

Council Report Back
2019 Budget Questions
Part 5

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Question 5-1 Report on parking revenues and expenses.	Question From Cyr	Answer From Finance
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At the request of Councilman Cyr, following is a summary of the parking revenues and expenditures for the years 2013 – 2017:

Parking Summary	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
Revenues	3,001,448.89	2,736,939.28	2,735,913.54	2,410,663.68	2,246,721.04
Expenditures	1,260,074.19	1,205,213.12	1,385,927.94	1,346,425.51	1,298,951.09
Capital	82,191.83	46,564.91	30,528.30	100,332.75	392,475.66
Debt	1,180,927.50	1,197,940.50	1,169,370.50	1,192,002.50	1,213,135.00
Net Parking Revenues	478,255.37	287,220.75	150,086.80	(228,097.08)	(657,840.71)
Other Financing Sources:					
Property Tax Increment (TIF)	763,907.50	761,707.50	769,357.50	868,065.89	1,068,275.79
UDAG Loan Repayment	-	-	-	-	-
Development Fees	-	-	-	-	-
Sales Tax	139,645.00	145,107.50	154,965.00	158,915.00	162,260.00
Air Rights Capital - Escrow Account	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00
Capital - Utility Taxes				1,624.36	92,144.87
Interest	-	-	-	-	-
Total Other Financing Sources	938,552.50	941,815.00	959,322.50	1,063,605.25	1,357,680.66
Net Parking Revenues	1,416,807.87	1,229,035.75	1,109,409.30	835,508.17	699,839.95

Parking revenues include parking decks, parking lots, meters, hood rentals and parking fines. Parking expenditures include contractual expenses to Heartland Parking, utilities, parking enforcement salaries and contractual supplies.

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Parking Deck Summary	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Actual
Operations					
Revenues					
Daily Parking	299,903.78	271,245.34	269,330.35	239,172.05	184,902.65
Monthly Parking	1,567,472.75	1,429,344.50	1,370,937.00	1,197,914.81	1,140,516.18
Event Parking	197,701.40	146,448.15	139,712.55	139,059.90	119,741.95
Marina	-	-	-	-	-
	2,065,077.93	1,847,037.99	1,779,979.90	1,576,146.76	1,445,160.78
Expenditures					
Management Consulting	33,913.99	31,911.51	32,040.00	32,040.00	32,040.00
Consulting - Payroll	599,680.42	550,511.03	530,707.81	539,047.19	537,041.98
Consulting - Miscellaneous	267,374.28	268,175.66	274,478.18	256,775.81	273,567.39
Utilities - Electric	105,325.74	86,983.17	97,331.75	103,676.12	95,685.06
Utilities - Water	5,090.28	3,759.44	3,105.02	3,500.34	3,594.71
Equip Maintenance - Other	5,673.70	3,199.39	-	2,002.50	-
Maintenance - Elevator	63,718.70	63,834.95	91,816.72	67,402.66	69,613.59
Building Maintenance	-	-	-	-	-
Printing & Duplication	-	-	-	-	-
Stationery	-	-	-	-	-
Supplies - Electrical	-	-	-	-	-
Supplies Building Other	-	-	-	-	-
	1,080,777.11	1,008,375.15	1,029,479.48	1,004,444.62	1,011,542.73
Net Parking Operating Revenue (Loss)	984,300.82	838,662.84	750,500.42	571,702.14	433,618.05
Capital Debt	82,191.83	46,564.91	30,528.30	100,332.75	392,475.66
	1,180,927.50	1,197,940.50	1,169,370.50	1,192,002.50	1,213,135.00
Net Parking Revenue(Loss)	(278,818.51)	(405,842.57)	(449,398.38)	(720,633.11)	(1,171,992.61)
Other Financing Sources:					
Property Tax Increment (TIF)	763,907.50	761,707.50	769,357.50	868,065.89	1,068,275.79
UDAG Loan Repayment	-	-	-	-	-
Development Fees	-	-	-	-	-
Sales Tax	139,645.00	145,107.50	154,965.00	158,915.00	162,260.00
Air Rights	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00

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Capital - Escrow Account	-	8,509.36	1,624.36	92,144.87
Capital - Utility Taxes	42,775.73	-	-	-
Interest	-	-	-	-
Total Other Financing Sources	938,552.50	984,590.73	967,831.86	1,063,605.25
Net Parking Revenue(Loss)	659,733.99	578,748.16	518,433.48	342,972.14
				185,688.05

Question 5-2 Report on Mid Town Plaza expenses.	Question From Ardis	Answer From Finance
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The original General Obligation Bonds for the Midtown Plaza were issued on November 15, 2000 in the amount of \$5,500,000, which included two (2) years of capitalized interest in the amount of \$564,605, bond issuance cost of \$96,800, and bonded project costs of \$4,838,595. The average coupon rate on the original issue was 5.35%. The amortization period for the bonds is twenty (20) years. Interest is paid semi-annually on January 1st and July 1st. Principal is paid annually on January 1st. Final principal and interest payment to be made January 1, 2020.

The City refunded (refinanced) the bonds on May 12, 2005. The refunding reduced the average coupon rate on the remaining outstanding principal to 4.97%. The project interest savings over the remaining life of the bonds is \$277,000. (The projected savings is the difference between the original total interest to be paid and the total interest to be paid after the refunding. It does not take into consideration the time value of money.)

The City refunded (refinanced) the bonds in April 2015. The refunding reduced the average coupon rate on the remaining outstanding principal to 4.77%. The project interest savings over the remaining life of the bonds is \$85,200. (The projected savings is the difference between the original total interest to be paid and the total interest to be paid after the refunding. It does not take into consideration the time value of money.) Annual Debt Payments are reflected in the table below:

Year	Principal	Interest	Total	Cub Foods	Tax Increment	Net Cost
2001	-	327,278	327,278			327,278
2002	-	290,198	290,198			290,198
2003	165,000	290,198	455,198	193,749	41,105	220,343
2004	175,000	281,783	456,783	214,996	80,728	161,058
2005	255,000	272,858	527,858	176,596	98,395	252,866
2006	200,000	253,449	453,449	170,592	105,438	177,419
2007	210,000	233,394	443,394	144,678	110,841	187,874
2008	225,000	222,631	447,631	119,711	118,881	209,040
2009	240,000	211,100	451,100	18,249	126,514	306,337
2010	250,000	201,500	451,500		108,339	343,161
2011	260,000	189,000	449,000		113,146	335,854
2012	290,000	176,000	466,000		113,093	352,907
2013	305,000	161,500	466,500		110,953	355,547
2014	325,000	146,500	471,500		109,920	361,580
2015	510,000	72,847	582,847		111,222	471,625
2016	340,000	97,900	437,900		28,325	409,575
2017	345,000	87,500	432,500		74,219	358,281
2018	365,000	70,250	435,250		74,765	360,485
2019	1,092,000	52,000	1,144,000		75,200	1,068,800
TOTAL	5,552,000	3,637,884	9,189,884	1,038,572	1,601,086	6,550,227

Question 5-3 Report on Comparable Property Tax Rates.	Question From Ardis	Answer From City Manager
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The following table comes from the Illinois Department of Revenue 2016 comparative statistics (<https://www2.illinois.gov/rev/research/taxstats/PropertyTaxStatistics/SitePages/PropertyTaxYear.aspx?rptYear=2016>). The chart below includes the City, the Township, the average residential market value, the average residential assessed value, the average residential taxable value, and average residential taxes. The Effective Tax Rate is in the yellow shaded row, which is the average residential taxes divided by the average residential market value.

