

# 2023 Revised Budget

**Patrick Urich,**  
City Manager



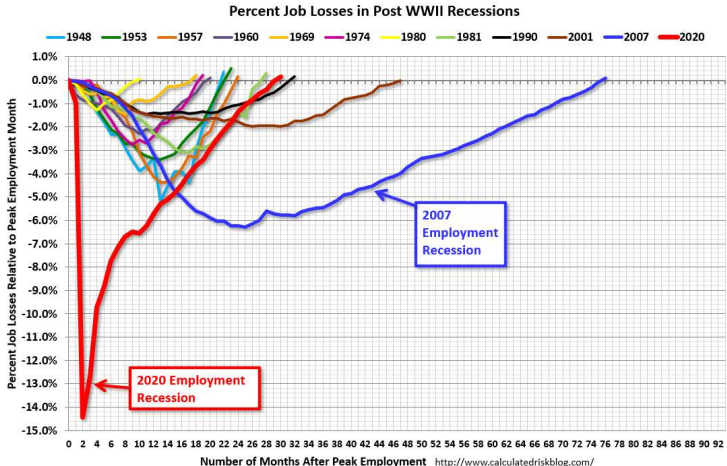
**Kyle Cratty,**  
Finance Director

**October 18, 2022**

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## Economic News - GDP

- Economists estimate US GDP growth will be 0.3% in 2023
- Fed efforts to combat inflation will likely lead to a recession during 2023



**Percent Job Losses in Post WWII Recessions**

Legend: 1948, 1953, 1957, 1960, 1969, 1974, 1980, 1981, 1990, 2001, 2007, 2020

Y-axis: Percent Job Losses Relative to Peak Employment Month (from 1.0% to -15.0%)

X-axis: Number of Months After Peak Employment (from 0 to 92)

Annotations: 2020 Employment Recession (red box), 2007 Employment Recession (blue box)

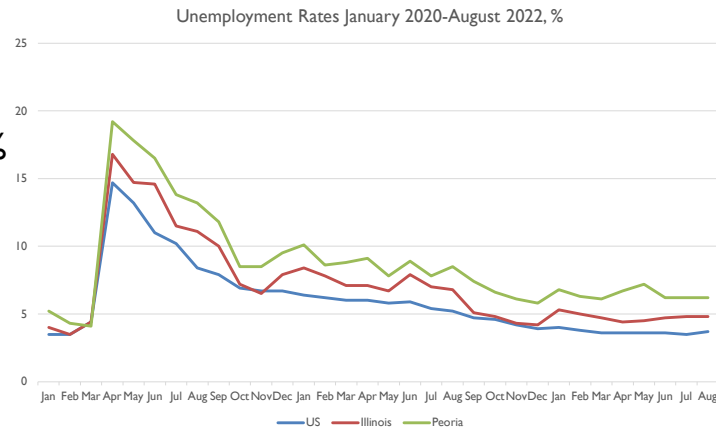
Source: <http://www.calculatedriskblog.com/>

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## Economic News - Unemployment

- National unemployment 3.7%
- State unemployment 4.8%
- Peoria unemployment 6.2%, versus 8.5% one year ago.
- Peoria has added more than 1,100 jobs in the past year



