

ITEM NO. 21-151

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

A Policy Session was held on Tuesday, June 1, 2021, beginning at 6:00 P.M. at the Peoria Riverfront Museum Auditorium, 222 SW Washington Street, Peoria, Illinois, 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, Oyler, Rigggenbach, Ruckriegel, Mayor Ali – 10. Absent: None.

Others present were: City Manager Patrick Urich, Interim Corporation Counsel Chrissie Peterson, City Clerk Stefanie Tarr, Deputy Clerk Courtney Coe, Public Works Director Rick Powers, Senior Economic Engagement Specialist Kevin Evans, Finance Director Jim Scroggins, Assistant Director of Community Development Joe Dulin, Assistant City Manager Deborah Roethler, Interim Police Chief Douglas Theobald, Fire Chief James Bachman, Facilities Supervisor Jason Meeks, Strategic Communications Manager Stacy Peterson, Network Administrator Paul Peterson, Assistant Public Works Director Sie Maroon, Senior Grants Coordinator Kathryn Murphy, 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 U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds Guidelines and an overview of the City's COVID-19 related budget reductions was distributed to the Council.

City Manager Urich opened the Policy Session at 6:07 P.M. with a slideshow presentation. He explained the funding the City of Peoria received, as well as what was received by the State of Illinois and other local government entities. He described other sources of funding available that could potentially be used prior to, or in conjunction with, the Coronavirus State and Local Fiscal Recovery Funds. He described the intention of the funding uses in the Fiscal Recovery Funding Objectives categories outlined in the U.S. Department of the Treasury handout:

- Support Public Health Response
- Address Negative Economic Impacts
- Replace Public Sector Revenue Loss
- Premium Pay for Essential Workers
- Water and Sewer Infrastructure
- Broadband Infrastructure

City Manager Urich explained the recommendation of the U.S. Department of the Treasury regarding Equity-Focused Services was to concentrate funding on the areas most gravely effected by the COVID-19 pandemic. He said using Census tracts could help identify the areas that would qualify in Peoria. He explained Ineligible Uses of the funds as well as the timeline, deadlines, and required reporting.

In conclusion of the presentation, City Manager Ulrich described the guiding principles presented by the Government Finance Officers Association (GFOA). He said they cautioned the Fiscal Recovery Funds were temporary and ongoing financial commitment objectives should be avoided while investment in critical infrastructure was better suited to the funding. He said leveraging relationships and promoting cooperation with other local organizations and governments to combine funding efforts could potentially provide the greatest benefit for all participants. He said exhausting other avenues of funding prior to utilizing the Fiscal Recovery Funds was a prudent way to fund projects to a maximum effect. He said the Council had 4 years that could be used to consider and plan how to apply the funds to maximize the impact.

City Manager Ulrich described suggested uses for the funds for the Council to consider:

- Cancel the issuance of the \$10 million in working cash bonds
- End furloughs for non-union employees
- Community and business support programs
- Equity-Focused Services – concentrating on the areas with the most need
- Targeted Operational Expense restoration

City Manager Ulrich reviewed the Operating Budget Reductions in 2020 and 2021 and the Revised Community Investment Plan with 2020 Reductions handout.

Council Member Allen asked, while he believed taking time and considering the best use of the funds was important, if there was a deadline or suggested schedule the Council could consider. City Manager Ulrich suggested taking the next few months to consider and discuss plans, then let the discussions combine with the City's budget discussions. He said the pace could be set by the Council, but questions or concerns could arise that might require submissions to the U.S. Department of the Treasury for clarification. Mayor Ali said she believed the suggested fund uses of eliminating Staff furloughs and cancelling the issuance of the working cash bond were top priorities to approve.

Discussions were held regarding the cost of eliminating furloughs and the qualified use of funds for pension contributions. It was mentioned that there would be required quarterly reports to the Department of the Treasury. Discussions were held detailing the cost associated with the issuance of bonds and the potential benefit of not issuing the \$10 million cash bonds previously approved by the Council.

City Manager Ulrich said, at the Council's direction, items could be brought to the Council to approve at the June 8, 2021, Regular City Council Meeting regarding the use of the Local Fiscal Recovery Funds.

Council Member Oyler and Council Member Jensen said they supported eliminating furloughs and cancelling the issuance of cash bonds; they asked the City Manager to bring the items to the Council at the June 8, 2021, Regular City Council Meeting for approval.

In response to Council Member Jensen, City Manager Ulrich said it was the Council's discretion to decide how the funding was to be used to provide for the greatest impact for the City, and he encouraged the Council to ask questions or ask for Report Backs so future discussions could lead to plans and identifying priorities.