The aggregate tax rate is shaded in grey, and the city tax rate follows. Finally, each City is ranked from highest to lowest in aggregate tax rates and the city tax rate. Peoria (within the Peoria Public Schools district) ranks 9 in aggregate taxes and 8 in City tax rate. Peoria (within the Schools District 323 area) ranks 11 in aggregate taxes and 9 in City tax rate.

Principal Aggregate Rates of County Seats and Cities with 10,000 or More in Population

City	Aurora	Arlington Hts	Bloomington	Champaign	Chicago	Decatur
County	Kane	Cook	McLean	Champaign	Cook	Macon
Township/road district	Aurora	Palatine	Bloomington	Champaign	Chicago Twps	Decatur
Average Residential Market Value	\$139,787	\$234,463	\$171,748	\$143,539	\$270,757	\$44,633
Average Residential Assessed Value	39,462	21,172	55,131	46,076	22,879	15,318
Average Residential Taxable Value	33,838	61,777	49,142	39,615	60,109	11,486
Average Residential Taxes	\$3,878	\$6,448	\$4,130	\$3,277	\$4,295	\$1,214
Effective Tax Rate	2.77%	2.75%	2.40%	2.28%	1.59%	2.72%
Aggregate tax rate	11.4603%	10.4370%	8.4044%	8.2716%	7.1450%	10.5662%
City	2.3840%	1.6650%	1.3366%	1.3152%	1.8800%	1.6518%
Rank Aggregate Tax Rate	3	7	12	14	16	5
Rank City Tax Rate	3	6	11	12	4	7

City	Evanston	Joliet	Naperville	Normal	Peoria 150	Peoria 323
County	Cook	Will	DuPage	McLean	Peoria	Peoria
Township/road district	Evanston	Joliet	Lisle	Normal	Peoria City	Peoria City
Average Residential Market Value	\$388,178	\$95,707	\$315,308	\$156,454	\$88,124	\$88,124
Average Residential Assessed Value	34,082	26,999	98,376	52,068	29,504	29,504
Average Residential Taxable Value	96,091	22,145	91,682	45,571	24,718	24,718
Average Residential Taxes	\$8,711	\$2,312	\$6,245	\$3,694	\$2,365	\$2,192
Effective Tax Rate	2.24%	2.42%	1.98%	2.36%	2.68%	2.49%
Aggregate tax rate	9.0650%	10.4404%	6.8113%	8.1062%	9.5683%	8.8669%
City	1.7420%	1.1714%	0.7004%	0.9589%	1.5514%	1.5514%
Rank Aggregate Tax Rate	10	6	17	15	9	11
Rank City Tax Rate	5	13	16	14	8	9

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City	Rockford	Schaumburg	Springfield	Urbana	Waukegan
County	Winnebago	Cook	Sangamon	Champaign	Lake
Township/road district	Rockford	Schaumburg	Capital	Cunningham	Waukegan
Average Residential Market Value	\$75,662	\$282,206	\$122,080	\$128,089	\$98,428
Average Residential Assessed Value	23,561	25,201	39,444	41,565	24,725
Average Residential Taxable Value	18,338	43,718	33,891	35,380	19,794
Average Residential Taxes	\$2,770	\$4,308	\$2,807	\$3,760	\$3,059
Effective Tax Rate	3.66%	1.53%	2.30%	2.94%	3.11%
Aggregate tax rate	15.1059%	9.8540%	8.2824%	10.6288%	15.45327%
City	3.8397%	0.6220%	0.9385%	1.3550%	3.23909%
Rank Aggregate Tax Rate	2	8	13	4	1
Rank City Tax Rate	1	17	15	10	2

Question 5-4 Report on environmental and housing billing and collections.	Question From Jensen	Answer From Finance Community Development Legal
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At the September 25, 2018 Council meeting, Council was presented a report regarding Code Enforcement activities. As part of the report, it was noted that total fines & fees issued by Code Enforcement for 2017 and 2018 through August 15th totaled \$3,781,331. Many questions arose regarding how much had been collected. The information below will summarize what has been billed versus what has been collected as it relates to 2017 and 2018 year-to-date matching the amount collected to the year billed to calculate percentage collected. Also disclosed is the amount collected in 2017 and 2018 year-to-date based on year collected.

Work Orders				
		2017	2018	Total
Billed		\$ 852,785.70	\$ 497,365.25	\$ 1,350,150.95
Collected in 2017		\$ 231,916.53		\$ 231,916.53
Collected in 2018		\$ 12,353.97	\$ 118,425.50	\$ 130,779.47
Municipal Liens		\$ 52,795.20		\$ 52,795.20
Total Collected		<u>\$ 297,065.70</u>	<u>\$ 118,425.50</u>	<u>\$ 415,491.20</u>
Percentage Collected		34.83%	23.81%	30.77%
In Legal/Collection Agency/Lien		<u>\$ 555,720.00</u>	<u>\$ 67,227.25</u>	<u>\$ 622,947.25</u>
Work Orders				
		Total Collected 2017	Total Collected 2018 as of 8/31	Total Collected 2017 - 2018
Prior Years		\$ 89,666.41	\$ 48,543.23	\$ 138,209.64
	2017	\$ 231,916.53	\$ 12,353.97	\$ 244,270.50
	2018	\$ -	\$ 118,425.50	\$ 118,425.50
Municipal Liens		\$ 42,077.84	\$ 52,795.20	\$ 94,873.04
Total Annual Collections		<u>\$ 363,660.78</u>	<u>\$ 232,117.90</u>	<u>\$ 595,778.68</u>

