs that provide municipalities money in the form of grants. For example, Pennsylvania's Department of Community and Economic Development has numerous programs that provide financial or technical assistance for land-use planning,

Figure 1.4: Average Municipal Revenue From Local Taxes

source: Pennsylvania DCED: Municipal Statistics, 2006

Average Municipal Revenue From Local Taxes



business development, public works, and police services. The federal government also has programs from which municipal governments can receive funds for public services. For example, the U.S. Department of Housing and Urban Development's Community Development Block Grant program provides funds for activities such as affordable housing and infrastructure development.

Municipalities must apply for funds from these programs, which means they must have a staff with the knowledge and professional experience that will enable them to develop successful applications. These programs are also competitive, so there is no guarantee that municipalities will receive money. For example, numerous municipalities in Allegheny County recently applied to a federal program that provides funds for paying police salaries. Many of those that applied did not receive the funds. Those that did receive funds did not receive all that they had requested. The City of McKeesport, for example, requested funds to pay for 10 police officers. It did receive funding, but only for three officers.

In Pennsylvania and across the country, state governments are struggling to balance their budgets. In times of economic downturn, the state and federal programs that provide funds to municipal governments often are the first to have their budgets cut. For example, in 2009 the budget for Pennsylvania's Department of Community and Economic Development, a primary source of state support for local government programs. was cut by 50%. In the near future, experts project that the state and federal funds available to municipal governments will continue to decrease. Thus, municipalities will need to rely more on local resources to support public services.

THE FISCAL CHALLENGE AND OPTIONS FOR ADDRESSING IT

Decreasing Property Values

55 municipalities in Allegheny County have suffered a decrease in the total value of taxable property since 1980.

source: Pittsburgh Post-Gazette., March 2004

Municipal Budget Deficits

In 2007, 55 of the municipalities in Allegheny County had a budget deficit. In 2008 that number increased to 74.

source: ThePittsburghChannel.com June, 2010

2.A: The Fiscal Challenge

Over the last thirty years, many municipal governments in Allegheny County have experienced a declining tax base and decreased tax revenues. Over the same time, rising personnel costs, the need to continually update technology and equipment, and the demands of an aging infrastructure have meant that the costs of delivering public services have continually increased. Over the last decade, these twin pressures of decreasing revenues and increasing costs have created mounting financial problems for more and more municipalities.

According to a recent study by the Pennsylvania Economy League (PEL), Allegheny and Butler Counties are home to Pennsylvania's largest cluster of municipalities in relative fiscal distress. Another study, conducted by George Dougherty at the University of Pittsburgh, reveals that 28 percent of municipalities in Allegheny County experienced multiple annual budget deficits between 2000 and 2006. The financial challenges of the City of Pittsburgh have drawn media attention, but budget problems are not confined to the city—Mount Lebanon, Fox Chapel, Upper St. Clair and other affluent municipalities have also struggled with budget deficits (Figure 2.1).

Budget deficits do not impact all municipalities in the same way. In good economic times, some municipalities generate more money from taxes than they spend. This money can be set aside in a "rainy day fund". In future years, if municipalities cannot generate the revenue necessary to fund services from taxes, they can draw from these funds to balance their budgets. However, this does not solve the basic problem that municipalities face—many are not able to generate enough money from local taxes to meet the increasing costs of providing public services. From 2000-2006, 49 percent of municipalities saw overall expenditures grow faster than revenues.

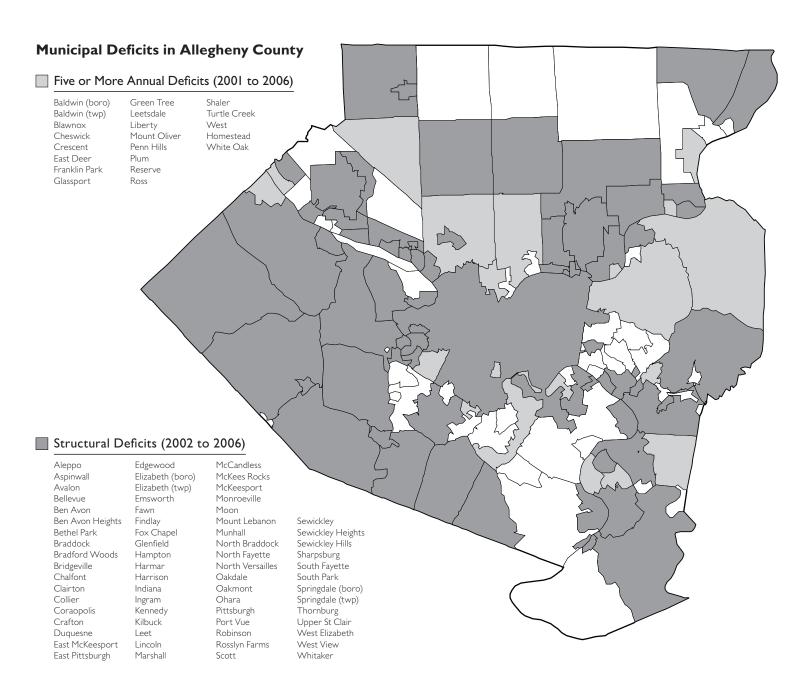
Figure 2.1: Municipal Deficits in Allegheny County

An annual deficit results when one-time or short-term factors lead to an imbalance between revenues and expenditures.

