

2022 - 2023 Biennial Budget

**Patrick Urich,
City Manager**

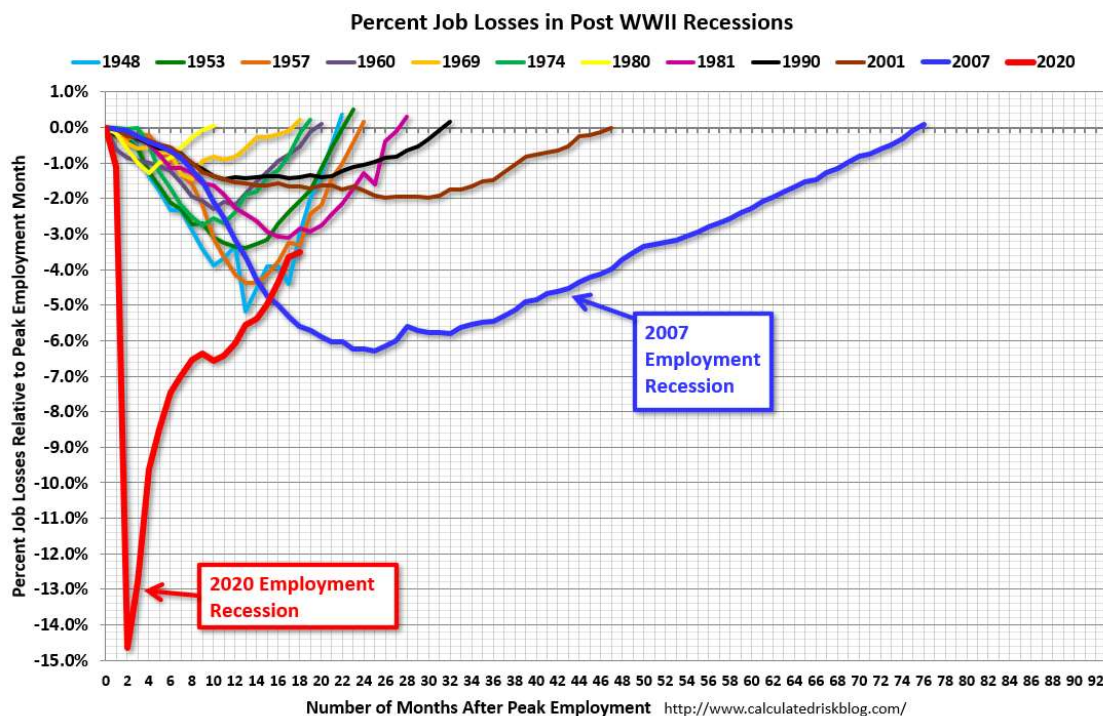
**Kyle Cratty,
Finance Director**

October 19, 2021



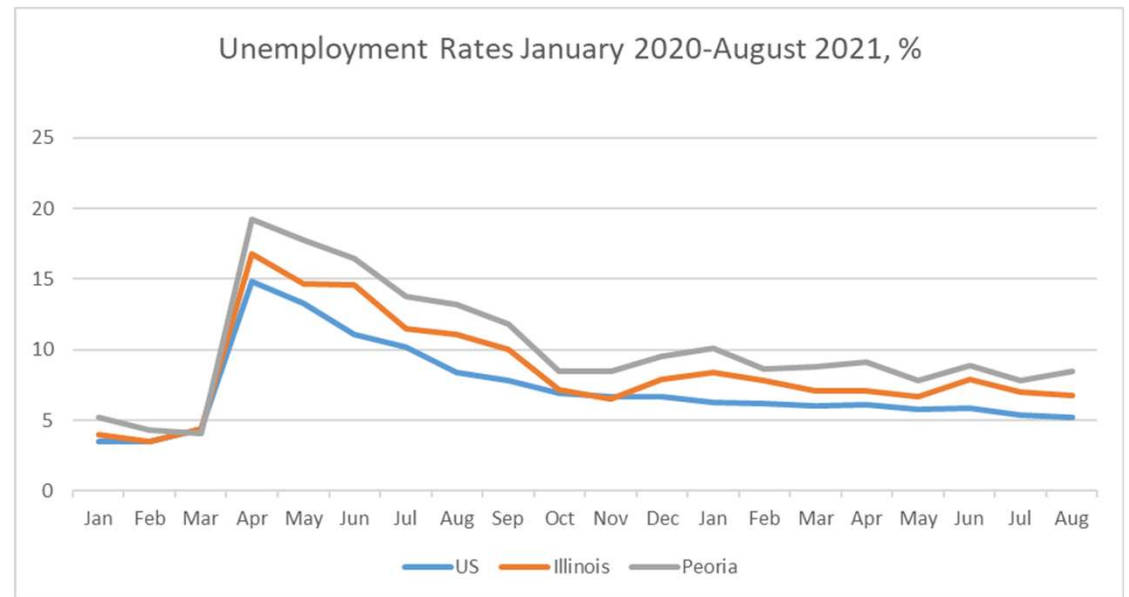
Economic News - GDP

- Economists estimate US GDP growth will be 5.6% in 2021 and 4.0% in 2022
- Inflation fears continue to worry economists, but they see inflation easing in 2022
- Job growth continues to be a concern



Economic News - Unemployment

- National unemployment 5.2%
- State unemployment 6.8%
- Peoria unemployment 8.5%, versus 13.2% one year ago
- Peoria metro area added more than 7,000 jobs
- Peoria has added more than 1,900 jobs