Board Ups				
		2017	2018	Total
Billed		\$ 53,146.00	\$ 24,273.70	\$ 77,419.70
Collected in 2017		\$ 14,658.88		\$ 14,658.88
Collected in 2018			\$ 10,231.88	\$ 10,231.88
Total Collected		<u>\$ 14,658.88</u>	<u>\$ 10,231.88</u>	<u>\$ 24,890.76</u>
Percentage Collected		27.58%	42.15%	32.15%
In Legal/Collection Agency/Lien		<u>\$ 37,949.63</u>	<u>\$ 1,466.87</u>	<u>\$ 39,416.50</u>
Board Ups				
		Total Collected 2017	Total Collected 2018 as of 8/31	Total Collected 2017 - 2018
Prior Years		\$ -		\$ -
2017		\$ 14,658.88		\$ 14,658.88
2018		\$ -	\$ 10,231.88	\$ 10,231.88
Total Annual Collections		<u>\$ 14,658.88</u>	<u>\$ 10,231.88</u>	<u>\$ 24,890.76</u>

Environmental Fines				
		2017	2018	Total
Billed		\$ 324,150.00	\$ 224,800.00	\$ 548,950.00
Collected in 2017		\$ 54,040.00	\$ 70,360.00	\$ 124,400.00
Collected in 2018		\$ 55,130.00 *		\$ 55,130.00
Total Collected		<u>\$ 109,170.00</u>	<u>\$ 70,360.00</u>	<u>\$ 179,530.00</u>
Percentage Collected		33.68%	31.30%	32.70%
In Legal/Collection Agency/Lien		<u>\$ 270,110.00</u>	<u>\$ 154,440.00</u>	<u>\$ 424,550.00</u>
Environmental Fines				
		Total Collected 2017	Total Collected 2018 as of 8/31	Total Collected 2017 - 2018
Prior Years		\$ 59,824.50	\$ 7,200.00	\$ 67,024.50
2017		\$ 111,894.00	\$ 55,130.00 *	\$ 167,024.00
2018			\$ 70,360.00	\$ 70,360.00
Total Annual Collections		<u>\$ 171,718.50</u>	<u>\$ 132,690.00</u>	<u>\$ 304,408.50</u>
* Includes \$50,000 for Criminal Housing Charge for Penn Terrace recorded in a restricted account				

Housing Fines				
	2017	2018	Total	
Billed	\$ 1,469,200.00	\$ 347,930.00	\$ 1,817,130.00	
Collected in 2017	\$ 30,220.00		\$ 30,220.00	
Collected in 2018	\$ 23,900.00	\$ 22,620.00	\$ 46,520.00	
Municipal Liens				
Total Collected	\$ 54,120.00	\$ 22,620.00	\$ 76,740.00	
Percentage Collected	3.68%	6.50%	4.22%	
In Legal/Collection Agency/Lien	<u>\$ 1,438,980.00</u>	<u>\$ 325,310.00</u>	<u>\$ 1,786,910.00</u>	
Housing Fines				
	Total Collected 2017	Total Collected 2018 as of 8/31	Total Collected 2017 - 2018	
Prior Years	\$ 64,150.77	\$ 18,826.97	\$ 82,977.74	
2017	\$ 30,220.00	\$ 23,900.00	\$ 54,120.00	
2018		\$ 22,620.00	\$ 22,620.00	
Municipal Liens				
Total Annual Collections	\$ 94,370.77	\$ 65,346.97	\$ 159,717.74	

Totals				
	2017	2018	Total	
Billed	\$ 2,699,281.70	\$ 1,094,368.95	\$ 3,793,650.65	
Collected in 2017	\$ 330,835.41	\$ -	\$ 330,835.41	
Collected in 2018	\$ 91,383.97	\$ 221,637.38	\$ 313,021.35	
Municipal Liens	\$ 52,795.20	\$ -	\$ 52,795.20	
Total Collected	\$ 475,014.58	\$ 221,637.38	\$ 696,651.96	
Percentage Collected	17.60%	20.25%	18.36%	
In Legal/Collection Agency/Lien	<u>\$ 2,302,759.63</u>	<u>\$ 548,444.12</u>	<u>\$ 2,851,203.75</u>	
Totals				
	Total Collected 2017	Total Collected 2018 as of 8/31	Total Collected 2017 - 2018	
Prior Years	\$ 271,495.68	\$ 74,570.20	\$ 346,065.88	
2017	\$ 330,835.41	\$ 91,383.97	\$ 422,219.38	
2018	\$ -	\$ 221,637.38	\$ 221,637.38	
Municipal Liens	\$ 42,077.84	\$ 52,795.20	\$ 94,873.04	
Total Annual Collections	\$ 644,408.93	\$ 440,386.75	\$ 1,084,795.68	

These amounts include work orders and fines from prior years as well as amounts collected through the placement of municipal liens on the property tax bills.

In addition, pursuant to the Council’s direction last council meeting, the Legal Department has prepared the following projections report. This report shall analyze the amount of revenue the Council can reasonably expect to recover within the next fiscal year. In addition, this memorandum shall explain the collection process the Legal Department and its agent TH Professional and Medical Collections (hereinafter “TH Professional”) are utilizing as well as new procedures the City will be using to improve our chances of recovery. Finally, this report will include the amount of money recovered on behalf of the

City by TH Professional. Currently, the process utilized by the City and TH Professional is that sixty days after final judgement, housing and environmental case files are turned over to TH Professional for collections. The agency has a representative come to the Legal Department to copy the files and enters the information into their system. Once entered, the collection process begins immediately with a letter to the debtor. Since September 18, 2018, there have been 1,882 cases put into collections.

As you may remember, Community Development gave a report back to Council that indicated Community Development "billed" 3,781,331 dollars for work orders, board-ups, housing and environmental fines. However, the fact that Community Development billed that amount does not mean that amount is available for collection. First, that amount includes billings that have been paid, billings made in error, administrative fines that have been dismissed, money due from administrative cases that were dismissed by Community Development, the Legal Department or the Hearing Officer. Therefore, the amount of money listed with TH Professional was \$2,851,203. Subsequent to listing this amount, TH Professional has determined that approximately \$97,296.00 is invalid and we are not able to seek recovery on this amount. Therefore, currently TH Professional is actively attempting to collect \$2,429,986. TH Professional has informed Legal that the national average of invalid and uncollectible accounts is approximately 25% to 33%. Many variables impact the collectability of an account, causing it to be written off as invalid/uncollectable. For example:

1. Death. If a person passes away and has no estate of probate, the account is written off.
2. Mistakes/Errors. (Home owners changed, wrong information listed on violations, etc.)
3. Limited information. Not being able to locate a debtor due to lack of information.
4. Closed Collection States. We are only allowed to collect in certain states. If the debtor lives in a closed collection state then we will not be able to send a notice or call them.
5. Unenforceable fine amounts.
6. Inability of fined individual to pay fine imposed by Hearing Officer.