A structural deficit results from an ongoing or long-term imbalance between possible revenue sources and expenditures.

source:

George Dougherty Jr., "Fiscal Health of Municipalities in the Pittsburgh Region"



2.B: Options for Addressing Fiscal Stress

The situation in Allegheny County is not unique. A recent statement from the Pennsylvania League of Cities and Municipalities warns that local governments across Pennsylvania are struggling with fiscal stress. To respond to this stress, "all levels of local government are faced with increasing real estate taxes and user fees, cutting services and decreasing their workforce to make ends meet." Raising taxes and reducing services are two possible strategies for addressing the financial challenges local governments face. A third strategy involves changing the way municipalities provide for public services.

Municipal Real Estate Tax Rates

Currently, no municipality in Allegheny County assesses real estate tax at the maximum rate allowed by the State. The majority have a real estate tax rate of fewer than 9.5 mils.

Option 1: Increase Taxes

Municipal officials fear that real estate tax increases may drive residents away, and they will often do everything they can to avoid them. However, officials have limited options. Given state-imposed limits on the earned income tax (1%) and local services tax (\$52 annually per employed person earning more than \$12,000/year), real estate taxes are often one of the only options municipal officials have for increasing revenue. As budget deficits and fiscal stress have increased in Allegheny County, so have real estate taxes. According to information compiled by the Allegheny County Treasurer's office, from 2003-2009, 74 percent of municipalities increased real estate taxes, although no municipality assesses at the maximum rate allowed by the State.

Some local governments are appealing to the state legislature for more flexibility when it comes to taxes. These officials are not asking the state for more money. Rather, they are asking the state legislature to provide more taxing options so that municipal governments have more freedom to design a taxing structure that best serves their local needs.

Option 2: Reduce Costs and Services

To avoid raising taxes, municipal officials will often look to reduce costs, reduce services, or cut some services altogether.

Municipalities can cut costs by deferring maintenance or by choosing not to replace old equipment. For example, the boroughs of North Versailles and Dormont recently chose not to replace aging police vehicles. Some municipalities have recently made more significant cuts. In 2010, Franklin Park Township cut its budget for road repair and maintenance by 50 percent; Ross Township cut its roads budget by 90 percent.

When it comes to cutting services altogether, municipalities often start with "quality of life" services. Throughout the last decade, municipalities, like the City of Pittsburgh, have closed pools and community centers. Municipalities, such as Marshall Township, have cancelled Community Day celebrations, and in 2010 Ross Township cancelled July 4th fireworks. Ultimately, however, some municipalities decide not to directly provide certain services. Recently, Kilbuck, Neville, and Versailles Townships disbanded their police departments. Each now contracts for police services from a neighboring municipality.

Councils of Government (COG):

There are 124 municipalities involved in 8 COGs in Allegheny County, which are listed below along with the number of municipalities participating in each.

• Allegheny Valley North: 14

Char-West: 19North Hills: 19

Quaker Valley: 14 South Hills Area: 17

• Steel Valley: 9

• Turtle Creek Valley: 20

• Twin Rivers: 12

Option 3: Restructure services to increase efficiency and reduce costs

Local governments may also seek to cut costs or increase the quality of public services through various strategies of intergovernmental cooperation. Since 1943, Pennsylvania has had laws governing intergovernmental cooperation. The most recent is the Intergovernmental Cooperation Act of 1996 (also known as Act 177). This law enables municipalities to work together and provide services through shared service agreements. For example, municipalities can choose to share equipment, to develop joint business or economic development plans, or to jointly provide a particular public service, such as police, garbage collection or street cleaning.

Under Pennsylvania law, intergovernmental cooperation can take one of two forms:

Contractual Arrangements: This is a "vendor-client" relationship, where one municipality purchases services from another. For example, Wilkinsburg Borough contracts with the City of Pittsburgh for garbage collection and Franklin Borough contracts with McCandless Township for its sewage services.

Joint Programs: In this relationship, several municipalities share control over the operation of a public service. Joint programs are also referred to as regionalized services. In Allegheny County, the Northern Area Regional Police Department provides police services to four municipalities, which share responsibility for funding and managing the department.

The Intergovernmental Cooperation Act also provides official recognition of Councils of Government (COG). COGs are not-for-profit organizations that facilitate intergovernmental cooperation among municipalities classified as similar by state statute. COGs are funded by annual dues from member municipalities. These dues cover operating costs, including staff members. There are 45 COGs in Pennsylvania, eight of which are in Allegheny County (see list, at left). COGs function primarily to support their member municipalities. Staff at the various COGs can help member municipalities locate and apply for grant funds, and COGs throughout the state act as administrators for member municipalities who have received Community Development Block Grants.

COGs also facilitate voluntary intergovernmental cooperation among members. In Allegheny Count most COGs operate as joint-purchasing alliances. These COGs manage the bidding process on goods (e.g., rock salt) and services (e.g., garbage collection) for their member municipalities, enabling individual municipalities to take advantage of bulk pricing.

