



: OFFICIAL PROCEEDINGS :

: OF THE CITY OF PEORIA, ILLINOIS :

A Special Meeting of the City Council of Peoria, Illinois, was held October 18, 2022, at 6:00 P.M. at City Hall, Council Chambers (Room 400), 419 Fulton Street, 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 (electronic attendance), Jensen, Kelly, Oyler, Riggerbach, Ruckriegel, Velpula, Mayor Ali – 11. Absent: None.

ELECTRONIC ATTENDANCE

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

Hearing no objection to the request for an electronic attendance, Council Member Jackson was declared present by Mayor Ali.

INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Ali requested a moment of silent prayer or reflection and then she led the pledge of allegiance.

PETITIONS, REMONSTRANCES & COMMUNICATIONS – CITY OF PEORIA

(22-350) Communication from the Mayor and Corporation Counsel with a Request to APPROVE the DECLARATION OF LOCAL STATE OF EMERGENCY.

Council Member Ruckriegel moved to approve the Declaration of Local State of Emergency; seconded by Council Member Kelly.

Approved by roll call vote.

Yeas: Allen, Cyr, Grayeb, Jackson, Jensen, Kelly, Oyler, Riggerbach, Ruckriegel, Velpula, Mayor Ali – 11;

Nays: None.

(22-351) 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 \$27,981,048.00, at a Rate of \$1.3534, Pursuant to 35 ILCS 200/18-60.

Finance Director Kyle Cratty said the proposed tax levy was the same rate as 2021, noting a projected increase of 4.3% of taxes to be levied.

City Manager Ulrich said this was to approve the estimate of taxes to be levied, and an Ordinance would be presented to the Council at a subsequent meeting to approve the tax levy.

Council Member Jensen moved to approve the estimate of taxes to be levied, in the amount of \$27,981,048.00, at a rate of \$1.3534, pursuant to 35 ILCS 200/18-60; seconded by Council Member Velpula.

Approved by roll call vote.

Yeas: Allen, Cyr, Grayeb, Jackson, Jensen, Kelly, Oyler, Riggerbach, Ruckriegel, Velpula, Mayor Ali – 11;

Nays: None.

(22-348) Communication from the City Manager and Finance Director/Comptroller with a Request to Hold a DISCUSSION on the 2023 REVISED BUDGET.

Finance Director Cratty began the 2023 Revised Budget presentation with an outlook of the U.S. and global economic picture, including estimated growth rates and unemployment rates. He reviewed the proposed Revised 2023 Budget summary, including changes to revenues, operations, capital expenses and debt. He highlighted the strong revenue growth over projections, Federal and State grants awarded to the City, and expenses on track with budgeted amounts for 2022. He said updated projections for 2022 showed increases in all categories except 'Licensing and Permits'. City Manager Ulrich noted those revenues were affected by reduced applications as well as waivers and reductions approved by the Council to incentivize applications after the pandemic.

Director Cratty continued the presentation with a review of income tax performance and growth in 2022, noting projections for 2023 were reduced to align with lower projected estimates. He reviewed revenue estimates and changes from 2022 to 2023 with the anticipation of a recession in 2023. He detailed local revenue sources, assessed values, and Stormwater Utility Fees, noting no rate changes were proposed by Staff with a suspension of scheduled stormwater utility fee increases in 2023. He discussed other sources of revenue projected for 2023, including State and Federal sources, as well as the 2023 projected expenses. He reviewed staffing changes in 2022 and proposed changes for 2023, including plans to fill over fifty existing vacancies. He discussed recommended American Rescue Plan Act (ARPA) Fiscal Recovery Fund spending in 2023 and 2024, as well as several planned grant-funded projects across the City. He discussed the 2023 Community Investment Plan with an outlook through 2027, and the 2023 proposed major Capital Projects. He said the debt increased by \$1 million in 2022 to fund Capital Projects and TIF infrastructure. He said the General Fund Balance Policy set by the Council was 25% of operating expenses, and it was estimated to contain 50% by the end of 2022. He said Staff suggested allocating the excess funds to pension fund obligation payments, citing the projected growth rate of the City's obligations and the importance of meeting the requirements.