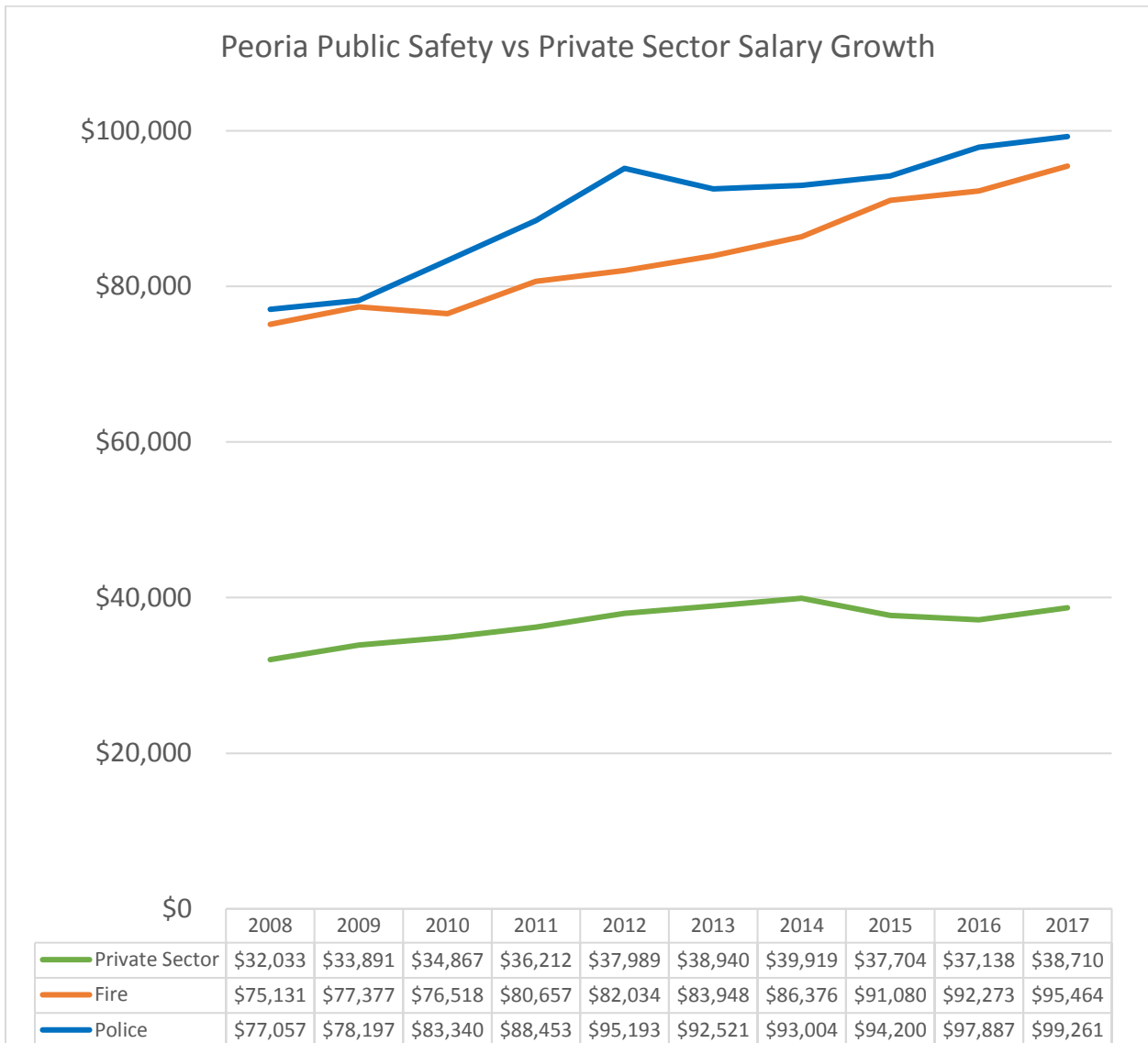
Based upon the variables expressed above, and the national average on collections, it is reasonable to project that approximately \$900,000 is recoverable by the City. However, in an effort to improve upon that collections amount, the Legal Department and TH Professional have instituted the following new procedures:

1. An Appearance Form will be provided to the debtors who appear for administrative hearings. The form will capture additional identifying information such as the debtors name, phone number, alternate address and date of birth. This information will be a major factor in improving collection rates.
2. Instead of the City being required to pay for the recording of judgement liens, TH- Professional will upfront this \$102 fee.
3. Small Claims Actions. If traditional collection efforts have been exhausted, and the debt remains unpaid, a small claims suit will be filed by the City against the debtor to obtain a civil judgment. Once a judgment is obtained, the debt collection law firm will institute post-judgement proceedings such as wage deductions and 3rd party citations to discover assets to collect the money owed to the City.

Finally, Legal is pleased to advise that pursuant to the Agreement between the Legal Department and TH Professional, a check has been deposited into the City General Fund in the amount of \$20,204, covering the period from September 25, 2018 to November 1, 2018.

Question 5-5 Report on Police and Fire Salaries compared to private sector average weekly wages.	Question From Cyr	Answer From Finance
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Councilman Cyr requested a review of Police and Fire average salaries compared to the average salaries in the private sector. The data below is from the Bureau of Labor Statistics Average Weekly Wages for Peoria, IL and the average wage for Peoria Police and Fire commissioned officers. Since 2008, wages in the private sector have grown 21%, while the average wages for Fire have grown 27% and Police 29%. Police and Fire wages are approximately 150% higher than the average wage in the private sector in Peoria.



Question 5-6 Report back on effective staffing levels of the police department.	Question From Jensen	Answer From Police
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The following table reflects the effective staffing level for the Police Department from 2015 through 2018 by month. In 2015 the authorized strength of the Police Department was 224, and from 2016 to present the authorized strength is 229.

Peoria Police Avg. Staffing Levels

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
2015	223	222	221	222	220	221	220	220	217	217	216	216	219.6
2016	214	214	220	220	219	220	218	217	225	225	222	221	219.6
2017	221	223	229	228	226	224	221	219	217	215	214	213	220.8
2018	216	213	212	218	214	214	212	209	215	212	-	-	213.5

Question 5-7 Report back on eliminating the Municipal Band.	Question From Jensen	Answer From City Manager
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The Peoria Municipal Band, in Peoria, Illinois was founded officially in 1937, but prior to that the band was a professional municipal band, and is one of the oldest municipal bands in the country. The Peoria Municipal Band is funded by the City of Peoria through General Fund Revenues. In 2019 the budget is recommended at \$95,400, of which \$84,500 pays the musicians and \$10,900 is the support services.

For many years, the City levied a property tax directly for the Municipal Band. That \$0.012 property tax was discontinued in 1990. Today, that property tax rate would generate \$240,000. The Municipal Band provides entertainment to the Peoria public for a very low cost to the taxpayer. In 2018, for more than 20 nights the Peoria Municipal Band provided entertainment throughout the City.