2022 Budget Summary


Revenues: \$247.7M (+8.3%), including \$10.1M Fiscal Recovery Funds



Operations: \$177.6M (+10.8%), restores staff and programs



Capital: \$57.8M (+142.6%), delayed projects addressed, CSO begins



Debt: \$19.7M (-4.9%), Reduced debt payments save \$1.0M annually

Revenue Recovery in 2021



Real Estate
Transfer
+55%



Home Rule
Sales
+22%



Hotel Tax
-32%



Rest. Tax
-2%



Sewer/
SWU
+10%



Licenses
+3%



State Sales
+12%

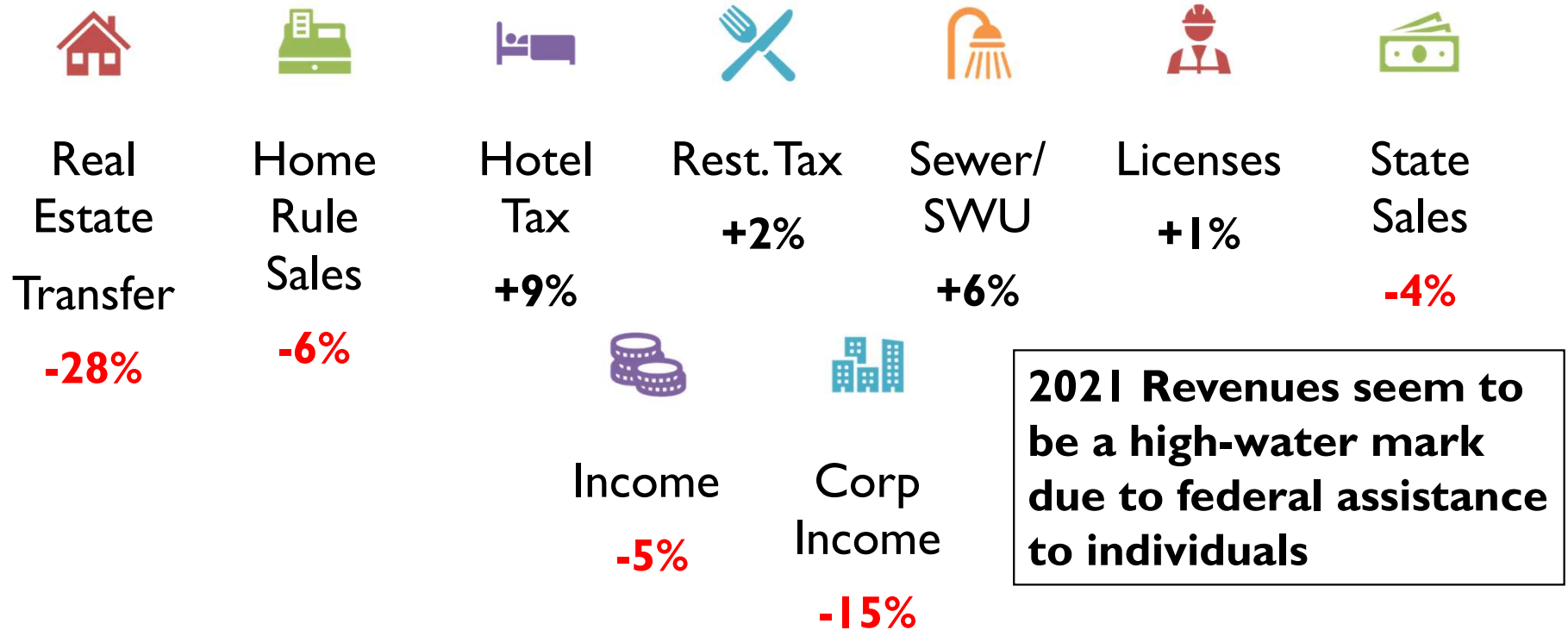


Income
+42%



Corp
Income
+90%

2022 Revenue Estimates vs. 2021



2022-2023 Local Sources

	2021	2022	% Chg	\$ Chg	2023	% Chg	\$ Chg
Property Tax Levy	30,927	31,274	1.1%	347	31,811	1.7%	537
TIF Property Taxes	6,220	6,318	1.6%	98	4,722	-25.3%	(1,596)
Home Rule Sales	27,973	26,400	-5.6%	(1,573)	26,928	2.0%	528
Sewer Fees	21,368	22,671	6.1%	1,303	23,125	2.0%	453
HRA Tax	8,777	9,085	3.5%	308	9,263	2.0%	179
Gambling	2,273	2,620	15.3%	347	2,672	2.0%	52
Real Estate Transf	1,450	1,050	-27.6%	(400)	1,071	2.0%	21
Fines/Forfeitures	1,110	954	-14.1%	(156)	969	1.6%	15
Local Sources	151,506	151,587	0.1%	81	153,116	1.0%	1,528

Stormwater and Pension Fees



Stormwater Fee

- Suspend CPI Increase



Pension Fee

- Continue to Impose

2022-2023 State/Federal/Other Sources

	2021	2022	% Chg	\$ Chg	2023	% Chg	\$ Chg
State Sales Tax	29,678	28,445	-4.2%	(1,233)	29,014	2.0%	569
Income Tax	14,690	13,950	-5.0%	(740)	14,229	2.0%	279
PPRT	11,547	9,013	-21.9%	(2,534)	9,193	2.0%	180
State Motor Fuel	4,526	4,714	4.1%	188	4,808	2.0%	94
State Grants	2,674	2,308	-13.7%	(366)	1,466	-36.5%	(842)