Director Cratty concluded the presentation with the Budget Outlook of the General Fund from 2021-2027, which included a plan to spend-down the General Fund balance to ensure consistent operations. He reviewed the budget timeline, noting the Budget Hearing was scheduled for October 25, 2022, and additional budget discussions were scheduled for October 25, November 1, and November 8, 2022, with possible adoption of the 2023 Revised Budget on November 15, 2022. City Manager Urich summarized the 2023 Revised Budget with unanticipated revenue growth, significant grant funds awarded for capital projects, and he addressed the growing pension fund obligations.

Mayor Ali asked for information on pending grant applications that would affect the 2023 Budget. City Manager Urich identified two grant applications the Council approved for the Passenger Rail Initiative, a Smart City Grant with an application deadline of December 1, 2022, and the Pioneer Parkway Extension Grant. He said other opportunities were also available.

In response to Council Member Oyler about the timeline for utilizing the excess fund balance for growing pension fund obligations, Director Cratty said funds would be drawn out through 2027.

Council Member Oyler asked for a Report Back with more information on the proposed addition of an Equal Opportunity Office position Management Analyst for Diversity and Inclusion, how the office developed since it was established, and what had driven the need for more Staff.

In response to Council Member Cyr regarding the lack of increased fees or taxes in the proposed 2023 Revised Budget, City Manager Urich said the only anticipated fee increase was a \$1.00 per month scheduled increase from the Garbage Collection Contract, noting revenues were anticipated to match expenses. He said Public Works Staff would present an item to the Council at a subsequent meeting regarding an analysis with a recommendation to increase parking fees in downtown Peoria.

Council Member Cyr requested a Report Back showing the effect an elimination of parking fees in downtown Peoria would have on the Hotel Restaurant & Amusement (HRA) tax revenues. City Manager Urich stated it would be difficult to determine, noting HRA tax revenues did not fund maintenance and upkeep costs for parking lots and decks. He said page 9 of the 2023 Revised Budget binder indicated a projection of \$1.5 million in revenues related to parking, and page 13 projected approximately \$5.6 million in expenses related to parking structures.

In response to Council Member Cyr regarding Combined Sewer Overflow (CSO) projects compared to projects funded through the Stormwater Utility Fund, City Manager Urich said CSO work affected Council Districts 1, 2, and 3, while Stormwater Utility Fund projects occurred city-wide. He said there were areas in each Council District that were not part of the Combined Sewer System.

Council Member Cyr noted no new bonds were proposed for issuance in 2023, and Director Cratty said Staff proposed \$10 million in planned borrowing through the Illinois Environmental Protection Agency (IEPA) through a low-interest loan program as part of the CSO Agreement, with interest rates below 1%. He said, operationally, bonds and loans are handled the same way, but the difference was bonds affected credit ratings.

Continued discussions were held regarding the growing pension fund obligations. Council Member Cyr asked if State Legislators were making any progress on pension fund regulation amendments. City Manager Urich said the Illinois Municipal League (IML) continued to highlight the importance of change to the State Legislators, but he said in the interim municipalities were

required to commit resources to fulfill obligations. He said poor market performance affecting returns on the pension funds required additional compensation and obligation adjustments.

After Council Member Cyr inquired about General Fund regulations related to emergencies, Director Cratty and City Manager Urich said it was an unrestricted fund balance that can be reserved for specific spending as approved by the Council, such as for pension fund obligations.

Council Member Ruckriegel requested a Report Back to compare the 2022 and 2023 revenue estimates to pre-pandemic levels in 2019. He also requested details regarding City Hall improvements. After Council Member Ruckriegel inquired about unanticipated lawsuits, City Manager Urich said funds were budgeted in anticipation of pending lawsuits.

Council Member Ruckriegel asked for a Report Back detailing increased sales in 2022 related to inflation, price increases, or transactional increases. City Manager Urich said the State of Illinois provided Standard Industrial Classification Codes that could provide insight. Council Member Ruckriegel said the information was useful because a decrease in transactional value would be exacerbated by a recession. He commended Staff for accounting for the probable recession in 2023, and he said it was important to continue to raise pension fund concerns to State Legislators while reserving supplementary local pension fund contributions.

Council Member Ruckriegel asked for a Report Back expanding projections through 2030, five-year interest rate projections, stock market value impact on pension fund obligations, and a review of operational expenses excluding nonrecurring revenue sources like ARPA or grants.

Discussions were held concerning how grant funds were recorded, pension fund obligations, and scheduled facility-related improvements in 2022, 2023, and 2024.