Eliminating the funding for the band would discontinue public funding that dates back to 1937, and would free up \$95,400 in the General Fund.

Question 5-8 Report back on the impact of reducing the Convention and Visitors Bureau funding by 50%.	Question From Jensen	Answer From PACVB
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The following information is from the Convention and Visitor’s Bureau, outlining their activities from November 6, 2017 to November 6, 2018. This workload would diminish considerably if a 50% reduction in funding was approved.

Peoria Sales Results

Total Sales Leads Sent: 167

- Turned Definite (Contracts Signed and groups are coming): 51
 - Room Nights: 27,920
 - Attendance: 78,310
 - Peoria Civic Center Days : 70
 - Estimated Local Sales Tax Generated : \$229,629
 - Estimated Local Bed Tax Generated : \$230,056
 - Estimated Local Restaurant Tax Generated : \$115,368
 - Estimated “Other” Local Tax Generated : \$26,459
 - Estimated Economic Impact for secured groups: \$15,246,639
- Pending Contracts/Approval (leads have been sent, waiting on either the venues or the planners): 60
- Room Nights: 63,686
- Attendance: 123,931
- Groups Assisted through Marketing and Facilitation Efforts, but no leads sent: 6
 - Room Nights: 1,120
 - Attendance: 9,975
- Community Assisted (we are assisting a local organization with housing or sending leads): 9
 - Room Nights: 87
 - Attendance: 48,350

Peoria Marketing Expenditures

- Sales Tradeshow-\$42,915
- Digital Media Promotion for Peoria Leisure and Peoria Tourism \$76,000
- Print Media Promotion : \$60,000
- Commercials-/Radio/Billboard Leisure \$52,275
- Event Servicing and Site Visits \$60,000
- Creation & Distribution-Experience Guide, Meeting Planner Guide, Sports Planner Guide \$82,000

The Peoria Area CVB is an economic driver and ultimately, a revenue source for the City of Peoria. If funding was to be cut, reductions in the Sales and Marketing of Peoria, and its venues and facilities, to potential meeting, convention, sporting planners as well as leisure tourists would have to be decreased significantly.

Question 5-9 Report back on a cut to Management employees of \$10,000 for those making more than \$100,000 and \$5,000 for those making between \$70,000 and \$99,999.	Question From Jensen	Answer From City Manager
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The following table was included in 2019 Budget Report Back 2-4. It reflects the number of employees by management, bargaining unit or commissioned management and identifies employees earning under \$70,000, employees making between \$70,000 and \$99,999, and those employees making more than \$100,000. Those employees represented by bargaining units, shaded in green below, are hourly employees, eligible to receive overtime compensation and are not being considered for reduction.

	Under \$70,000	Between \$70,000 and \$99,999	Over \$100,000	Total
Elected	11		2	13
Management/ Unrepresented	26	29	17	72
AFSCME	91	15	4	110
Crafts and Trades	45	12		67
Police Management (Commissioned)			4	4
Fire Management (Commissioned)			5	5
Police (Commissioned)	49	130	44	223
Fire (Commissioned)	39	91	65	195
Total	261	277	141	679

The 29 unrepresented employees earning more than \$70,000 and the 17 unrepresented employees earning more than \$100,000 could have their salaries reduced by \$10,000 and \$5,000 respectively by Council action. This would generate \$317,000 that could be used to avoid layoffs in the Fire Department. The affected positions are listed below.

First	Last	Position	Salary
Patrick	Urich	City Manager	Over \$100k
Donald	Leist	Corporation Counsel	Over \$100k
Scott	Reeise	Public Works Director	Over \$100k
Deborah	Roethler	Assistant City Manager	Over \$100k
James	Scroggins	Finance Director	Over \$100k
Mary Ann	Stalcup	Human Resource Director	Over \$100k
Ross	Black	Community Development Director	Over \$100k
William	Lewis	City Engineer	Over \$100k
Samuel	Rivera	Chief Information Officer	Over \$100k
David	Tuttle	ECC Manager	Over \$100k
Nicholas	Stoffer	Traffic Engineer	Over \$100k
Andrea	Klopfenstein	Storm Water Engineer	Over \$100k
Chrissie	Peterson	Senior Attorney	Over \$100k
Anthony	Corso	Chief Innovation Officer	Over \$100k

Joseph	Dulin	Assistant Director Community Development	Over \$100k
Shaun	Schoonover	Finance Manager	Over \$100k
Sie	Maroon	Deputy Director Superintendent of Operations	Over \$100k
Rachel	Cook	Applications Services Manager	Over \$70k
Cory	O'Brien	Desktop Services Manager	Over \$70k
Robert	Williams	Fleet Services Manager	Over \$70k
William E	Hopkins	Senior Human Resource Specialist	Over \$70k
Farris	Muhammad	Chief Diversity and Inclusion Officer	Over \$70k
Patricia	Mason	Accounting Coordinator	Over \$70k
Kevin	Kinne	IS Project Leader	Over \$70k
Christopher	Switzer	Purchasing Manager	Over \$70k
Jason	Meeks	Facilities Manager	Over \$70k
Janice	Little	Strategic Planning Supervisor	Over \$70k
Cesar	Suarez	Senior Development Specialist	Over \$70k
Michael	Mason	IS Project Leader	Over \$70k
Leslie	McKnight	Senior Development Specialist	Over \$70k
Sandra	Klatt	ECC Supervisor	Over \$70k
James	Sharp	Public Works Program Supervisor	Over \$70k
Irving	Dubois	Traffic Operations Supervisor	Over \$70k
Angela	Ruchotzke	Human Resources Specialist	Over \$70k
Darlene	Coates-O'Conner	Deputy City Treasurer	Over \$70k
Ashley	Cano-Elias	Code Enforcement Supervisor	Over \$70k
Jeanette	Morse	ECC Supervisor	Over \$70k
Debra	Bush	Human Resource Coordinator	Over \$70k
Gary	Turner	Public Works Program Supervisor	Over \$70k
Shawn	Johnson	Public Works Program Supervisor	Over \$70k
ShamRA	Robinson	Management Analyst	Over \$70k
Stacy	Peterson	Communications Specialist	Over \$70k
Stephanie	Tarr	Chief Deputy City Clerk	Over \$70k
Tracy	Sandall	ECC Supervisor	Over \$70k

Council could consider adding in the nine (9) managers in the Fire and Police Departments. The affected employees are listed in the table below. Further, due to pensions being calculated for commissioned police and fire on their last day of pay, a reduction to the police and fire management employees would likely see these individuals retire rather than take a pay cut that would affect their pensions.

