

ITEM NO. 21-287

**TO THE CITY COUNCIL OF PEORIA, ILLINOIS, IN COUNCIL,
ASSEMBLED YOUR COMMITTEE OF THE WHOLE to Whom
was Referred a POLICY SESSION on the CORONAVIRUS
STATE and LOCAL FISCAL RECOVERY FUNDS and to
Provide Direction to Staff as Appropriate.**

A Policy Session was held on Tuesday, September 7, 2021, beginning at 6:00 P.M. at City Hall, Council Chambers (Room 400), 419 Fulton Street, Peoria, with Mayor Ali presiding, and with proper notice having been posted.

ROLL CALL

Roll Call showed the following Council Members were present: Allen, Cyr, Grayeb, Jackson, Jensen, Kelly, Oyer, Riggerbach, Ruckriegel, Velpula, Mayor Ali – 11. Absent: None.

Others present were: City Manager Patrick Urich, Interim Corporation Counsel Chrissie Peterson, City Clerk Stefanie Tarr, Deputy Clerk Courtney Coe, Police Chief Eric Echevarria, Network Administrator Paul Peterson, interested citizens and members of the media.

**Communication from the City Manager and Finance Director with a Request to
hold a POLICY SESSION on the CORONAVIRUS STATE and LOCAL FISCAL
RECOVERY FUNDS**

Handouts containing the American Rescue Plan Fiscal Recovery Funds Public Input/Policy Session Presentation were distributed to the Council.

Mayor Ali opened the Policy Session at 6:04 P.M.

Mayor Ali said the Policy Session was scheduled to continue discussions and determine how the Coronavirus State and Local Fiscal Recovery Funds awarded to the City of Peoria should be used to the greatest benefit of the City and citizens. She said previous discussions at a Policy Session on June 1, 2021, the Council directed the City Manager to pursue the elimination of City Staff furloughs and cancel the issuance of cash bonds, in the amount of \$10,000,000.00.

City Manager Patrick Urich said, pursuant to Council direction from the June 1, 2021, Policy Session, the presentation provided compiled public survey data and funding recommendations from Staff. He said the City's Biennial Budget was in progress and would be presented to Council at the October 12, 2021, Regular City Council Meeting.

City Manager Urich described the Fiscal Recovery Fund objectives and summarized the public survey process Staff used to obtain citizen input regarding funding priorities. He also explained the six eligible uses and the ineligible uses for the funds as outlined by the United States Department of the Treasury. He discussed the results of the public survey and how the information was considered when constructing the recommendations. He outlined the proposed timeline and funding categories, programs, and location allocations. He concluded the presentation by saying the recommendations did not include any long-term revenue requirements, such as hiring Staff or restoring City Department Budgets, due to the finite nature of the funding.

Mayor Ali thanked City Manager Urich and Staff for their work compiling the survey data and funding recommendations; a sentiment echoed by many Council Members. She also expressed her appreciation to the citizens of Peoria for their input through the online survey and public

meetings. She said leveraging the funding through agency collaboration and combining other funding sources was the key to achieving the highest benefit for the community. In response to Mayor Ali, City Manager Urich said it was important to build a balanced Biennial Budget to recover pandemic budget reductions, such as staffing and other operational cuts. He said while the City made budget reductions in the previous year, the current year they were able to rebuild the budget due to the recovering economy.

Discussions were held regarding the proposed four-year timeline for spending the Fiscal Recovery Funds. City Manager Urich said the recommendation was based on sustaining the impact of the funds and the ability to adjust allocations as needed, or as conditions changed. Council Member Grayeb said there was an immediate need to restore services reduced due to the pandemic, including Public Safety and Public Works, stating the funding should be front-loaded to address those concerns instead of distributed equally over four years.

Discussions were held regarding proposed infrastructure projects in specific Districts. City Manager Urich said 75% of the Fiscal Recovery Funds would be allocated to the Qualified Census Tracts (QCT) in the City, as outlined in the Presentation Handout and included areas in the First, Second, and Third Districts, but other areas would be addressed in the Capital Budget. In response to Council Member Allen, City Manager Urich said Council's decisions concerning the Fiscal Recovery Funds could be revised as needed to address issues as they arose.

Council Member Jackson asked if Staff would continue to request and consider citizen input regarding the evolving needs of the community. City Manager Urich said they would continue to survey citizens for input to reconsider areas of greatest need and for achieving a bigger impact from the Fiscal Recovery Funds. Discussions were held regarding the status of the McKinley and Harrison School demolitions and the funding strategy, as well as the importance of demolition needs within the City to better address housing, safety, and crime in those areas. City Manager Urich discussed scheduled and ongoing housing and rehabilitation strategies, the Land Bank process, and how the City leveraged various funding sources to enhance the impact of both the Fiscal Recovery Funds and the City's Biennial Budget priorities.

Further discussions were held regarding funding improvements in all Districts within the City, through the Fiscal Recovery Funds and the City's Biennial Budget. How the public survey responses were compiled and how to apply the finite Fiscal Recovery Funds in the most practical and effective manner were also discussed.

Council Member Jensen cited the public survey results that emphasized a high priority on restoring Public Safety funding, and she asked how those concerns were being addressed. City Manager Urich explained factors that were improving the City's revenues, and he said long-term solutions were best addressed in the City's Biennial Budget to ensure a continued result. Discussions were held regarding consequences of the public safety reductions and Infrastructure Projects outlined in the presentation. City Manager Urich said he would provide a Report on emergency response times and the effect of public safety budget reductions due to the pandemic. He also said the information provided in the presentation was conceptual and items, such as the Violence Reduction Program, would be researched further and refined.