In addition to Act 177 and the official recognition of COGs, the State has encouraged voluntary cooperation in other ways. The State's Department of Community and Economic Development publishes an intergovernmental cooperation handbook and manages several programs that provide financial and technical assistance to municipalities wishing to develop

shared service agreements. Municipal governments also receive support on the county level. Allegheny County's Authority for Improvements in Municipalities recently established the Municipal Service Sharing and Consolidation Program, which provides financial assistance to help cover costs incurred as municipalities begin to implement shared service agreements. However, despite support, encouragement, and incentives, fairly few municipalities rely on intergovernmental cooperation to provide public services.

There have been many reasons given as to why municipalities may not wish to share responsibility for providing public services. Some claim that citizens will not support sharing services. Others point to the fears of local government employees, who may believe they will lose their jobs when municipalities enter into shared service agreements. Still others claim that municipal officials are unwilling to give up any measure of local control.

According to the local government representatives interviewed for this booklet, municipal officials are not opposed to intergovernmental cooperation, but they say that the state legislature can do more to make cooperation easier and attractive. Specifically, municipal officials believe the state legislature can make the laws governing intergovernmental cooperation more clear. For example, Act 177 does not clearly indicate which

provisions of which municipal codes would be applicable in shared service agreements among governments of different classes (i.e., cities, boroughs, townships).

In addition to a lack of legal clarity, local officials point out that the benefits of cooperation may be difficult to realize. For example, several municipalities who have investigated entering into shared service agreements have found that cooperation would increase the quality of service they were able to provide, but they also discovered that costs would increase in the short-term. While various studies indicate that cost-savings can be expected to emerge over time, it is difficult for officials to ask citizens to accept cost increases in the short-term with only the promise of future savings. Local officials suggest that the State might make more financial resources available to help municipalities cover any initial cost increases that result when they begin to cooperate.

On the day of deliberation, you will be asked how you want your government officials to address the fiscal challenges facing our communities. In Section Three, we ask that you think about one public service—policing—and we provide information that should help you make tough decisions about whether to raise taxes, reduce services, or change the way services are delivered.

Making Tough Choices to Balance the Budget

On the day of deliberation, you will have the chance to put yourself in the place of a local official and consider how to best respond to the fiscal challenges facing a typical municipality in Allegheny County. To keep the choices clear during your discussion with other citizens, we have chosen to focus on police services.

Why police? Citizens see police as the most important service local governments provide. Police services also consume a significant portion of any municipality's budget. According to municipal budget reports submitted to the Pennsylvania Department of Community and Economic Development, municipal governments in Allegheny County spend an average of 19 percent of their budget on police—the single most expensive local government service (Figure 1.3, page 6). This figure may actually underestimate the full costs. A recent study by the Pennsylvania Economy League says that police spending figures reported by each municipality do not include pensions, health benefits, and other costs associated with providing police service. With these costs factored in, the actual cost of providing police services can be between 30 and 40 percent of a municipality's budget.

In Allegheny County, fiscal challenges have already caused some municipalities to make changes to their police service. Some municipalities, such as North Versailles, have furloughed police officers. Others, such as East Pittsburgh, have

turned from full-time officers to a part-time police force. Municipalities have also sought cost savings through intergovernmental cooperation. Kilbuck and Neville Townships, for example, disbanded their departments and entered into contractual agreements with Ohio Township.

As local government officials consider changes in the way they budget for and organize services like police, they will benefit from the opinions of citizens who understand how these services are delivered, the challenges, and possible solutions.

3.A. Types of Police Services

Police departments can provide three types of service. (Table 3.1)

- Field Services, which include police patrol and investigative services
- Staff Services, which include administrative services, recruiting, training, and managing staff, planning and research, and community relations
- Auxiliary Services, which include police dispatch and communications, records and evidence storage, and management of buildings and lock-up facilities.

Table 3.1: Police Services by Type

Field Services			Staff Services	Auxiliary Services
Patrol	Investigative	Specialty		
		Specialty Bomb squad K-9 units S.W.A.T. School	Community relations Special crime prevention programs Personnel management Planning and research Recruitment Training	Auxiliary Services Communications
Assist other agencies				
Conduct "vacation checks"				

Traditional Policing

Benefits

- Local control
- Local jobs (uniformed officers and civilian support staff)
- Police focus solely on serving one community and work closely with residents, businesses, schools, etc. to determine the needs of the community

Challenges

- Expensive to maintain
- Uneven or fragmented service
- Separate buildings, equipment, and support staff are an inefficient duplication of services
- Increased use of part-time police

3.B: Delivering Police Services in Allegheny County

Residents of Allegheny County are served by about 2,500 police officers in 109 police departments. All residents in the County receive the services listed in Table 3.1, but they do not all receive them from a traditional municipal police force.