First	Last	Position	Salary
Loren	Marion III	Interim Police Chief	Over \$100k
Michael	Mushinsky	Interim Assistant Police Chief	Over \$100k
Michael	Scally	Police Captain	Over \$100k
Todd	Green	Police Captain	Over \$100k
Edward	Olehy Jr	Fire Chief	Over \$100k

Paul	Brodkorb	Assistant Fire Chief	Over \$100k
Stanley	Taylor	Fire Division Executive	Over \$100k
Anthony	Ardis	Fire Division Executive	Over \$100k
Michael	Morgan	Fire Division Executive	Over \$100k

From the City Manager’s perspective, there are many reasons not to proceed with this action:

- These employees, along with the Electricians, took the unpaid furloughs this year to close the budget gap. This action was unanticipated at the beginning of the year and amounts to a 1.3% pay reduction for these employees;
- These employees are not eligible for overtime, unlike many of the union employees identified in the table above;
- The City Council relies on many of these employees for communication after hours and on weekends. Unlike the employees of the bargaining units, when this communication occurs, the expectation is that the staff communicates back to the Council because of their salaried status;
- An action like this is damaging to morale;
- Reductions of this amount can have pension implications, particularly for Police and Fire Command, and they would likely retire before taking such a large reduction; and
- There are questions about compression within the organization with an action like this. By cutting salaries \$10,000 it is likely that many of the command and supervisors reductions may actually put their salaries under those that they supervise. This would likely dissuade others from accepting a promotion to lead the organization in the future.

At the request of Councilwoman Jensen, staff will have a motion prepared for Council to consider to reduce the pay of the unrepresented management by \$10,000 for those making over \$100,000 and \$5,000 for those making between \$70,000 and \$99,999.

Question 5-10 Report back on the feasibility of a wheel tax for commercial vehicles that deliver internet goods.	Question From Montelongo	Answer From City Manager
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The following was included in Budget Report Back 2-5. The Chicago City Clerk is responsible for the administration of the Chicago Wheel Tax Ordinance. Please see their website: (<http://www.chicityclerk.com/city-stickers-parking/about-city-stickers>). It would be difficult to make a distinction for only delivery vehicles of internet purchases. The complicating factor is that many Amazon packages are delivered by the United States Postal Service, which is exempt from taxation. In Report Back 2-5, staff estimated that the amount of revenue for a wheel tax that included commercial vehicles, conservatively another 25% or \$250,000. If the wheel tax were limited to small and large trucks (the shaded rows below), and exclude passenger vehicles, the revenue generated would be less than the \$250,000.

The Chicago fees, effective February 1, 2018 are as follows:

Chicago Vehicle License Type	Fee
Antique	\$30.99
Senior	\$31.00
Motorcycle, Motorcycle Dealer and Neighborhood Electric Vehicle	\$46.49
Dealer or Manufacturer	\$92.97
Small Passenger	\$87.82
Large Passenger	\$139.48
Small Truck or Other	\$206.63
Large Truck or Other	\$464.92
Charitable	\$0.00
Disability	\$0.00
Disabled, Purple Heart, or POW Veteran	\$0.00
Government	\$0.00
Municipal	\$0.00

Question 5-11 Report back on Tax Increment Financing Districts and the available balance.	Question From Akeson	Answer From Finance
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At the request of Councilwoman Akeson below is a summary of the Tax Increment Financing Districts and the projected available balance at December 31, 2018:

City of Peoria
Projected TIF Fund Balance
As of December 31, 2018

	Fund Balance 1/1/2018	Prior Year Obligations	2018 Projected Revenues	2018 Projected Expenditures	2018 Projected Fund Balance 12/31/2018
Central Business TIF (Downtown)	\$ 683,851	\$ (1,622,374)	\$ 1,716,912	\$ (1,374,057)	\$ (595,668)
Downtown Conservation TIF	\$ 288,268	\$ (6,954)	\$ 127,920	\$ (388,655)	\$ 20,579
Downtown Stadium TIF	\$ 112	\$ -	\$ 315,800	\$ (315,485)	\$ 427
Eagle View TIF	\$ 348,853	\$ (49,974)	\$ 135,250	\$ (45,698)	\$ 388,431
East Village Growth Cell TIF	\$ 376,401	\$ (87,220)	\$ 361,445	\$ (608,215)	\$ 42,411
Hospitality Improvement Zone TIF	\$ (208,964)	\$ -	\$ 2,034,405	\$ (1,825,441)	\$ -
Midtown Plaza	\$ 51,000	\$ -	\$ 76,265	\$ (75,453)	\$ 51,812
Northside Business Park TIF	\$ 725,966	\$ (20,000)	\$ 201,598	\$ (52,851)	\$ 854,713
Northside Riverfront TIF	\$ 525,667	\$ (20,000)	\$ 149,853	\$ (49,076)	\$ 606,444
River Trail TIF	\$ -	\$ -	\$ -	\$ -	\$ -
South Village TIF	\$ 1,850,131	\$ (402,220)	\$ 86,800	\$ (54,181)	\$ 1,480,530
Warehouse District TIF	\$ 795,786	\$ (115,340)	\$ 888,219	\$ (736,925)	\$ 831,740
Total	\$ 5,437,071	\$ (2,324,082)	\$ 6,094,467	\$ (5,526,037)	\$ 3,681,419

The Northside Riverfront TIF expires at the end of 2018. The remaining TIF's and year of expiration are as follows:

Central Business TIF (Downtown TIF)	2021
Downtown Conservation TIF	2035
Downtown Stadium TIF	2023
Eagle View TIF	2030
East Village Growth Cell TIF	2034
Hospitality Improvement Zone TIF	2032
Northside Business Park TIF	2022
River Trail TIF	2035
South Village TIF	2036
Warehouse District TIF	2030

<p>Question 5-12 Report back on the Gateway Building.</p>	<p>Question From Oyler</p>	<p>Answer From Economic Development</p>
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The Gateway Building is managed by the Peoria Park District through a 2008 Intergovernmental Agreement with the City of Peoria. The building is currently utilized for City and community meeting space and serves as a full-fee rental facility with catering services. The full-fee rentals are designed to cover the Peoria Park District’s annual operating costs. The PPD annual operating costs includes personnel, marketing, and programming. The PPD annual proposed budget averages \$100,000 a year. The City of Peoria receives proceeds from Gateway revenues that exceed their budgeted operating cost. If the Gateway Buildings expenses exceed actual revenue, the City of Peoria reimburses the Peoria Park District for the deficit balance. The City of Peoria Public Works Department manages the property maintenance and pays the utilities. There is no debt obligation or property taxes paid on the building.

Attached is the Peoria Park Districts 2018 Gateway operating budget and their full detailed report of Gateway Building activities that include information on event management, budget trends, utilization, and marketing strategies. This memo serves as a summary report of Gateway Building activities for the past few years.