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## 2023 Budget Summary

**Revenues: \$264.9M (+11.7%), including \$14.4M Fiscal Recovery Funds**

**Operations: \$182.1M (+2.8%), restores staff and programs**

**Capital: \$62.8M (+37.5%), CSO Year 2, more grant funds, roads, & drainage**

**Debt: \$20.6M (+5.5%), to meet debt requirements**

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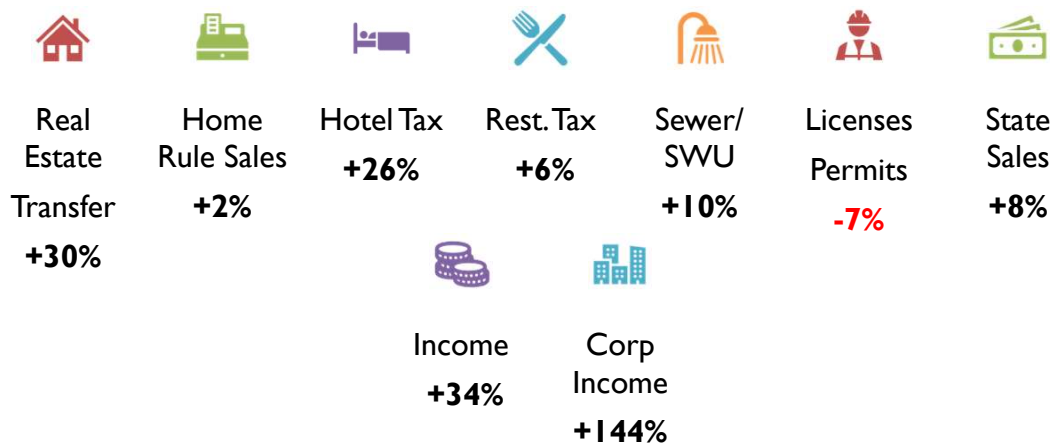
## 2022 Budget Highlights

- Strong revenue growth (Local and State Sources)
- Federal and State Grants remain strong
  - SAFER
  - Violence Prevention Grants
  - ARP Funds for small businesses and neighborhoods
  - Capital Grants
- Expenses on track to be at budget

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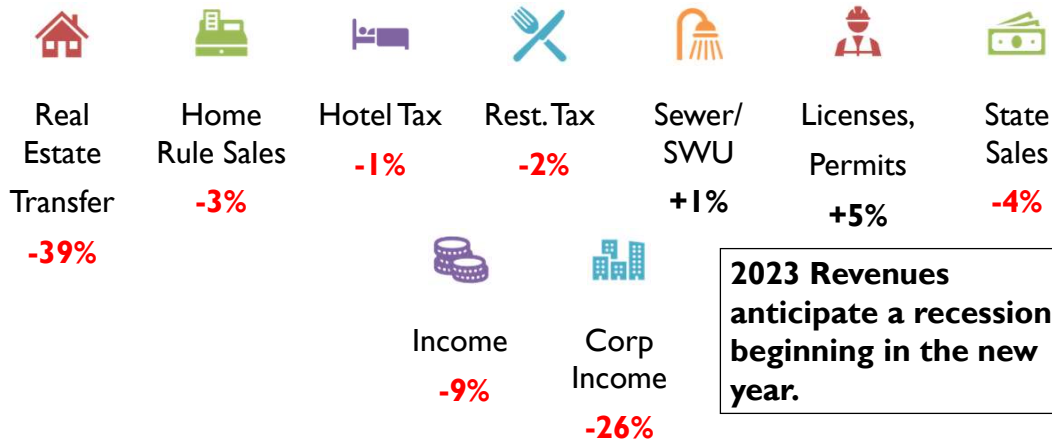
## Revenue Recovery in 2022



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## 2023 Revenue Estimates vs. 2022



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## 2023 Local Sources (\$ in thousands ,000)

	Proj 2022	Bud 2023	% Chg	\$ Chg	Rev 2023	% Chg	\$ Chg
Property Tax Levy	31,948	31,769	-0.6%	(178)	33,065	4.1%	1,295
TIF Property Taxes	5,189	4,722	-9.0%	(466)	4,304	-8.8%	(417)
Home Rule Sales	27,198	27,392	0.7%	193	26,500	-3.3%	(892)
Sewer Fees	25,019	23,124	-7.6%	(1,894)	25,176	8.9%	2,051
HRA Tax	10,357	9,450	-8.8%	(906)	10,148	7.4%	698
Gambling	2,609	2,672	2.4%	63	2,715	1.6%	43
Real Estate Transf	1,625	1,275	-21.6%	(350)	1,000	-21.6%	(275)
Fines/Forfeitures	1,081	969	-8.9%	(112)	835	-13.8%	(134)
<b>Local Sources</b>	<b>159,729</b>	<b>152,100</b>	<b>-4.8%</b>	<b>(7,629)</b>	<b>156,921</b>	<b>3.2%</b>	<b>4,821</b>

