

**: OFFICIAL PROCEEDINGS :**

**: OF THE CITY OF PEORIA, ILLINOIS :**

A Special Joint Regular Meeting of the City Council and Town Board of Trustees of Peoria, Illinois, was held October 11, 2017, at 6:00 P.M. at City Hall, Council Chambers (Room 400), 419 Fulton Street, with Mayor Jim Ardis presiding, and with proper notice having been posted.

**ROLL CALL**

Roll Call showed the following Council Members were physically present: Akeson, Cyr, Grayeb, Jensen, Moore (Electronic Attendance), Montelongo, Oyler, Riggerbach, Ruckriegel, Mayor Ardis – 10. Absent: Turner - 1.

**INVOCATION & PLEDGE OF ALLEGIANCE**

Mayor Ardis requested a moment of silent prayer or reflection and he asked everyone to keep the family of Mary Ulrich, former City Treasurer, in prayer in light of her recent passing. He then led the Pledge of Allegiance.

**REQUEST BY COUNCIL MEMBER MOORE  
FOR ELECTRONIC ATTENDANCE**

After having established a quorum, Mayor Ardis said a notice was received from Council Member Moore in accordance with the rules established by Ordinance No. 16,142. He said Council Member Moore would be authorized to attend the meeting electronically unless a motion objecting to her electronic attendance was made, seconded, and approved by two-thirds of the members of the City Council physically present at the meeting. He said if no such motion was made and seconded, then the request by Council Member Moore to attend electronically shall be deemed approved by the City Council, and Council Member Moore would be declared as present.

**PETITIONS, REMONSTRANCES & COMMUNICATIONS – TOWN OF THE CITY OF PEORIA**

**(17-302) Communication from the Town Officials Budget Committee with a Request to APPROVE the PROPOSED ESTIMATED TAX LEVY OF \$2,343,873 (Estimated Tax Rate of .14895) (Pursuant to 35 ILCS 200/18-60) for the TOWN OF THE CITY OF PEORIA.**

Trustee Grayeb moved to approve the proposed estimated tax levy of \$2,343.873 (Estimated Tax Rate of .14895) (Pursuant to 35 ILCS 200/18-60) for the Town of the City of Peoria; seconded by Trustee Cyr.

Approved by roll call vote.

Yeas: Akeson, Cyr, Grayeb, Jensen, Moore, Montelongo, Oyler, Riggerbach, Ruckriegel, Chairman Ardis - 10;

Nays: None.

**PETITIONS, REMONSTRANCES & COMMUNICATIONS – CITY OF PEORIA**

**REGULAR BUSINESS ITEMS, with Recommendations as Outlined:**

- (17-303) Communication from the City Manager and Finance Director/Comptroller with a Request to APPROVE the ESTIMATE OF TAXES TO BE LEVIED, in the Amount of \$28,478,081.00, at a Rate of \$1.44246 Pursuant to 35 ILCS 200/18-60.**

Council Member Grayeb moved to approve the estimate of taxes to be levied, in the amount of \$28,478,081.00, at a rate of \$1.44246 pursuant to 35 ILCS 200/18-60; seconded by Council Member Riggerbach.

Approved by roll call vote.

Yeas: Akesson, Cyr, Grayeb, Jensen, Moore, Montelongo, Oyler, Riggerbach, Ruckriegel, Mayor Ardis - 10;

Nays: None.

- (17-301) Communication from the City Manager and the Finance Director/Comptroller with a Request to RECEIVE and FILE a Presentation and Discussion of the 2018-2019 BIENNIAL BUDGET.**

Mayor Ardis reviewed the budget discussion process, noting that after the presentation the Council would have an opportunity to provide direction to the City Manager to help facilitate the drafting of a budget. He said votes could be made during the presentation, but he said none of the votes would be binding until a final budget was presented. He said the votes would only provide direction to the City Manager. He said upon completion of all the budget presentations and discussions, the City Manager would prepare a budget for review at the next meeting.

City Manager Urich provided a PowerPoint presentation on the 2018-2019 Biennial Budget wherein a spending plan was developed that took into consideration comments and input shared by the City Council. He said what was presented was based upon the Vision Statement and the Mission Statement the Council previously developed in a strategic planning session. He said the budget was drafted in an attempt to align the spending plan with the resources and priorities of the Council.