- 92 percent of the County's residents receive patrol services from a traditional police department that serves only one municipality. Some municipalities provide limited investigative services for crimes such as robbery. Officers in these departments receive support from their municipal police department's staff services and auxiliary services.
- 5 percent of the County's residents receive patrol service and investigative services for crimes such as robbery through contractual arrangements.
- 3 percent receive patrol, staff, and auxiliary services from a regional police department.
- 300 residents receive patrol service from the Pennsylvania State Police.
- 100 municipalities use the County's 9-1-1 dispatch service.
- Allegheny County manages the jail.
- Allegheny County Police and other departments
 - » Most of the 130 municipalities, outside Pittsburgh, receive investigative services and specialty field services from the Allegheny County Police Department.
 - » Allegheny County Police Department patrols airports and county parks
 - » Housing Authority Police patrol public housing units (managed by the county)
 - » Port Authority Police patrol public transit (managed by the county)
 - » Sheriff's Department provides officers to the courts, serves warrants, and pursues fugitives that fail to appear for trial

While these patrol, investigative and other police services are available to county residents, not everyone shares the same quality of service delivery. According to police officials who were consulted for the development of this booklet, there is a disparity in staffing, professionalism, and access to technology and information in many municipal police departments in Allegheny County. Some departments have the resources to continually update technology and equipment, employ full-time officers offering a range of field services, and maintain a staff that provides support and auxiliary services. Other departments operate with a small staff of full and part-time officers. These officers may have to assume responsibility for all the services of the department—patrol, staff, and auxiliary—which may keep officers in the station and off the streets.

Coordination and communications across municipal boundaries can also be difficult when departments are working with unequal resources. One official suggested that some departments do not have the resources that would allow them to know what is happening in the very next municipality. This can result in a fragmented response that hampers law enforcement. For example, criminals can commit similar crimes in several municipalities and the officers from these departments then separately investigate these crimes—losing the chance to detect a pattern in the criminal activity. In his assessment of the "patchwork" of police departments in various parts of the state, Lawrence Sherman, Director of the Criminology Center at the University of Pennsylvania suggests "We are making it easy for criminals."

Others say that Allegheny County has more duplication than fragmentation. According to Ohio Township Supervisor Herb Hartle, "we are highly over-policed in Allegheny County." The problem Hartle and others see is that each police department has its own Chief of Police, support staff, and buildings and equipment to maintain. The money municipalities devote to maintaining these separate departments, equipment, staff and auxiliary services may be an inefficient use of limited resources.

Table 3.2: Policing in Allegheny County

source: Allegheny County website

Traditional Police	Contractual Police	Regional Police	Allegheny County Police	Pennsylvania State Police
Single municipality	Municipality contracts with another for police services	One department serves multiple municipalities		
92% of residents96 municipalities	5% of residents10 departments serve 26 municipalities	 3% of residents 4 municipalities	All County residents	300 residents2 municipalities
	Carnegie P.D. also serves: Pennsbury Village Crafton P.D. also serves: Thornburg Borough East McKeesport P.D. also serves: Wall Borough Elizabeth Borough P.D. also serves: West Elizabeth Borough Forest Hills P.D. also serves: Chalfant Borough McKeesport P.D. also serves: Dravosburg Borough North Versailles P.D. also serves: Wilmerding Borough Ohio Township P. D. also serves: Alleppo Township Ben Avon Borough Emsworth Borough Kilbuck Township Sewickley Hills Borough Neville Township Sewickley P.D. also serves: (Glen) Osborne Borough White Oak P.D. also serves:	Northern Area Regional P.D. serves: Bradford Woods Borough Marshall Twp Pine Township Richland Twp		PA State Police serve: Glenfield Borough Haysville Borough and have arrest jurisdiction in all municipalities in the state

3.C: Making the Hard Choices

What would you do if you were an elected official and your town could not afford to pay for the same level of police services this year as it did last year? Given the number of municipalities approaching fiscal distress, your municipal officials—and you—may soon have to make this decision.

Let's say that you are an official of a municipality that is \$180,000 short of what it needs to balance the budget—this is roughly the cost of salaries and benefits for three police officers. As discussed in Section Two, you realistically have three options: increase taxes, reduce police services, or restructure services to increase efficiency or reduce costs.

Option 1: Increase taxes to maintain police services

If you believe it is crucial to maintain the same level of police service (that is, avoid laying off three officers), you might look at how much of a tax increase it would take to close that \$180,000 gap in the budget. Your first option is to look at real estate taxes, since your municipality (like most) has not hit the

maximum rate-limit allowed by the state. How much would you need to raise the real estate tax rate to get the \$180,000, and what would this mean for the average property owner?

That depends. In three municipalities with similar populations and police force size-Moon Township, Wilkinsburg Borough, and Upper St. Clair Township-the amount an average property owner would pay varies based on the current real estate tax rate and the current value of all property in the municipality. In these typical cases, the amount is an additional \$13 to \$21 per year per property owner (Table 3.3). An increase in real estate taxes will impact homeowners, but it will also affect business people who own property and renters whose landlords will likely raise their rents to cover the increase in taxes.

What about other taxes? Assuming the state legislature made it possible to increase these taxes, three taxes that you might consider increasing are the earned income tax, the local services tax, or the county sales tax. In Tables 3.3–3.6 we consider how an increase in these taxes would impact the average taxpayer.