In response to Council Member Ruckriegel regarding reduced garbage fees, City Manager Urich said when the current garbage dump site closed in approximately two years, the resulting reduced costs would be reflected with a reduction in garbage fees.

After Council Member Riggerbach inquired about the revenue growth in the budget summary, Director Cratty said of the 11.7% in revenue growth, the ARPA spending increase accounted for approximately 1%. Council Member Riggerbach said allocations to Peoria County Animal Protection Services (PCAPS) were payments for services to a contractor and should not be labeled as support funding. He discussed the focus on the pension fund obligations and how reserving the General Fund funds clearly showed the Council's intentions to those obligations through 2027. He said it was important to continue discussions with State Representatives with fervor to address the statewide pension fund concerns.

Council Member Riggerbach requested a Report Back with details on the Refuse Collection Fund balance and associated fees. He requested a Report Back detailing proposed ARPA fund appropriations, expenses, and projects funded since the City received the funds.

In response to Council Member Riggerbach concerning Police recruits, Police Chief Echevarria said there were difficulties filling available slots for the Police Academy, and ten slots were available for January 2023 with ten more slots for May 2023. He said twenty law enforcement professionals applied to the Peoria Police Department through the lateral transfer program.

After Mayor Ali asked if any ARPA funds were carried forward to 2023, City Manager Urich said preliminary information was provided at the Policy Session Meeting and additional details would be provided in the Report Back requested by Council Member Riggerbach.

In response to Council Member Allen regarding proposed funding for road repair projects, Public Works Director Powers said it was a practical allocation, noting more funding was always needed for pavement preservation to respond to weather-related deterioration in Central Illinois. He said the 2022 Public Works staffing changes that moved multiple positions from part-time to full-time allowed for additional hours to be dedicated to pavement preservation efforts.

Council Member Kelly asked how pension fund obligations were affected by market investment returns. City Manager Urich said contribution obligations did take market returns into account, but the adjustments were spread out over five years. Council Member Kelly said it was important for the Council to consider investing the increased funds in the community to provide for long-term positive results and a greater return on investment.

Council Member Oyler left Council Chambers at 7:14 P.M.

After Council Member Jensen asked about the increase in parking fees mentioned earlier that evening, City Manager Urich said results of an analysis from Public Works would be presented to the Council at a subsequent meeting for discussion and consideration. Council Member Jensen asked about the certainty of the estimated increased PPRT revenues the City was projected to receive from the State of Illinois. City Manager Urich said the City already received the funds except the last two distributions, so the funding for 2022 was secure. He said future projections anticipated an elastic revenue stream, noting it was based on the Illinois Municipal League (IML) projections.

After she referenced the 61605 Sidewalk Grant presented in the 2023 Revised Budget, Council Member Jensen said there were many substandard sidewalks in older neighborhoods outside of 61605 that required attention. City Manager Urich said while the Grant was limited to 61605, almost \$2 million was proposed for sidewalk improvements across the City. Council Member Jensen said the older neighborhoods were a priority and she asked about the discontinued Sidewalk Participation Program. Director Powers said because the Program targeted individual residences or businesses, it was unattractive for contractors to bid on the projects because it was not cost-effective. He said the program also provided deprived opportunities for neighbors without the means to participate, noting it was beneficial to take a citywide approach to sidewalk improvements. He discussed the assessment process Public Works Staff facilitated to expand ratings of streets and curbs to include sidewalks as well.

Council Member Jensen said she was looking forward to the Public Works Street and Sidewalk Infrastructure Assessment, as well as the outcome of adding a position in the Legal Department tasked with focusing on liens and fees owed to the City. She asked if the added position to the Equal Opportunity Office was due to an expansion of duties in that Department. City Manager Urich said there was more work to be done in the Equal Opportunity Office than one person could manage, noting there were multiple employees tasked with the duties when it was housed in the Human Resources Department. He said with a focus on diversity and inclusion, they would help work towards bringing larger minority-owned businesses in the City. He said more information would be included in the Report Back requested by Council Member Oyler earlier that evening.

In response to Council Member Jensen concerning a \$35,000.00 Mentoring Grant, Mayor Ali said it was awarded from the PNC Foundation as a Role Model Program targeting African American youth in the Peoria Public School system and connecting them to individuals in the community. She said the program was not yet funded but was being considered.