Gateway Building Caterers

There are currently 12 active caterers that service events at the Gateway Building. There is an application process to become a caterer for the Gateway building which includes a \$300 annual fee, 16% gross of food and beverage paid to the City, health department license, insurance, and capacity to provide catering services.

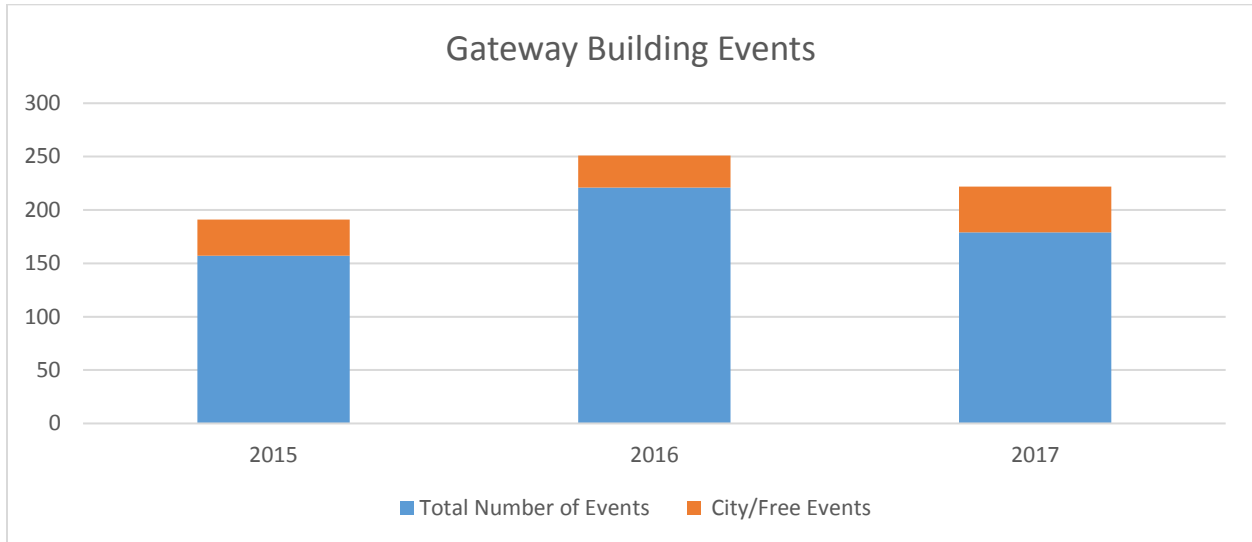
Caterer	In-Service Year
Childer’s	2014
Chef’s Catering	2014
Barrack’s	2014
Biaggi’s	2014
Hickory River	2015
Cracked Pepper	2015
Mama G’s	2015
Avanti’s	2016
Moja’s	2017
Nelson Catering	2017
Rumberger’s Bar and Grill	2018
Backwood Catering	2018

The Gateway building caterer’s participation has grown over the years and has been a great opportunity for minority business caterers.

Gateway Building Events

The majority of full-day banquet room rentals are weddings which make up 35% of all Gateway Building events and is the largest rental revenue stream. All other rentals include city sponsored meetings, and

corporate and civic meetings. The Gateway Building averages 185 events per year. The average rental revenue from these events is \$104,000 a year. The City of Peoria utilizes the Gateway Building for meetings and events and offers on average about 18 free events to community organizations per year. The costs of the City/free events average about \$3,500 per year.



Gateway Building Operating Budget

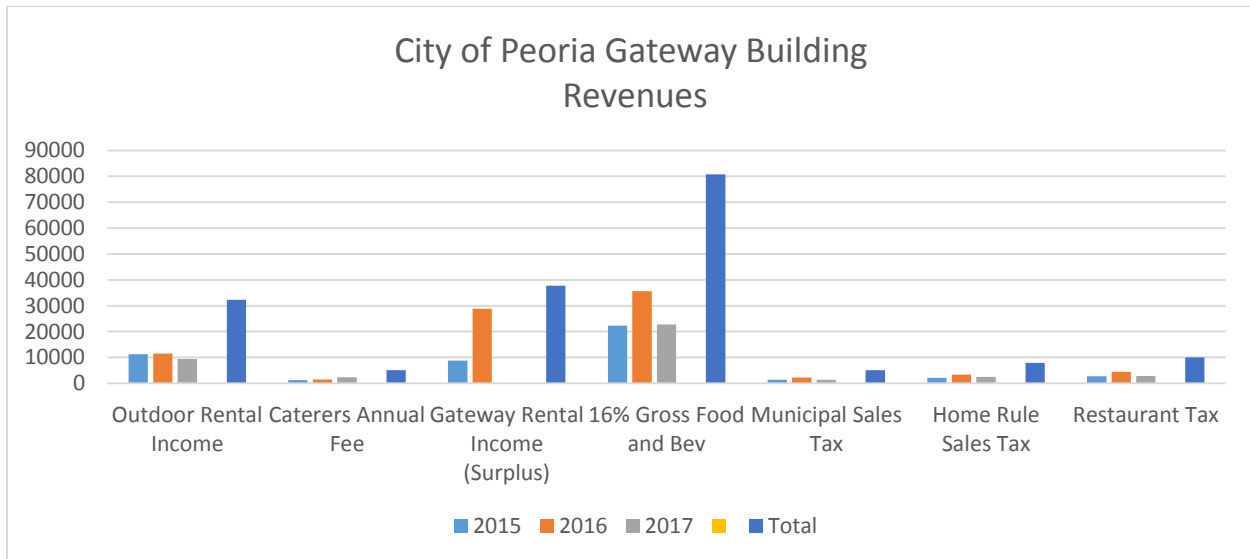
The Peoria Park District has one FTE and up to 8 PT employees to market, coordinate and manage Gateway Building events and activities. The total operating expense averages \$100,000 a year. The City receives any revenue surplus over actual operating expenses incurred. Additional revenues to the City of Peoria include rental of outdoor space related to Gateway activity, the caterer's annual fee and 16% food and beverage and caterer sales taxes. The City did not receive any rental surplus income in 2017 but in 2016 received rental surplus income in the amount of \$28,845.39. This was due in large part to a church that was utilizing the facility every Sunday for an entire year.

The City of Peoria covers expenses on the building related to property maintenance and utilities, and is managed by the Public Works Department. These costs average \$80,000 year.

The following charts are the revenue, expenses and net proceeds the City receives from the Gateway Building.