State Sources	63,175	58,491	-7.4%	(4,683)	58,773	0.5%	281
Federal Sources	13,911	21,414	53.9%	7,502	16,345	-23.7%	(5,069)
Bonds/Other Sources	75	16,170	21459%	16,095	7,412	-54.2%	(8,758)

2022-2023 Expenses by Category

	2021	2022	% Chg	\$ Chg	2023	% Chg	\$ Chg
Operating Expenses							
Personnel	63,312	68,313	7.9%	5,001	69,875	2.3%	1,562
Benefits	31,927	32,251	1.0%	324	34,031	5.5%	1,780
Contractual	60,814	72,887	19.9%	12,073	69,729	-4.3%	(3,158)
Supplies	4,126	4,107	-0.5%	(19)	4,183	1.9%	76
Total Op. Expenses	160,179	177,558	10.8%	17,379	177,818	0.1%	260
Capital	23,843	57,836	142.6%	33,992	41,671	-27.9%	(16,165)
Debt Service	20,754	19,741	-4.9%	(1,012)	18,966	-3.9%	(775)
TOTAL EXPENSES	204,776	255,135	24.6%	50,359	238,455	-6.5%	(16,680)

Early Retirement and Staffing



Early Retirement

- Pay off liability with OPEB funds



Staffing

- Increase staffing to 653, up 6.1%

Staffing –

- **Community Development** - Additional staff in Community Development to assist with code enforcement and assistance with projects as part of the American Rescue Plan (ARPA)
- **Fire** – through overtime and a SAFER Grant application, restore an engine company for the Fire Department; Training Admin Assistant
- **Police** – Hiring 30 police officers to bring the department to full staffing; Junior Grants Coordinator; Evidence Technician; S-Net Coordinator focused on violence prevention
- **Public Works** – Engineering Tech; Painter; Parking Techs (2); Maintenance Worker (2); and seasonal workers to increase snow routes from 17 to 21.