Table 3.3: The Impact of Raising Real Estate Taxes

	Wilkinsburg	Moon Twp.	Upper St. Clair
Population	19,196	22,000	19,112
Current Police Force	39 total (25 f/t, 14 p/t)	30 full time	28 full time
Approximate cost of 3 full-time officers	\$180,000	\$180,000	\$180,000
Total assessed value of all property	\$ 322,153,520	\$ 1,634,836,192	\$ 1,588,359,504
Current millage rate	I4 mils	3.28 mils	4.69 mils
Millage increase required to raise \$180,000	.56 mils	.11 mils	.11 mils
New millage rate to cover 3 officers	14.56 mils	3.39 mils	4.8 mils
Median property value	\$37,000	\$122,000	\$175,000
Average increase in real estate tax/year	\$21	\$13	\$20

Impact of Increasing the Earned Income Tax

The earned income tax is a tax on the salaries of people who live in a municipality. Most municipalities tax at the maximum rate of 1%. If the State allowed municipalities to go above that rate, a rough estimate of the cost to maintain three police officers in our three municipalities is an additional \$16 per year for each wage earner in Moon to \$21 for each wage earner in Wilkinsburg or Upper St. Clair. In this case, employed people (not retirees or people without earned income) are the ones who will bear the cost of the increase in taxes.

Impact of Increasing the Local Services Tax

The Local Services Tax is the \$52 fee that most wage earners pay to the municipality where they work. If the State were to allow municipalities to increase this tax, it would take \$16-\$21 per wage earner in the three municipalities to close the budget gap and retain the three police. Once again, most employed people (not retirees or people without earned income) are the ones who would bear the cost of this tax increase.

Table 3.4: The Impact of Increasing the Earned Income Tax

	Wilkinsburg	Moon Twp.	Upper St. Clair
Approximate cost of 3 full-time officers	\$180,000	\$180,000	\$180,000
Earned Income Tax Rate	1%	1%	.8%
Number of employed people	8,477	11,564	8,603
Estimated earned income tax per person (current)	\$183	\$337	\$562
Additional tax to prevent layoffs of 3 police	+\$21	+\$16	+\$21
Total new tax	\$204	\$352	\$583

Table 3.5: The Impact of Increasing the Local Services Tax

	Wilkinsburg	Moon Twp.	Upper St. Clair
Approximate cost of 3 full-time officers	\$180,000	\$180,000	\$180,000
Average number of employees paying this tax	3,617	12,681	4,325
Current Local Services Tax/per employed person*	\$52	\$47	\$52
Additional tax to prevent layoffs of 3 police	\$55	\$14	\$42
Total new tax	\$107	\$61	\$94

Table 3.6: The Impact of Increasing the County Sales Tax

Current number of police officers in all municipalities	2,500
Number of officers that would be cut if there were a 10 percent reduction	250
Cost of preserving these 250 officers	\$15,000,000
Municipalities' share of current 1% County sales tax	0.25%
Revenue generated by .25% (municipalities' share) of County's 1% sales tax	40,000,000
Additional amount of sales tax needed to raise \$15,000,000	.09% (or less than one-tenth of a penny)

Impact of Increasing the County Sales Tax

Currently, residents of Allegheny County pay a sales tax of seven percent on most of the things they buy. Six percent goes to the state and one percent is distributed within the County as follows:

- One-half of one percent (i.e. 0.005) is distributed by the Allegheny Regional Asset District which in turn distributes it for regional assets including municipal libraries and some municipal parks.
- One-fourth of one percent (i.e. 0.0025) is a general fund revenue for the County.
- One-fourth of one percent (i.e. 0.0025) is distributed to the County's 130 municipalities.

If Allegheny County increased its sales tax and if the revenue generated by this increase were to be distributed exclusively to municipalities, the County's sales tax would need to increase by .09% to provide all municipalities with enough money to prevent layoffs of the same share of their police force (three officers for every 30 officers, or 10 percent). For residents, this increase would mean an additional 9 cents of taxes for every \$100 spent on goods subject to the sales tax.

Option 2: Reduce Police Services

As a local official, you could avoid a tax increase by cutting the number of full-time police officers in your police department—understanding that this will mean that citizens may see a decrease in the response time, police presence in the community may be reduced, police officers may not be able to devote as much time to prevention activities, or services like investigations may be eliminated.

How you decide to reduce police services can vary. Among your choices are:

- Freeze hiring of new officers. This will likely reduce the total number of officers on the streets or in auxiliary or support services, but it will not involve layoffs.
- Lay off patrol officers
- Lay off civilian personnel
- Lay off investigative staff (if your municipal police department does this work)
- Hire part-time police officers

To cut costs, many municipalities have chosen the final option listed above, hiring part-time officers. Part-time officers earn less than full-time officers (between \$10-\$12 per hour) and they receive no pension or benefits. They also often work for more than one department at a time. According to information compiled in 2007 by Christopher Briem at the University of Pittsburgh, in Allegheny County, 38 departments rely

heavily on part-time police. Eighteen departments have more part-time than full-time officers, and five departments rely solely on part-time officers.