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## Assessed Values and Stormwater Fees



### Assessed Values

- Gain +4.3%, No Rate Change



### Stormwater Fee

- Suspend CPI Increase

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## 2023 State/Federal/Other Sources (\$ in thousands ,000)

	Proj 2021	Bud 2022	% Chg	\$ Chg	Rev 2023	% Chg	\$ Chg
<b>State Sales Tax</b>	30,751	29,380	-4.5%	(1,371)	29,590	0.7%	210
<b>Income Tax</b>	18,750	14,229	-24.1%	(4,521)	17,000	19.5%	2,771
<b>PPRT</b>	22,011	9,913	-58.2%	(12,819)	16,215	76.4%	7,022
<b>State Motor Fuel</b>	4,898	4,808	-1.8%	(90)	5,090	5.9%	282
<b>State Grants</b>	3,648	1,313	-64.0%	(2,335)	4,225	221.9%	2,912
<b>State Sources</b>	80,059	59,363	-25.9%	(20,697)	72,667	22.4%	13,303
<b>Federal Sources</b>	21,108	18,344	-13.1%	(2,763)	25,261	37.7%	6,916
<b>Other Sources</b>	25,016	7,411	-70.4%	(17,604)	7,412	36.2%	2,684
<b>TOTAL REVENUE</b>	<b>285,912</b>	<b>237,218</b>	<b>-17.0%</b>	<b>(48,693)</b>	<b>264,944</b>	<b>11.7%</b>	<b>27,725</b>

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## 2023 Expenses by Category

(\$ in thousands ,000)

	Proj 2022	Bud 2023	% Chg	\$ Chg	Rev 2023	% Chg	\$ Chg
<b>Operating Expenses</b>							
<b>Personnel</b>	67,871	69,848	2.9%	1,976	72,332	3.6%	2,484
<b>Benefits</b>	33,852	34,006	0.5%	154	38,172	12.2%	4,165
<b>Contractual</b>	67,642	69,186	2.3%	1,544	66,729	-3.6%	(2,457)
<b>Supplies</b>	6,211	3,981	-35.9%	(2,230)	4,765	19.7%	784
<b>Total Op. Expenses</b>	175,576	177,022	0.8%	1,445	182,000	2.8%	4,977
<b>Capital</b>	64,410	45,671	-29.1%	(18,739)	62,775	37.5%	17,104
<b>Debt Service</b>	19,518	19,488	-0.2%	(29)	20,567	5.5%	1,079
<b>TOTAL EXPENSES</b>	<b>259,504</b>	<b>242,181</b>	<b>-6.1%</b>	<b>(15,833)</b>	<b>265,343</b>	<b>9.6%</b>	<b>23,161</b>

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## Staffing



### 2022 Staffing (+21)

- Public Works (10) and Fire (11)



### 2023 Staffing (+6)

- Increase staffing to 677, up 3.8%
- Fill current 50+ vacancies

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## Staffing – 6 New Positions

- **Diversity and Inclusion** - Additional **Management Analyst** for greater internal and external reach of the department
- **Legal** – An **Attorney** to run the revised administrative adjudication system
- **Fire** – **Hazardous Materials Inspector** to focus on billings, inspections and plan review.
- **Public Works** – **Vehicle Mechanic** to service the fleet; **Green Infrastructure Coordinator** to oversee stormwater and vegetation operations; and a **Right-of-Way Asset Manager** to assist PW with permitting and data collection.