Staffing –

- **Emergency Communications Center** – Telecommunicators (4)
- **CMO** – Economic Development Admin
- **Finance** – Management Analyst
- **Human Resources** – Classification and Compensation Specialist
- **Information Systems** – Administrative Assistant; PC Support Technicians (2); Business Systems Analyst
- **Legal** – FOIA Legal Assistant/Paralegal; Senior Attorney

Fiscal Recovery Funds

RECOMMENDED SPENDING	2022	2023
INFRASTRUCTURE	3,160	3,160
NEIGHBORHOODS	2,500	2,500
ECONOMIC DEVELOPMENT	2,400	2,400
VIOLENCE REDUCTION	1,325	1,325
HEALTH EQUITY (MATCHED BY PEORIA COUNTY)	600	600
MARKETING/ FINANCE ADMINISTRATION	200	200
TOTAL	10,185	10,185

Other Grant Funds



Tabor Property (\$1.6 million)

- Federal and state clean up funds



HOME ARP (\$2.0 million)

- Permanent supportive housing for families



CDBG CV (\$0.9 million)

- Homeless job training center; Trewyn Park



Land Bank (\$0.3 million)

- Staffing and operations

Support to Other Agencies

- Convention and Visitors Bureau - \$542,000
- Civic Center – \$341,756
- Arts Partners – \$100,000
- Downtown Development Corporation – \$100,000
- Greater Peoria Economic Development Council – \$75,000
- Distillery Labs – \$100,000 (American Rescue Plan)
- Peoria County Animal Control Services – \$278,470
- TIF Subsidies – \$3,035,368

2022 Community Investment Plan



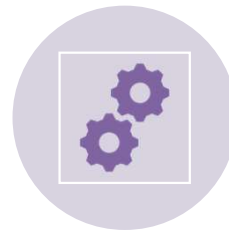
\$57.8M in Capital Improvements



Road, sewer, and drainage projects, 67.6% of the CIP



78.8% Directly impacts citizens



20.2% for tools, technology, and facilities

Category	% 2022	2022	2023	2024	2025	2026
Development	7.0%	\$4,031	\$ 1,000	\$1,000	\$1,000	\$1,000
Equipment	3.8%	\$2,181	\$ 1,729	\$3,608	\$1,016	\$1,032
Facilities	8.6%	\$4,982	\$ 0	\$3,189	\$-	\$-
Parking	3.0%	\$1,760	\$ 500	\$2,110	\$-	\$-
Sewers/Drainage	33.2%	\$19,182	\$ 18,753	\$16,772	\$15,890	\$14,857
Sidewalks	2.2%	\$1,250	\$ 990	\$990	\$990	\$800
Streets	31.3%	\$18,129	\$ 15,331	\$18,443	\$12,815	\$10,855
Traffic/Lighting	3.1%	\$1,820	\$ 1,728	\$738	\$2,567	\$1,610
Vehicles	7.8%	\$4,500	\$ 1,640	\$4,450	\$1,590	\$1,500
Grand Total	100.0%	\$57,836	\$ 41,671	\$51,301	\$35,868	\$31,654

2022-2026 Community Investment Plan

2022 Major Capital Projects

Combined Sewer Overflow Year 1	\$	6,365,000
Glen Avenue from War Memorial Dr to University St	\$	4,305,000
Deerbook Drive Green Street	\$	3,445,000
Adams and Jefferson One-Way to Two Way Conversion	\$	2,830,000
Western Ave from Adams St to Lincoln Ave	\$	2,805,000
Fire Fleet Replacement	\$	2,700,000
Allen Rd Reconstruction from War Drive to Northmoor	\$	2,420,000
Lester D. Bergsten PW Building	\$	2,250,000