City Manager Urich reviewed the total sources of revenue, which was projected at \$206,762,308. He reported that property taxes grew at a 1/2 of 1%, wherein the City was growing with the equalized assessed value. He identified the biggest decrease of resources came from the State of Illinois, noting that they were dropping their contribution by 14.2% down to \$44.8 million. He reported an increase in Federal resources and that bonds were at a sizeable growth in comparison to 2017.

City Manager Urich reviewed the total uses projected at \$199,531,116 for 2018-2019. He itemized the uses noting personnel expenses at \$66.1 million (33% of the total budget); benefits at \$49.1 million (25% of the total budget); contractals at \$21.7 million; supplies and materials at \$3.8 million; support to other agencies, such as the Civic Center or the Community Development Block Grant Program at \$5.5 million; capital at \$ 34.5 million and a debt service of \$18.9 million or 9% of the budget.

City Manager Urich reviewed the State budget issues noting a decrease in funds of \$2.7 million, and he itemized the cuts noting decreases in the Home Rule Sales Tax, Income Tax and Personal Property Replacement Tax (PPRT). He said the State pledged to accelerate payments to the City; however, he said the City still had to budget on a modified accrual perspective. However, he reported a decrease in PPRTs, in the amount of \$1.2 million.

Finance Director/Comptroller Jim Scroggins said the City had reset the projections for the Home Rule Sales Tax. He said the City originally anticipated receiving \$3.6 million; however he said approximately \$1.8 million of that was never realized in 2016. He said the Home Rule Sales Tax projection was reduced by approximately \$2 million. He commented that the projection for the Income Tax was also reduced by 10%. He reported that the State was not going to reclaim the \$896,000 overpayment made to the City, which would be taken off of the City's liability.

City Manager Urich reviewed local revenues noting a decline by nearly \$6.8 million. He provided an itemization of each category noting a decrease in all as follows: Home Rule Sales Tax by \$2.3 million, HRA Tax by \$500,000, gambling funds by \$600,000, utility taxes by \$1.8 million, franchise fees by \$200,000, licenses and permits by \$100,000, fine and forfeitures by \$700,000 and parking by \$600,000. He said the budget was adjusted downward and reset based on historic collections. He reviewed the property tax levy noting an anticipated ½ of 1% property tax assessed value growth. He remarked on the challenges faced with the growing costs of pensions stating if they continued to grow at a rate of 8% each year, Council would need to find another revenue stream or reduce services in order to pay that growing cost.

City Manager Urich reviewed the top line revenue and expense for the General Fund projected in 2017-2021. He reviewed the revenues and expenses for 2017 noting that with no change made, the deficit would continue to grow through 2021 with over a \$10 million deficit. Based on these projections, he recommended making cuts and changes to the budget and he demonstrated the impact of the cuts. First, he said the City would need to reduce services. He reviewed the types of reductions noting an impact on training, a reduction of contributions to the EDC for 2018 and 2019; elimination of software and hardware maintenance contracts; reduction of liability/worker's compensation/OPEB; reduction of Community Development – Planning and Neighborhood Services and private lot mowing; the decommissioning of one fire engine and not filling the 11 vacancies in the Fire Department; changing the fourth shift in the Police Department to four ten hour days, which could save in an upward amount of \$300,000.00. He said the Police Department would work through managing 13 vacant positions with six positions slated to be filled after the first of the year. He concluded by noting the Public Works Department would reduce its supplies and materials, adjust snow response and noted that full-time employees would now do snow removal versus using contractors. Finally, he stated that vacant lot mowing would be restricted.

City Manager Urich reviewed the Stormwater Utility stating the City would allot \$2 million out of the budget to establish this utility. He said the cost of the City to comply with the Federal Clean Water Act to reduce sewage in the Illinois River ranged from \$160-\$230 million. He said capital construction costs could be paid through the current sewer rates, but the cost of operations and maintenance would need to be established. He said the City still needed to manage stormwater throughout the City, which was a Federal mandate. He said a stormwater utility would address all these issues and would be charged to every property owner in the City, including non-profit and tax exempt. He said the City would implement a fee beginning June 1, 2018, which would generate approximately \$4.67 million. He commented on the need to educate the public noting it would take approximately six months to get the community educated and the fee implemented.

City Manager Urich reviewed position changes within the City noting a net reduction of 11 positions. To implement a stormwater utility, he said there would need to be an addition of ten employees. Regarding the reduction, he said there would be five positions eliminated out of administration, one position eliminated in the Police Department, the decommissioning of a fire engine, not filling the current 11 vacant positions at the Fire Department, eliminate three positions in the Emergency Communications Center, and utilize Code Enforcement aides in Community Development who would be paid through the CDBG Grant. Overall, he noted a net reduction of 11 positions in the budget.