Council Member Jensen asked if the Stormwater Utility and Combined Sewer Overflow programs would qualify for funding under the Capital Projects category. After City Manager Ulrich confirmed they did qualify, Council Member Jensen asked for a Report Back regarding

Stormwater Program backlogs and how additional funding would affect the programs. Discussions were held regarding the potential effect of utilizing the funding for Stormwater and Combined Sewer Overflow projects, to include mitigating future borrowing and fee stabilization.

Council Member Jensen asked the City Manager for a strategy to acquire public input regarding funding priorities in the community.

Council Member Ruckriegel and Council Member Riggenbach concurred with the requests to bring the elimination of furloughs and the cancellation of the issuance of cash bonds to the June 8, 2021, Regular City Council Meeting for approval.

Council Member Ruckriegel said he supported investments to prevent borrowing in the future as well as rate stabilization regarding Combined Sewer Overflow (CSO) and Stormwater Utility Funds. He asked for a Report Back regarding how funding could be applied to housing rehabilitation, explaining it would increase the tax base as well as provide economic stability and neighborhood integrity.

Discussions were held regarding the cost inflation of materials and capital projects and how that might affect building projections.

Council Member Ruckriegel asked the City Manager to identify what capital projects could be started or restarted quickly. He said it was important to coordinate with organizations in the community to secure economic investment opportunities and asked if funding could be used in that application.

Council Member Riggenbach said he believed it was important to restore funding to Capital Projects and asked for clarification regarding how funding could be used for CSO projects.

Discussions were held regarding the loan awarded to the Civic Center and their repayment plan. City Manager Urich confirmed the Civic Center was rebooking shows.

Further discussions were held regarding using funds for Business and Community Support. Council Member Riggenbach recognized the efforts of the Economic Development Department throughout the COVID-19 pandemic to communicate funding or loan opportunities and programs to support the community.

After saying she appreciated the time to consider how to best use the funding to the greatest benefit of the community, Council Member Jackson said there were citizens and businesses still struggling as a result of the COVID-19 pandemic and encouraged the Council to seek public input to identify those in greatest need.

Council Member Grayeb discussed the importance of restoring funding to safety services, such as the Fire and Police Departments. He said the areas most in need in the community were evident, such as vacant and dilapidated housing. He said using the funds to address the needs of the mentally ill and the homeless in the community should be a priority as well. He said he also agreed with the request of other Council Members to have the City Manager bring back items for approval at the June 8, 2021, Regular City Council Meeting regarding the elimination of furloughs and eliminating the issuance of cash bonds. He asked the Council to act quickly to address these areas of need.

Council Member Oyler asked the City Manager for a list of properties that needed to be demolished and asked how much it would cost the City to execute the demolitions. He said the

Council should consider how to best provide for neighborhood stabilization for areas like the East Bluff, North Valley and Center Bluff.

Further discussions were held regarding suspended or canceled capital projects due to the COVID-19 pandemic; City Manager Urich said he would provide the Council a detailed list of those projects.

Discussions were held regarding budget reductions approved in 2020 and revenue shortfalls. City Manager Urich explained how funding already received by the City had been applied in response to the COVID-19 pandemic. Council Member Kelly asked the Council to focus on Public Works projects that were reduced or suspended due to budget reductions before considering funding new projects.

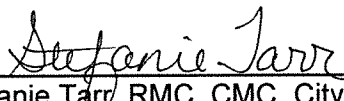
At Mayor Ali's request, Finance Director Scroggins described the current state of the City's budget and explained how other funding the City received due to the COVID-19 Pandemic had been used.

Mayor Ali asked the City Manager what his recommended priorities were for the funding; City Manager Urich said he suggested funding the City's Pension Fund obligations, the Combined Sewer Overflow Environmental Protection Agency (EPA) mandate, and investments to grow tax base for long term structural fixes to the City budget.

Mayor Ali commented on the rarity of receiving this type of Federal funding and how important it was to take careful consideration in making decisions to best benefit the community. She said public input would be an important part of the process.

Council Member Grayeb said it was important for the Council to address the degradation of the neighborhoods, especially south of War Memorial Drive. He said investing in the neighborhoods would encourage current residents to stay and invite new citizens into the community. He said it would benefit all of Peoria and encourage new business and job growth as well. He asked the Council to consider those improvements and funding investments in the near future.

Mayor Ali closed the Policy Session at 7:28 P.M.



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

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