While some consider the use of part-time police a reduction of service, Ohio Township's Police Chief, Norbert Micklos, disagrees. Chief Micklos point out that many police officers start out working part-time. Some departments require that fulltime officers have two years of experience before they can be hired and working part-time is one way that entry-level officers can gain that experience. In Hampton Township, all officers begin service on a part-time basis, and these part-time officers are given first consideration when full-time positions become available. However, Hampton Police Chief Dan Connelly says that his department may be an exception. In general, part-time police officers have little opportunity for career advancement in the departments for which they work. As a result, communities that rely on part-time officers may see their police department change personnel frequently when part-time officers move on to full-time jobs in other municipalities. According to Ron Stern, a policing expert at Pennsylvania's Department of Community and Economic Development, part-time officers can end up costing a department more money. Police departments must provide all officers with uniforms, equipment, and ongoing training. When part-time officers leave, the department loses the money they have invested in that officer.

Contractual Policing

Benefits

- Lower cost for one municipality with increased revenue for another
- Increased coordination of information and other resources
- Reduction of duplicated infrastructure and support services

Challenges

- Less local control over the decisions made by contracted departments
- Officers may not know a community and its residents as well
- Officers serving in a community may change frequently

Option 3: Restructure services to increase efficiency and reduce costs

Raising taxes and cutting service are not the only options. There is a third set of strategies that might save your municipality money and preserve the same level of police service.

Cut other services in the municipality

Rather than reduce police services, you could make cuts to other services in your municipality—garbage collection, parks and recreation, public works, building and code enforcement (see page 6 for list of services).

Renegotiate police salaries and pensions

Most municipalities sign a contract with the union (or other collective bargaining unit) that represents police. This contract covers working conditions, salaries, and benefits. One way that a municipality could reduce costs is to reduce salaries, pensions, or other benefits by renegotiating these agreements. While municipalities are not able, under state law, to reduce benefits that have already been granted to current employees, municipal officials could reduce pension benefits for new hires.

Some local government officials have said that they are unable to control police costs due to requirements in Pennsylvania's Act III, which gives police and firefighters the right to collective bargaining in exchange for their continuing to give up the right to strike. If the police union (or other collective bargaining unit) and the municipality fail to reach an agreement, then they must enter into binding arbitration. In binding arbitration, two parties agree to work out a deal through an independent third party—an arbitrator. The arbitrator's decision is final and cannot be disputed or appealed. Under

Act 111, arbitration requires three arbitrators: one chosen by the municipality, one by the police representatives, and one agreed upon by both. The major complaint of local officials is that arbitrators are not required to consider a municipality's ability to pay when they make their decisions. Those representing police officers disagree, saying that arbitrators do consider what municipalities can afford to pay and that officers should be paid what is fair and not what municipal officials say they can afford.

Consolidate your police force with another

The National Advisory Commission on Criminal Justice Standards and Goals recommends that police departments with fewer than 10 full-time officers should investigate the possibility of consolidating with nearby departments. In agreement with this standard, the State encourages every local government to study the possibility of contractual or regionalized police services and "where appropriate to do so, police departments should consolidate for improved efficiency or effectiveness." (Figure 3.1, below, shows Allegheny County municipalities with fewer than 10 full-time officers).

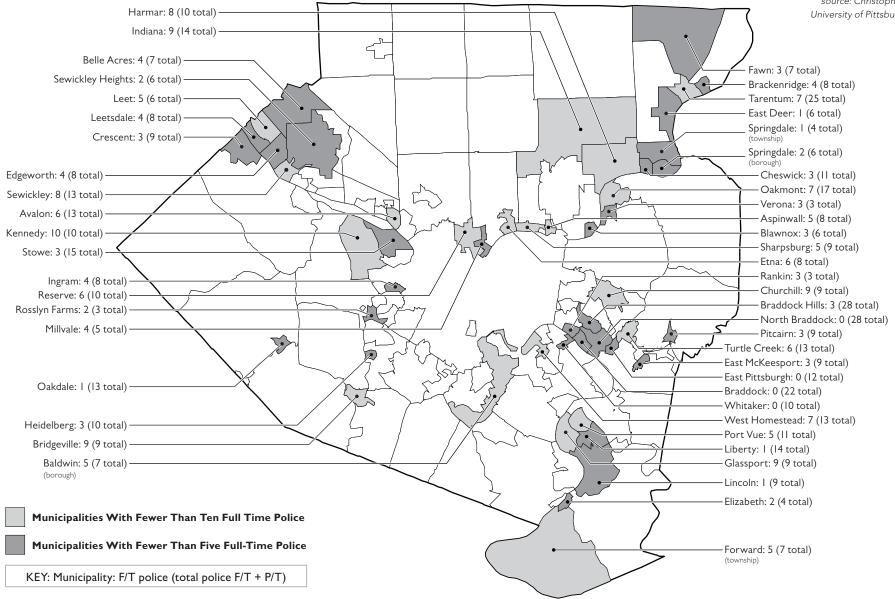
Contract for police services with another municipality

In Pennsylvania, contract policing generally involves a smaller municipality contracting with a larger one. Municipalities contract with a police department for up to five years at a time and specify which services are provided on a day-to-day basis and which are available as needed. For example, among the communities served by the Ohio Township Police, some receive a patrol car 24 hours a day, seven days a week, while one municipality has chosen to get only three one-hour patrols every day.