City Manager Urich reviewed the 2018-2022 Capital Improvements specifically reviewing the road improvements.

In conclusion, City Manager Urich reviewed the changes in the fund balances noting the importance of getting the General Fund back up to the 25% level. He said there were deficits in the garbage and the capital funds along with the City needing to build a sizeable balance in the sewer fund in light of the impending CSO and stormwater issues. Overall, he said the changes made would add \$7.2 million to the bottom line in 2018 and \$9.2 million in 2019.

Mayor Ardis expressed his appreciation for the presentation made by City Manager Urich and Staff for preparing a number of Report Backs for the City Council to review. He remarked on the importance of providing feedback in order to move the budget forward to where Council wanted for its adoption.

Discussions were held regarding the delivery of services for the Fire Department, noting that a study done in 2004 recommended, with the expansion of the City, that an additional engine company be instituted. Council Member Grayeb expressed a concern for the number of elderly who live on the edge of the City, especially where Station House 17 had been closed. He said there was a tremendous growth in the elderly population and remarked on the importance of being able to respond for emergency services in a timely matter to these locations.

City Manager Urich said it was a question of affordability and whether the City had the resources to keep a Fire Engine or a Fire House staffed. He said the proposals presented were from reviewing the revenues and the cost it would take to provide those services. He said Staff reviewed the risk the City would assume should an engine be decommissioned. He said what was presented to the Council was not a final budget but only a conversation. He said additional information would be part of a Report Back at the next budget discussions.

Council Member Moore reviewed traffic citations and noted a decrease in tickets over the last five years and she inquired as to the reason for this decrease. Police Chief Jerry Mitchel said there was less enforcement for speeding. He said the primary focus over the last two years was on reducing accidents. Secondly, he said there were less Police Officers in the traffic division to write citations. In response to Council Member Moore, Chief Mitchel said the Police Department was concerned with safety issues, but he said the Department addressed the situations based on what was known. He said areas had been identified where behavior needed to be changed in order to reduce accidents. He said enforcement projects were based upon complaints. He also reported that school zones were responded to every morning. He said the Department would open more enforcement patrols in Council District 1. He said citizens could make complaints by calling the non-emergency number at (309) 673-4521, the Traffic Department at (309) 494-8285, or email at [emccall@peoriagov.org](mailto:emccall@peoriagov.org). He said once a complaint was made, he would direct his Police Officers to enforce those areas.

Mayor Ardis reviewed revenues by source for 2018 and 2019 under fines, forfeitures, traffic and court. In general, he said there was a serious trend downward in revenues. He inquired whether other communities were seeing the same trend or whether it was unique to Peoria. He said he had received numerous complaints about speeding and running through red lights. He inquired whether this was a pattern seen across other communities. He asked what could be done to make Peoria safer for motorists and pedestrians. He said this was a revenue stream to the City, which was obviously short.

Police Chief Mitchel said it was the trend across the country wherein there was less enforcement of traffic violations. He said there was a ban on quotas for the issuance of traffic tickets several years ago. He commented on the "Ferguson Effect" noting that law enforcement was less engaged in certain activities, one of which was writing tickets. He said the Department was shifting from changing behavior through issuing tickets to changing behavior through education. He said there needed to be a balance between writing citations and providing education, which was a matter of resources.

Mayor Ardis said he would defer to the District Council Members in terms of what they felt needed to be enforced within their Districts. He said these violations occurred throughout the City. He inquired, when it came to education, how the community was doing, because he had not seen much accomplishment.

In response to Mayor Ardis, Chief Mitchel said some people understood the message while others did not. He stated that education could be done through flashing signs; however, he said there were individuals who needed to receive tickets in order to break a habit.

Council Member Akesson commented that the roads were designed for speed, noting that residential streets were included. She said the Police Department could not be everywhere to enforce the speed limit. She said other communities were working on creating friction on the streets to slow drivers, and she commented on the need to adjust the City's streets. She said Council needed to advise Engineering that the roads needed to be designed for safety when working on future projects.

Public Works Director Reese said the City Council adopted a Complete Streets Policy that Staff utilized throughout the year. He said as the streets were narrowed drivers began to slow down. However, he said the biggest hurdle was funding sources. He said whenever the City received Federal or State funding, the Department Transportation would determine the design criteria. He said Staff was having discussions with DOT about addressing urban areas.