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## Fiscal Recovery Funds - \$47.089M (\$ in thousands ,000)

<b>RECOMMENDED SPENDING</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>INFRASTRUCTURE</b>		5,558	7,448	3,423
<b>NEIGHBORHOODS</b>		2,075	2,412	2,417
<b>ECONOMIC DEVELOPMENT</b>		2,400	2,394	2,345
<b>VIOLENCE REDUCTION</b>		725	1,303	1,325
<b>HEALTH EQUITY</b>		600	600	600
<b>ADMINISTRATION</b>		57	276	280
<b>LOST REVENUE</b>	10,301			
<b>TOTAL</b>	<b>10,301</b>	<b>11,416</b>	<b>14,435</b>	<b>10,336</b>

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## Other Grant Funds



### Mac Arthur Corridor (\$7.0 million)

- State funds for infrastructure and development



### Street Lights (\$2.5 million)

- State Funds for street light projects across the City



### CAD/ Records System (\$2.0 million)

- Federal Funds for computer aided dispatch and records management

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## Other Grant Funds



### Sidewalks (\$2.0 million)

- Federal earmark for sidewalks infrastructure in 61605 zip code



### Sewer (\$600 thousand)

- Federal earmark for sewer extension along War Memorial to Pringle Technology



### Spring Street (\$400 thousand)

- Federal earmark for Spring Street green street

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## Other Grant Funds



### CDBG (\$1.9 million)

- Federal Community Development Block Grant



### HOME (\$723 thousand)

- Federal grant for affordable housing



### ESG (\$161 thousand)

- Federal grant for homeless services in the region

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## Support to Other Agencies

- Convention and Visitors Bureau - \$542,000
- Civic Center – \$900,000
- Arts Partners – \$100,000
- Downtown Development Corporation – \$100,000
- Greater Peoria Economic Development Council – \$75,000
- Distillery Labs – \$100,000 (American Rescue Plan)
- Peoria County Animal Control Services – \$278,470
- TIF Subsidies – \$947,400

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## 2023 Community Investment Plan



**\$62.8M** in Capital Improvements



Road, sewer and sidewalks, traffic  
**79.1%** of the CIP



**90.8%** Directly impacts citizens



**21.9%** for tools, technology, and facilities

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Category	%	2023	2024	2025	2026	2027
Development	2.5%	\$1,585	\$1,690	\$1,000	\$1,000	\$1,000
Equipment	6.5%	\$4,160	\$7,787	\$2,332	\$1,808	\$1,358
Facilities	0.0%	\$0	\$4,833	\$25	\$1,534	\$535
Parking	8.7%	\$5,596	\$1,125	\$0	\$300	\$150
Sewers/Drainage	40.6%	\$26,038	\$27,812	\$25,695	\$25,022	\$23,685
Sidewalks	1.3%	\$810	\$800	\$800	\$800	\$800
Streets	31.9%	\$19,074	\$30,171	\$7,355	\$21,940	\$16,360
Traffic/Lighting	5.8%	\$3,713	\$43	\$43	\$0	\$0
Vehicles	2.8%	\$1,800	\$1,500	\$1,500	\$1,500	\$1,500
<b>Grand Total</b>	<b>100.0%</b>	<b>\$62,776</b>	<b>\$75,760</b>	<b>\$38,749</b>	<b>\$53,903</b>	<b>\$45,388</b>

## 2023-2027 Community Investment Plan (\$ in thousands ,000)

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## 2023 Major Capital Projects

Combined Sewer Overflow Reduction Year 2 Project	\$ 7,640,000
Adams & Jefferson: Signal Upgrade/ One-Way to Two Way Conv.	\$ 5,620,000
Depot Street: Oak St to Persimmon St and Parking lot	\$ 5,096,000
Drainage Improvements - Deerbook Drive Green Street	\$ 3,355,000
Glen Avenue: War Memorial Dr to University St	\$ 3,286,370
Sewer Extension for Pringle Technology	\$ 2,200,000
Sidewalks and ADA Ramps in 61605	\$ 2,150,000
CAD/RMS improvements	\$ 2,000,000