Municipalities With Fewer Than Ten Full-Time Police

Figure 3.1: **Municipalities With Fewer** Than Ten Full-Time Police

source: Christopher Briem, University of Pittsburgh, 2007



Regional Policing

Benefits

- Improved uniformity and consistency of enforcement
- Improved coordination of law enforcement
- Improved deployment of personnel
- Improved training and personnel efficiency
- Improved management and supervision
- Reduced costs over the long-term

Challenges

- Significant start-up and transition costs
- Decreased local control
- Loss of civilian and command-level jobs
- Loss of close citizen contact

As with any choice, there are limits on the contracting option. There may not be a neighboring municipality willing or able to provide services to the municipality that wants to purchase them. It is unlikely that the municipality buying the service will be able to control which police officers patrol which streets. And for both sides of the agreement, there is uncertainty over what happens after the five years. If costs increase significantly a municipality may need to look for a different police department with which to contract.

Contracting does present some clear advantages. Contractual relationships allow one municipality to secure the resources of a police department at a lower cost since they no longer have to bear all the costs of buildings, equipment, salaries and pensions. The money municipalities pay for services may help the contracting police department to increase the quality of its services overall. Ohio Township has been able to use the money from contracting to offer an expanded range of services, including detectives. John Sullivan, Ohio Township's Manager, says that all of the communities that Ohio Township's police serve believe that police services are better now under the contracting arrangement than they were before. Service is more consistent and information and other resources are better coordinated.

Regional Policing

In regionalized policing, several municipalities pool resources to support one centralized department. A local example is the Northern Area Regional Police. The Pennsylvania Governor's Center for Local Government Services says that the advantages of a well-designed regional police department include reduced costs over the long-term, improved levels of coordination, management and supervision, and more consistent law enforcement. Chief Robert Amman of the Northern Area Regional Police Department sees advantages in training, as well. "A major benefit of regionalizing police services is having a better ability to train the officers generally, but also to train them in the specialized areas of police services." According to most experts, the primary benefit of regional policing is improved quality of service.

The Local Government Center notes that there are also disadvantages of a regional police force. Each member municipality must give up some measure of control, and some civilian and command-level personnel may lose their jobs. Regionalized departments also have significant start-up and transition costs. In 2010, a study by the Pennsylvania Economy League projected that establishing a regional police department for Luzerne County in Northeastern Pennsylvania would require an ongoing yearly need of a "minimum of \$1 million per year for a transition period to establish the regional force."

The most significant transition cost can be the coordination of salary and pensions. The Intergovernmental Cooperation Law requires that municipalities that want to establish a joint/regional service must offer jobs to all the employees of the previously separate departments. Because these employees will have been members of separate unions with differing compensation and benefits packages, the regional department will likely have to provide all employees with the best package any

Table 3.5: Per Capita Cost of Police to Population Served by Type of Police Service Delivery, 2006

source:

The Case for Increased Police Service Levels and Accountability in Luzerne County Pennsylvania Economy League, 2010

County	County Pop.	Standalone Police Force	Contracted Service	Regional Service
Berks	373,638	\$187.43	\$63.24	\$136.61
Centre	135,758	145.89	95.07	_
Erie	280,843	119.47	_	_
Franklin	129,313	137.71	_	_
Lancaster	470,658	174.24	101.66	110.65
Lehigh	312,090	173.93	_	125.95
Luzerne	319,250	99.45	46.24	_
Monroe	138,687	55.11	_	184.06
Northampton	267,066	149.81	93.87	125.72
Westmoreland	369,993	105.36	30.06	_
York	381,751	135.16	55.84	98.7
County Average		134.87	69.43	130.28
Statewide	12,281,054	\$146.00	\$72.13	\$120.50

of the previous departments offered. Individual municipalities also remain responsible for any pre-existing obligations to employees (e.g., pensions).

While establishing a regional department can involve significant start-up and transition costs, studies show that regional departments do cost less to operate. Thus, over the long-term they will cost less. The Pennsylvania Economy League's study of Luzerne County also compared the costs of traditional, contractual, and regional policing in several Pennsylvania counties, including Lancaster, Berks, Lehigh, and York, and concluded that regional policing could potentially decrease per capita costs to individual municipalities by between 65 and 75 percent (Table 3.5). This study takes note of transition costs, but also says that, "over time the savings demonstrated by regional departments will occur in the operation of the newlyformed regional departments as the legacy costs of department formation are reduced." However, the counties included in the Economy League's study all have a population significantly lower than Allegheny County's.

Another study, conducted by Temple University's Institute for Public Affairs, compares existing regional police departments with traditional departments serving areas with similar population sizes all across Pennsylvania. This study finds that the per capita cost of providing a regional department serving a population similar to that served by Allegheny County's regional department, the Northern Area Regional Police, is \$45, as opposed to \$135 for a traditional stand-alone department.