Discussions were held regarding red light cameras, and Mayor Ardis commented that the City could not, legislatively, use them. He said the City tried to lobby for them in the past with no success.

Council Member Cyr said, upon reading the 2016 Financial Audit and reviewing trends, he noticed the City was 10% less staffed and wrote 75% less citations. He said Police Officers used to have a quota, which was no longer required. He inquired about the performance raises of the Police Officers, and Chief Mitchel said pay raises were not performance based.

Council Member Cyr inquired about the HRA Tax noting the new hotel downtown due to open soon, and he requested an update on the hotel.

In response to Council Member Cyr regarding the new Four Points Hotel in the downtown area and the HRA Tax, City Manager Urich said those projections were not built into the report. He said Four Points was planning to open sometime in March 2018. Mayor Ardis requested what the estimated new revenues would look like, and City Manager Urich said a Report Back would be provided on that question using the assumptions of what a new hotel would generate in the first year and spanning a few years after.

In response to Council Member Cyr's request regarding the voluntary separation incentive, City Manager Urich said five employees had signed the paperwork and he commented that the window was still open for others who wanted to take the incentive. He said a more detailed report would be provided to the City Council once that window closed.

Council Member Cyr expressed a concern regarding the General Fund balance, noting it was supposed to be funded at 25% of the City's operating budget. In response, City Manager Urich said the City was trying to rebuild the unobligated fund balance by 15%. In order to do so, he said there would be a sizeable change in the City's operations, noting a significant reduction in services. He said he would provide a Report Back on what it would take to get that fund to a 25% balance.

Council Member Cyr remarked that the City provided a number of subsidies to a number of charities, and City Manager Urich said he would provide a breakdown of all the support the City provided to other agencies and how those flowed into the budget.

Council Member Cyr commented that in 2018 the oldest TIF would be complete, and he inquired as to how that would help the City and why it did not help in revenues. Finance Director Scroggins provided an explanation of how the TIFs benefited the businesses and the City. He said the City would hold onto the increment to develop a certain area and then once development was concluded, the increment would be distributed to other taxing bodies. He provided an explanation of specific TIFs that were currently being utilized, their expiration dates, and how the community benefited.

Council Member Jensen inquired about the position changes and whether a decommissioning of an engine was needed. City Manager Urich said Staff would look at other reductions such as hazmat or inspections and provide a Report Back on those; however, he said he anticipated there would not be a significant amount of cost savings in those areas. Council Member Jensen requested revenue generating ideas such as charging non-residents for the City's Fire Department to service a call and perhaps billing healthcare facilities, and/or raising hazmat inspection fees.

Council Member Jensen inquired about the stormwater utility and how much the utility fee would be per resident. Public Works Director Scott Reeise said it would start at approximately \$8.00 per month per property. He said this fee would not address CSO costs. He said once a settlement had been reached with the US EPA, Staff would come back with policy recommendations for the Council regarding a sewer utility fee. He said right now the stormwater fee would not generate enough of what was anticipated with CSO in the future.

City Manager Urich said the stormwater fee was intended to cover the startup costs of the utility to begin to address the stormwater issues. He said there was going to be significant expenditures to comply with the Clean Water Act. He said this was an intent to get it started and to prepare for what was coming later. He said the costs to cover the CSO would be sizeable for the community and Council would have to address those costs annually to raise sewer rates.

In response to Mayor Ardis, Director Reeise said that the stormwater utility would have a scheduled increase between \$1 per year up to \$5 per year. City Manager Urich confirmed that the \$8 projected fee was average for 2018 and would be increased in 2020.

Council Member Jensen asked City Manager Urich if there were other communities who charged a motor vehicle fee to non-residents who worked in their city. She also asked for information on what other communities did about a discounted rate for senior citizens or low income level individuals when it came to motor vehicle fees.

In response to Council Member Riggerbach regarding position changes, City Manager Urich said there would be 9 vacant positions with a direct layoff of four employees. Council Member Riggerbach inquired whether any of those could be leveraged through the voluntary separation incentive, noting the importance of handling the situation with care.

Council Member Riggerbach remarked on the importance for the community to understand the magnitude of the City's stormwater problem and he requested a list of projects that were backlogged along with a need for a timetable for addressing them. He expressed a need of informing the community that the stormwater utility was addressing a problem that had not been appropriately addressed in previous years.