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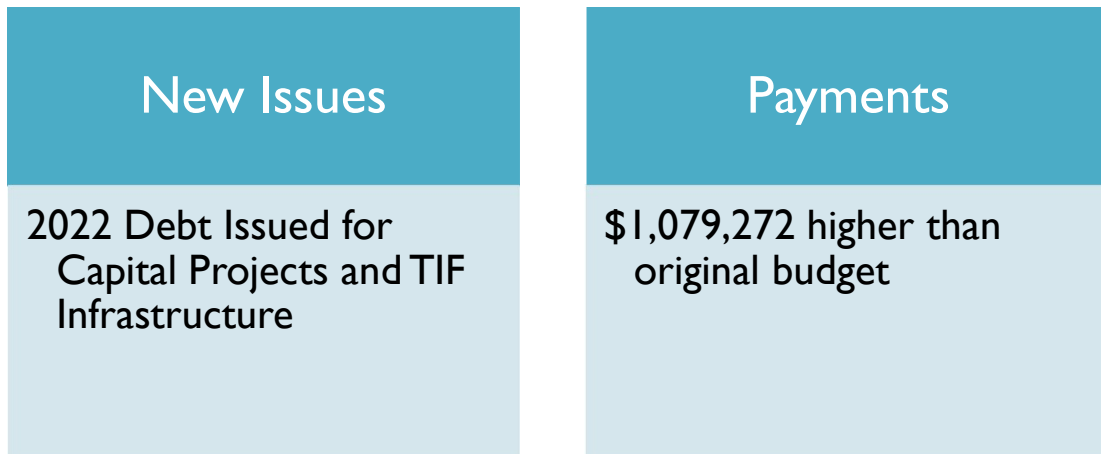
## 2023 Major Capital Projects

Fleet Recapitalization	\$ 1,800,000
GPSD O&M for City-Owned Sewers	\$ 1,760,570
Drainage Repair Program	\$ 1,390,000
Roadway Infrastructure Projects	\$ 1,380,000
Combined Sewer Overflow Reduction Year 3 Project	\$ 1,065,000
Gale Avenue: University to Sheridan Avenue Mill & Overlay	\$ 1,060,000
MacArthur Hwy: Moss Ave to Dr M L King Dr Reconstruction	\$ 1,020,000
Demolition & Clearance	\$ 1,000,000

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## Debt – Increase \$1.0M



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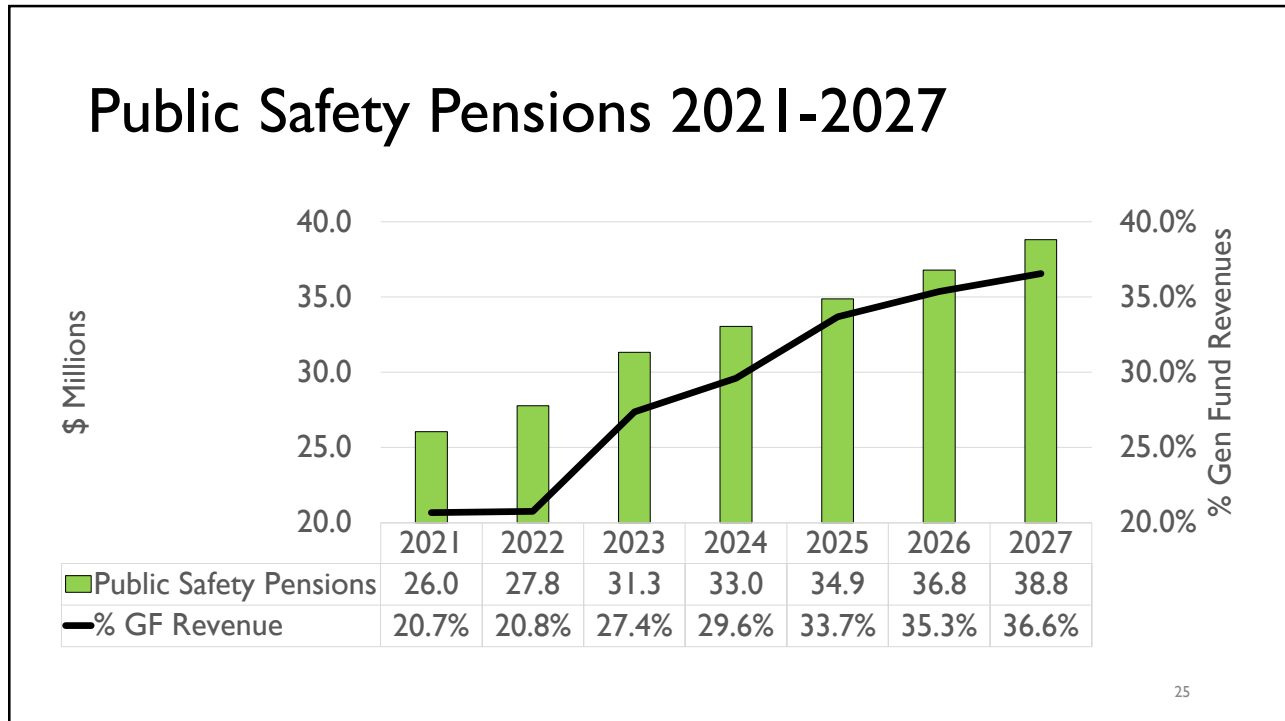
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## Fund Balances