Work with Councils of Government to Centralize Police Service Some municipalities already work though Councils of Government to pool resources and support services that no single municipality could afford to provide. For municipal officials, the benefits of this cooperation extend beyond the particular service being provided. The sharing of information, the shared training of officers, and the coordinated planning required by these services improves police services overall in these communities.

The North Hills COG and the Steel Valley COG support municipal sharing of a crime scene investigation van. The Twin Rivers COG developed a regional training complex for police and other law enforcement personnel. The Steel Valley COG also developed a shared training facility in cooperation with the Allegheny County District Attorney's Office. The South Hills Area COG and the North Hills COG manage S.W.A.T.-style joint special tactics and response teams that serve several communities and involve officers from several departments.

In addition to working through COGs to provide additional services, municipalities may wish to reduce costs or improve service by working through their COGs to centralize staff and auxiliary services.

Work with Allegheny County and other municipalities to form one police department

In other parts of the U.S., counties serve as the primary provider of police services. Currently, in Pennsylvania, most counties do not have authority to assume police functions for municipalities, but Allegheny County does provide some police services and helps to coordinate other public safety activities.

The Allegheny County Police Department provides most municipalities with investigative services (e.g. homicide, sexual assault, and narcotics investigations), specialty police services (e.g., S.W.A.T.), and forensics services. It also patrols the airports and county parks. The county manages a centralized 911 dispatch center and helps coordinate public safety services among municipalities to ensure a coordinated response to natural disasters or terrorist events. It also helps to coordinate emergency medical services for 60 EMS agencies in municipalities throughout the county. The Sheriff's Department in Allegheny County provides officers to the Allegheny County Courts for security, transporting prisoners, serving warrants, and apprehending fugitives who fail to appear for trial. The county also manages the Housing Authority Police, who provide police in public housing throughout the County, and the Port Authority Police. Finally, the District Attorney's special investigative unit has a team of investigators that assist prosecuting attorneys with trial preparation.

If residents wished for the County to assume more responsibility, they might choose from several options. The first option below would probably require action by the state legislature, but the other two options could be pursued through intergovernmental shared-service agreements.

- The County could assume all police functions, including police patrols for all municipalities.
- The County could provide all investigative functions (this would involve the County assuming detective/investigative functions for any of the municipalities that now have their own investigative forces, including the City of Pittsburgh).
- The County could provide centralized staff and auxiliary functions, such as training, payroll and human resources.

State Police Coverage:

Of Pennsylvania's 2,562 municipalities, 1,719 receive either full or part-time coverage from the Pennsylvania State

Eliminate police patrol services and formally request coverage by the Pennsylvania State Police

Municipalities are not required to provide police services. If a municipality makes no arrangements to provide police services, residents receive service from the Pennsylvania State Police. The State Police primarily provide patrol and incident response, but they also provide investigative services on an as-needed basis. Two municipalities in Allegheny County, Glenfield and Haysville Boroughs, receive their service solely from the Pennsylvania State Police.

Providing these services costs the State Police about \$350 million annually. In the last several years, this arrangement has been the focus of a heated debate. Several lawmakers

have proposed legislation that would charge municipalities a fee for state police coverage. One proposal by Representative Mike Sturla (D-Lancaster) would charge municipalities between \$52 and \$156 per resident. However, organizations representing local government officials in townships and boroughs argue that Sturla's proposal represents a "double tax", since residents already pay for these services through their state taxes. Those who support charging municipalities for state police coverage argue that it is residents of municipalities who pay to support their own police departments that are currently paying double for police services.

While only two municipalities in Allegheny County currently rely on state police coverage, all residents of Pennsylvania may have to weigh-in on this issue soon. Fiscal stress in municipalities across Pennsylvania has led to increased demands on the State Police at a time when that organization is facing budget problems. In 2009 alone, 18 municipalities disbanded their municipal police forces and began relying solely on the state police. State Police Commissioner Frank Pawlowski testified before the State House Appropriations Committee in 2009 that these increased demands may soon lead to a police shortage: "We're moving resources around to address the demand," he said, "but the bottom line is, if this keeps going like it has been going, it's going to start to hurt."

CONCLUDING REMARKS

This booklet has sought to provide the information that will help you assume the role of a public official and consider the tough decisions facing local governments in Allegheny County and across the country. In Sections One and Two you learned how local governments are organized in Pennsylvania and how fiscal stress is impacting municipalities throughout Allegheny County. Knowing that this impact will require some hard choices, Section Three focused on the vital service of police and presented the types of options local government officials have available to address fiscal stress and balance their budgets.

On deliberation day, you and other citizens will have the chance to engage these challenging questions and learn from each others' knowledge and experience. It will be a day for a lively discussion, and we look forward to hearing what you think.

This booklet, the surveys, and the protocols for the Allegheny Forum's deliberative poll were developed by the Program for Deliberative Democracy, a joint venture between Pittsburgh's Coro Center for Civic Leadership and Carnegie Mellon's Center for Applied Ethics and Political Philosophy.

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