Council Member Jensen said she concurred with Council Member Grayeb's suggestion to front-load the usage of the Fiscal Recovery Funds. Further discussions were held regarding the finite nature of the Fiscal Recovery Funds and the Council's interest in details regarding proposed programs and improvements.

Council Member Riggerbach emphasized the importance of collaborating with other

organizations, such as the School District, Transportation Authorities, and County Government, to leverage funding to achieve the greatest impact in the community. Council Member Ruckriegel concurred with focusing on a collaboration strategy and speculated the administrative burden could be lessened as a result. He asked for a Report Back on metrics concerning proposed projects to help the Council determine the potential impact on the community. He proposed using funds to support public health services and focusing more funding in the first two-years of the plan. Discussions were held regarding the status of hiring public safety personnel and potential changes to Police operations.

Council Member Ruckriegel and Mayor Ali asked City Manager Urich to provide information to the Council regarding how the City planned to transition once the Fiscal Recovery Funds were expended.

Discussions were held regarding eligible uses of Fiscal Recovery Funds relating to public health employees and essential workers. Further discussions were held regarding the use of the Fiscal Recovery Funds to restore the local economy, support local businesses, and fund Public Safety services that were reduced due to the pandemic. Council Member Kelly said he agreed with Council Member Grayeb that Council should focus on restoring the reduced City services and Budget. He emphasized frontloading the Public Works capital projects that were lost due to budget cuts relating to COVID. City Manager Urich summarized the actions taken by the Council in response to the pandemic, including the suspension of capital projects, which would be addressed in the Biennial Budget. He said Staff focused on how the Fiscal Recovery Funds could be the most impactful, such as technology upgrades in neighborhoods and crime reduction. Council Member Kelly said he believed a priority should be down-payment assistance and other programs to increase homeownership in the City.

Further discussions were held regarding the Violence Prevention Program; Mayor Ali said she would provide more information to the Council. Discussions were held regarding the recently released job report and the Fiscal Recovery Fund public survey responses. Continued discussions were held on restoring City programs that were reduced due to the pandemic and funding new programs to stimulate the economy and restore tax revenues. Council Member Cyr asked how the City would measure the return on investment concerning the Fiscal Recovery Funds and how inflation was considered in Budget and Fiscal Recovery Fund negotiations. City Manager Urich explained 1.4% inflation was built into Department Budgets, and any additional requests would be discussed with Department Heads and presented to Council in the Biennial Budget.

Council Member Velpula said he believed the gravest issues in Peoria were crime, unemployment, and road conditions. Discussions were held regarding workforce development, unemployment in relation to crime statistics, and efforts to support small businesses. Further discussions were held regarding the proposed Violence Reduction Program and how the City could measure success with existing and potential new programs. Council Member Velpula asked Police Chief Eric Echevarria for his thoughts regarding the Violence Reduction Program and what City Infrastructure could be improved to address increased crime rates.

Mayor Ali said a lot of information had been presented that evening and a decision by the Council was not requested at that time. She asked Council Members to consider whether the remaining Fiscal Recovery Funds should be allocated evenly over four years or if it should be applied to address more areas of need immediately.

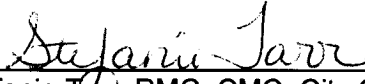
Discussions were held regarding how funding would be allocated for business assistance or loan programs. Council Member Grayeb discussed the responsibilities of the Council regarding the Fiscal Recovery Funds and Budget decisions. He said deciding how the funds would benefit the community was a city-wide concern that affected public safety through emergency services, road conditions and Code Enforcement. He said he believed immediate action was necessary to address urgent needs of citizens and local businesses. Mayor Ali concurred that decisions made by the Council would affect the entire City and encouraged Council Members to not only consider their Districts, but how projects and programs could benefit all citizens. She thanked the City Manager and Staff for compiling the data and offering recommendations to the Council to consider regarding the use of the Fiscal Recovery Funds.

Further discussions were held regarding potential uses of the Fiscal Recovery Funds, the timeline in which the funds should be used, and consideration of funding uses in conjunction with the City's Biennial Budget discussions in order to achieve a full view of the impact.

Continued discussions regarding consequences of the Council's decisions due to the pandemic and strategic collaboration efforts were also conducted. Mayor Ali polled the Council Members to determine their view on funding distribution over the four-year timeframe. She determined a majority preferred a front-loaded Fiscal Recovery Fund use plan and directed City Manager Urich to bring back two funding plan options for the Council to consider, one with an evenly distributed funding plan over the next four years and one that implemented a front-loaded spending strategy. Council Member Jensen clarified a front-loaded spending strategy would not exhaust funding in the first two years but would focus a higher amount of available funds to implement programs and projects as soon as possible. Council Member Jackson said flexibility and preparedness to address emergencies and unknown factors was key to solving needs in the community regarding the use of the Fiscal Recovery Funds.

At the request of Mayor Ali, City Manager Urich said a date was not scheduled for continued Fiscal Recovery Fund discussions at that time; however, he said Staff would compile the information requested by Council and provide further details. He said the next Regular City Council Meeting was scheduled for Tuesday, September 14, 2021, and the Biennial Budget would be presented to the Council at the Regular City Council Meeting scheduled for Tuesday, October 12, 2021.

Mayor Ali closed the Policy Session at 7:53 P.M.



Stefanie Tarr, RMC, CMC, City Clerk
City of Peoria, Illinois

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