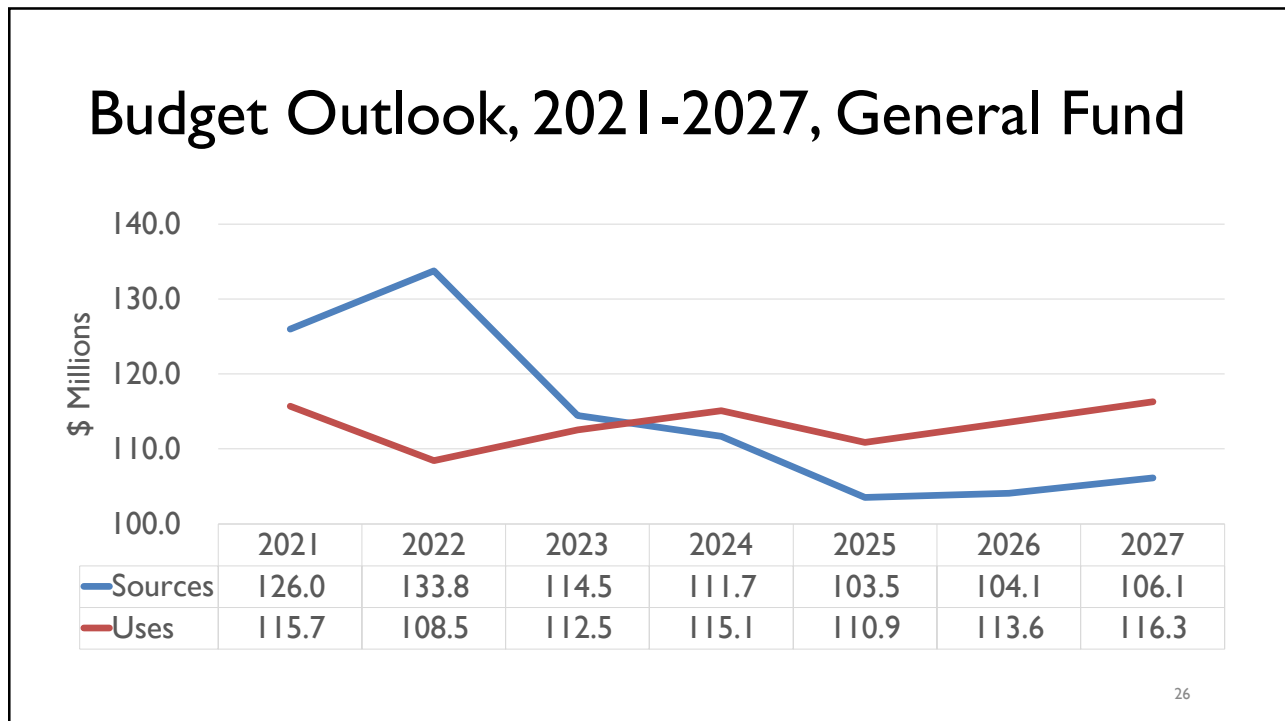
- Currently, the projected unobligated fund balance in the General Fund at the end of 2022 will be \$54,220,845 or **50.0%** of operating expenses.
- Due to anticipated growth in pension obligations, excess fund balance will be assigned for future pension payments.
- Overall use of fund balance in 2023 is \$398,603 (0.3%)