2022 Major Capital Projects

Fleet Recapitalization	\$	1,800,000
Stormwater Infrastructure Improvements	\$	1,500,000
Harrison School Demolition	\$	1,400,000
Roadway Infrastructure Projects	\$	1,400,000
Glen Ave (Sheridan Rd to Knoxville Ave)	\$	1,368,000
Drainage Repair Program	\$	1,180,000
Culvert at Abington St. and Madison Ave	\$	1,080,000
Sidewalk and ADA Ramp Projects	\$	1,050,000
Demolition & Clearance	\$	1,000,000
Storm Sewer Lining & Repairs	\$	1,000,000

Debt Revision – Saving \$1.0M

Restructure

2020 debt restructure
reduced principal
2021 debt saves City
\$1.3M of HRA tax

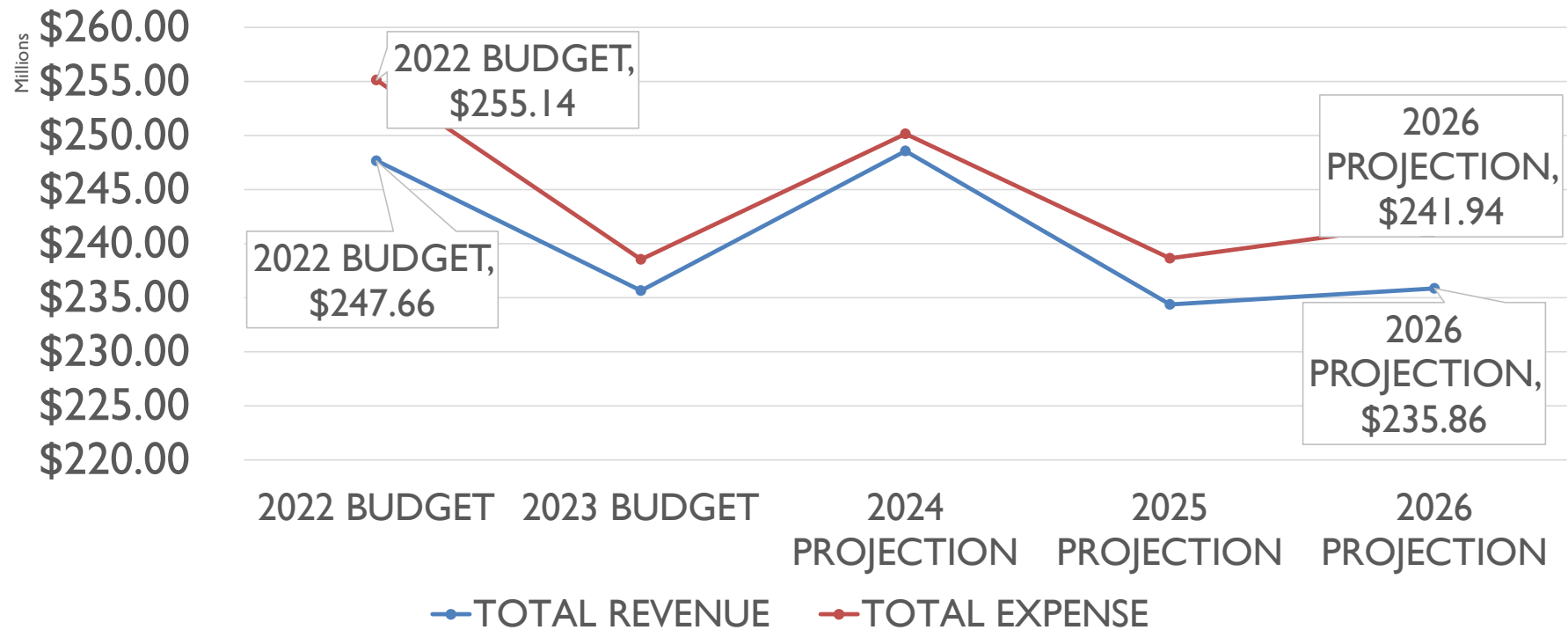
Refund

Additional refundings to
reduce Pere Marquette
debt payments and other
capital debt