Council Member Ruckriegel expressed his appreciation for the Report Backs that were provided. He said he appreciated the work on the General Fund Balance; however, he expressed a concern regarding the City's spending beyond its means. He said as Council got back information for the 2018-2019 Budget, not only should they look out over the next two years, but they should also look at the next five to ten years. He said while the budget was managed, it was important to note future costs that would be coming forward and to note those on the budget in order to prepare for them. He also requested Staff to compare with other communities and how their budget compared to Peoria's.

Mayor Ardis said there was an expenditure for \$2 million for the Public Works building, and he asked for that amount to be decreased and for Staff to prepare a Report Back on what that money would be used for in a remodel of the Public Works building. He also inquired about the water company purchase cost of \$400,000 to conduct due diligence for the buyout, and he advised eliminating that line item at this time in light of the deficit.

Council Member Montelongo requested for the stormwater utility and CSO fees be placed on the City's website. He requested a Report Back detailing the 400 outstanding stormwater projects with a description of each, dates, locations and dollar amounts assigned. He asked, before raising taxes and fees, if there were things businesses and residents could do to alleviate some stormwater issues stating that should be a policy issue before raising taxes and fees.

Council Member Grayeb said the City was required to balance a budget each year. He noted that in the last 10 years the City had cut hundreds of positions. He said previous Councils had tried to operate within the confines of the revenues. He said there were 4-5 positions that would be eliminated that should not be eliminated, noting it would have a huge impact on the efficiency of meeting the needs of the organization. He said he received feedback from citizens who thought the City was already thinly staffed in terms of public safety and Public Works. He said the Council made a commitment to rebuilding the infrastructure of the City. He remarked on the Economic Development Department stating that they needed to work hard to attract new

businesses, big and small, into the community to provide employment. He said he would like to see the City Manager's Office restructured to make economic development a top priority in order to encourage businesses to relocate to Peoria. He said he would like to see a budget come back with a strong emphasis on recruiting new businesses to the community. He also commented on the need to review all departments for efficiency.

Council Member Ruckriegel inquired whether there would be some cost-sharing with the Greater Peoria Sanitary District when it came to CSO, and City Manager Urich said the City would continue to have dialogue with the GPSD to see what could be done.

Mayor Ardis requested additional information on Special Events Fees along with a recommendation for the next budget discussion, noting that there should be some type of compensation for City services.

Regarding position changes, Mayor Ardis said, as positions were pulled, it was important to think about how the City was going to compensate for the loss of these positions. He said the City had been doing a lot with the Cadet and Explorer Programs in both the Police and the Fire Departments. He said he was not recommending taking those programs out, but that the impact of those programs on the organization should be considered. He said one of the things that Council and Staff needed to be cognizant of was the service level expectations of the community and the costs, noting that service levels were not going to be at the same level.

Mayor Ardis said the City was not recommending closing a Fire House, but was recommending decommissioning a fire engine. He said there needed to be an understanding of what the ramifications were going to be for fire calls after one was decommissioned.

Council Member Montelongo suggested reviewing a type of business registration fee noting there would be a lot of positives if more was known about businesses in the community and how the City could help them grow. He said it could help with the City's planning and he asked City Manager Urich to look into such a fee and provide a Report Back.

Mayor Ardis said should Council have additional questions before the next meeting to contact the City Manager and Staff so those questions could be included in the next budget discussion.

Council Member Grayeb remarked on the work of the Innovation Team noting they were doing a lot to help the City grow economically. He expressed an appreciation for their work saying they were helping put Peoria on the right track.

Council Member Moore requested a more detailed Report Back regarding the event fee costs and the revenues they would generate versus the expenses for the City.

#### **PUBLIC COMMENT REGARDING THE PROPOSED 2018/2019 BIENNIAL BUDGET**

It was determined that there were no citizens who wished to address the proposed 2018/2019 Biennial Budget.

#### **CITIZENS' OPPORTUNITY TO ADDRESS THE CITY COUNCIL/TOWN BOARD**

It was determined that there were no citizens who wished to address the City Council/Town Board.



ADJOURNMENT

Council Member Ruckriegel moved to adjourn the Special Joint City Council and Town Board Meeting; seconded by Council Member Oyler.

Approved by roll call vote.

Yeas: Akeson, Cyr, Grayeb, Jensen, Montelongo, Moore, Oyler, Riggerbach, Ruckriegel,  
Mayor Ardis - 10;

Nays: None.

The Special Joint City Council and Town Board Meeting was adjourned at 8:14 P.M.



Beth Ball, MMC, City Clerk  
City of Peoria, Illinois

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