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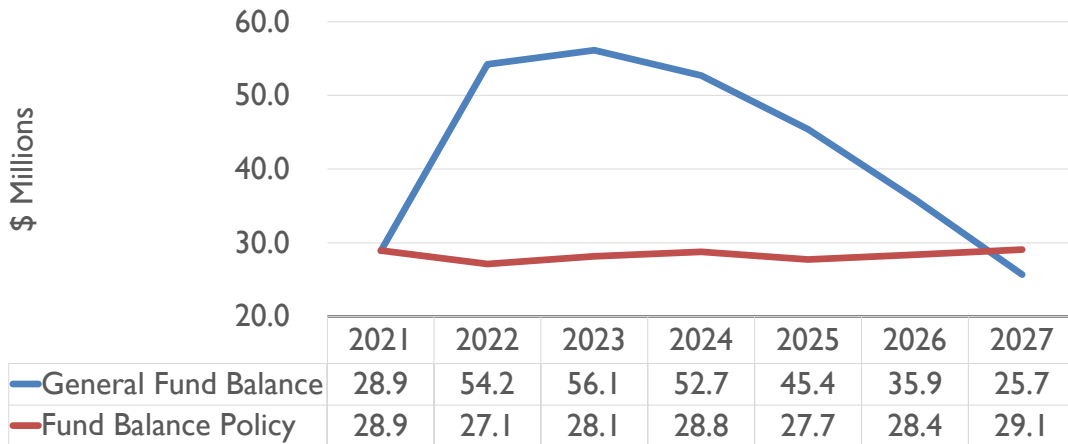


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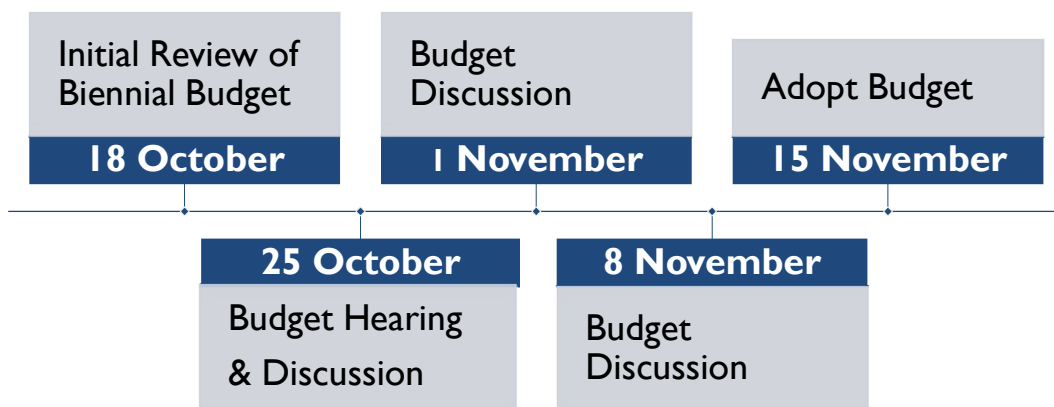
## General Fund Balance, 2021-2027



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## Budget Timeline



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