**City of Peoria
Gateway Building Revenues Received and Expenses**

	2015	2016	2017
Outdoor Rental Income (60%)	\$ 11,280.00	\$ 11,520.00	\$ 9,439.00
Gateway Rental Income (Surplus)	\$ 8,828.75	\$ 28,845.39	\$ (2,940.22)
Caterers Annual Operating Fee	\$ 1,200.00	\$ 1,500.00	\$ 2,400.00
Catering Fee 16% of Gross Food and Beverage	\$ 22,309.76	\$ 35,585.82	\$ 22,823.81
Municipal Sales Tax	\$ 1,394.36	\$ 2,224.11	\$ 1,426.49
Home Rule Sales Tax	\$ 2,091.54	\$ 3,336.17	\$ 2,496.35
Restaurant Tax	\$ 2,788.72	\$ 4,448.23	\$ 2,852.98
Total City Revenues - Gateway Building	\$ 49,893.13	\$ 87,459.72	\$ 38,498.41
<i>Less Building Maintenance and Utilities Expenses</i>	<i>\$ (80,000.00)</i>	<i>\$(80,000.00)</i>	<i>\$ (80,000.00)</i>
City Net Proceeds from Gateway Building	\$ (30,106.87)	\$ 7,459.72	\$ (41,501.59)



Gateway Building Utilization

The utilization rate of the Gateway building is about 50% occupancy (full occupancy is defined as 1 event per day for 365 days a year). As you can see, there are ample opportunities for more events and activities at the Gateway Building. Our office recently met with the Executive Director and Gateway Building administration to discuss in detail the operations and increase in revenue and marketing opportunities. They wanted to note that the utilization rate has been impacted in recent years by increased competition of event space in the private sector, declining corporate use for meeting space, and the unintended

consequences of the increase in Riverfront concerts and festivals. They specifically mentioned that brides (i.e. weddings) don't like to compete with Riverfront activities and parking issues.

Marketing and Revenue Opportunities

The PPD currently markets the Gateway Building collectively with their other PPD event space such as the Peoria Zoo, Wokanda, and Luthy Botanical Garden. All event spaces are included in their Playbook, PPD website, and social media channels. From our recent meetings with the Gateway Building director and administration, we discussed opportunities to increase marketing and revenue at the Gateway Building. Ideas included:

1. Volume discounts for meeting room rentals. This can attract corporations and civic organizations that have regularly scheduled meetings.
2. Send out post event surveys for feedback and to gauge any future event space needs.
3. Target marketing to institutions such as schools, hospitals, and universities.
4. Increase marketing efforts-print media (i.e. ads), social marketing (i.e. facebook, Instagram) and TV advertising.
5. Presence at more expo's related to event space demands.
6. Increase in fee rates to be more competitive with private venues. The average Saturday all day rentals for private venues is around \$2,500. The Gateway Building Saturday venue is around \$1,000.
7. Reduce free meeting space and/or design an application form with criteria for free rental space.
8. Consider décor upgrades (i.e. curtains, chairs)

2018-2019

In 2018, the revenue from rentals and events continue to decline. The office of Economic Development will aggressively work with the Peoria Park District Gateway administration to research and implement increased revenue and marketing opportunities/strategies for the Gateway Building.

(Supporting documentation for this Report Back is attached separately.)

Question 5-13 Report back on budget alternatives to retain public safety positions.	Question From Grayeb	Answer From City Manager
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Councilman Grayeb requested that staff explore alternatives to the Revised 2019 Budget. These alternatives would restore the recommended cuts to Police and Fire and add some of the positions cut in 2018 back into Community Development by identifying additional revenue to fund operations. Staff has looked at the opportunities for revenue growth and determined that the most viable alternative that could address the growth in pension costs, would be a property tax increase.

The following budget scenarios have been developed for Council consideration. The first alternative, Option A, would restore the cuts to Police and Fire, and add 4 positions back into the Community Development budget. This would require keeping all the new revenue recommendations (public safety pension fee, package liquor and EMS billing), and increase property taxes by \$0.15 per \$100 of assessed value. The second alternative would restore the cuts to Police and Fire, add 4 positions back into the Community Development budget, drop the new revenue recommendations, and support the additional spending with a \$0.30 property tax increase per \$100 of assessed value.

Because of the growth of public safety pensions, the 2019 revised budget presented by the City Manager meets the Council fund balance target for 3 years, requiring budget adjustments in 2022 to continue to meet the target. Option A has a similar pattern, meeting the fund balance target for 3 years, before requiring Council to act on additional revenues or additional cuts. Option B assumes that future pension and public safety growth are covered by property taxes, and the rate increases in the out years to meet the fund balance target through 2022.

The table below shows the City property tax rates and General Fund balances for each of the scenarios:

2019 Revised Budget

Year	City Property Tax Rate	Added Cost to \$100,000 Home	Public Safety Pension Fee	Police and Fire Cuts Restored	Comm. Dev. Positions Added	General Fund Balance	Meet Fund Balance Target
2018	\$1.55						
2019	\$1.56	\$3.58	\$50.00	No	No	\$2.0M	Yes
2020	\$1.57	\$4.81	\$55.00			\$3.5M	Yes
2021	\$1.57	\$6.79	\$60.00			\$1.9M	Yes
2022	\$1.57	\$8.18	\$65.00			\$0.6M	No
2023	\$1.57	\$8.00	\$70.00			(\$0.8M)	No

Option A: 15 Cent Property Tax Increase, New Revenues, No Staffing Cuts to Police and Fire, Additional Community Development Positions

Year	City Property Tax Rate	Added Cost to \$100,000 Home	Public Safety Pension Fee	Police and Fire Cuts Restored	Comm. Dev. Positions Added	General Fund Balance	Meet Fund Balance Target
2018	\$1.55						
2019	\$1.70	\$48.47	\$50.00	Yes	Yes	\$2.0M	Yes
2020	\$1.70	\$50.56	\$55.00			\$3.5M	Yes
2021	\$1.71	\$53.00	\$60.00			\$1.8M	Yes
2022	\$1.71	\$54.39	\$65.00			\$0.4M	No
2023	\$1.71	\$53.75	\$70.00			(\$1.0M)	No

Option B: 30 Cent Property Tax Increase, No New Revenues, No Staffing Cuts to Police and Fire, Additional Community Development Positions

Year	City Property Tax Rate	Added Cost to \$100,000 Home	Public Safety Pension Fee	Police and Fire Cuts Restored	Comm. Dev. Positions Added	General Fund Balance	Meet Fund Balance Target
2018	\$1.55						
2019	\$1.85	\$99.00	No	Yes	Yes	\$2.0M	Yes
2020	\$1.88	\$109.49				\$3.6M	Yes
2021	\$1.92	\$122.61				\$2.0M	Yes
2022	\$2.01	\$153.89				\$2.0M	Yes
2023	\$2.09	\$179.13				\$1.7M	No