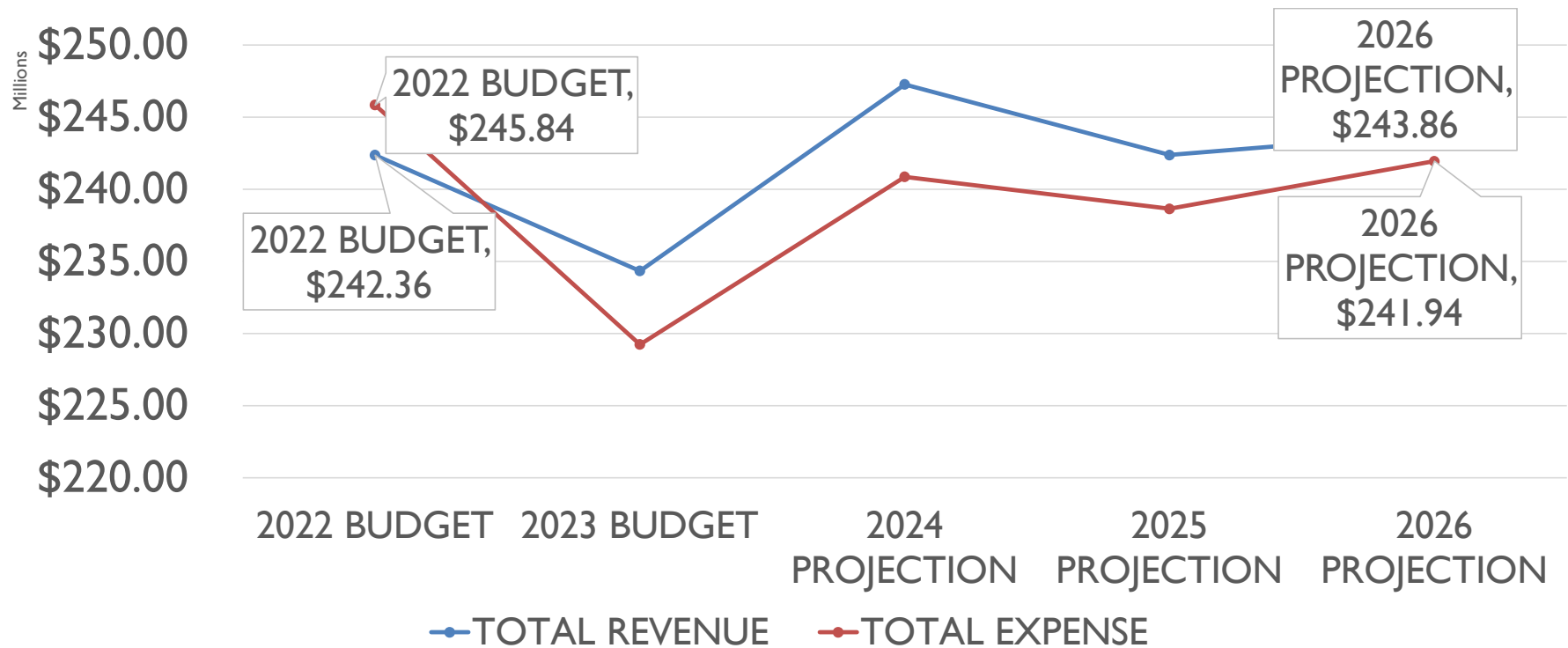
Fund Balances

- The robust revenue growth afforded the City the ability to eliminate a \$8,294,900 deficit in the Capital Fund and will move the General Fund considerably closer to the 25% Fund Balance Policy
- Unobligated General Fund balance at the end of 2022 projected to be \$18,132,508, or 19% of the operating expenses
- Budget estimates using reserves as capital spending is increased:
 - 2022 – \$7,473,074
 - 2023 – \$2,888,440

City of Peoria Budget Outlook, 2022-2026



City of Peoria Budget Outlook, 2022-2026 with Pension Property Tax Levy



Budget Timeline