Council Member Grayeb said municipal government should reflect the values of its citizens. He said he attended multiple neighborhood meetings with citizens raising concerns of dangerous driving in Peoria. He said Peoria Cares and the Police Department dedicated expansive resources toward complaints and reports of speeding and dangerous driving every year, and he said the Council should consider more aggressive enforcement for the rules of the road translating into the removal of criminals from the streets. He said, with a more robust traffic enforcement program, it would bring increased revenues and quality of life for citizens. He said the seizure of firearms from youth has highlighted the concerns for safety of citizens and the need to address the staffing levels of the Police Department to properly manage traffic enforcement. He discussed citizens' concerns for safety on the streets of Peoria, the shortage of Police Officers, and the possibility of implementing technology solutions to supplement efforts. He discussed issues implementing technology solutions with current State Statutes and the need to work with Illinois State Representatives to consider solutions at the Spring Session. He said red-light cameras would issue tickets and help modify behavior of drivers. He said without addressing safety concerns in the City, Peoria would not be an attractive place for residents to live.

Council Member Grayeb said free parking was a way to incentivize people to come back downtown, noting once the Peoria Airport offered free parking it increased patronage.

Council Member Jackson asked about funds the City was awarded from President Biden's Infrastructure Program. City Manager Urich listed multiple projects scheduled in Peoria utilizing funds from the Infrastructure Bill allocated through the Tri-County Regional Planning Commission. He said additional funds could be allocated to Peoria for projects, likely through existing programs on a competitive-grant basis. Mayor Ali added a State-funded broadband program allocated funds to Peoria to address increasing broadband infrastructure in the City.

In response to Council Member Jackson's inquiry on the status of the Harrison and McKinley School demolitions, City Manager Urich said the funds had been allocated for the projects. Community Development Director Joe Dulin said a Request for Proposal (RFP) was issued the week before for the projects and site visits had occurred earlier that day. He said additional items would be brought back to the Council for approval at subsequent meetings regarding the demolitions, noting the projects were scheduled to be completed within 7 months.

Council Member Jackson discussed the severely deteriorated road conditions of Kickapoo Terrace that required remediation. She requested a Report Back with proposed funding allocations for the project to address it as soon as possible.

Council Member Velpula said he attended a Biomanufacturing Hub site visit event in Peoria, and he discussed areas the City should strengthen to better attract businesses. He said the Council should consider allocations to new businesses with a focus on the growing healthcare industry in the area, as well as revitalizing downtown and rebuilding infrastructure.

Mayor Ali requested a Report Back of the Greater Peoria Economic Development Council (GPEDC) presentation and a written report following the Biomanufacturing Hub site visit in Peoria.

Mayor Ali and the Council Members thanked City Manager Urich and Director Cratty for their efforts on the proposed 2023 Revised Budget. She said Peoria was in a strong position going into 2023, and hopefully for many years to come. She thanked Council Members for their questions and contributions to the discussion.

Council Member Allen moved to receive and file a discussion on the 2023 Revised Budget; seconded by Council Member Cyr.

Approved by roll call vote.

Yeas: Allen, Cyr, Grayeb, Jackson, Jensen, Kelly, Riggerbach, Ruckriegel, Velpula,
Mayor Ali – 10;

Nays: None.

CITIZENS' OPPORTUNITY TO ADDRESS THE CITY COUNCIL/TOWN BOARD

It was determined there were no citizens that wished to address the City Council or Town Board at that time.

EXECUTIVE SESSION

Consideration of a Motion for the City Council to enter into EXECUTIVE SESSION pursuant to 5 ILCS 120/2(c)(11), litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting.

Council Member Allen moved to adjourn the Joint City Council and Town Board Meeting to Executive Session pursuant to 5 ILCS 120/2(c)(11), litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting; seconded by Council Member Cyr.

Motion to adjourn to Executive Session was approved by roll call vote.

Yeas: Allen, Cyr, Grayeb, Jensen, Jackson, Kelly, Oyler, Riggerbach, Ruckriegel,
Mayor Ali – 10;

Nays: None.

ADJOURNMENT

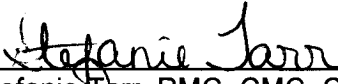
Council Member Allen moved to adjourn the Special City Council Meeting; seconded by Council Member Cyr.

Motion to adjourn the Special City Council Meeting was approved by roll call vote.

Yeas: Allen, Cyr, Grayeb, Jackson, Jensen, Kelly, Riggerbach, Ruckriegel, Velpula,
Mayor Ali – 10;

Nays: None.

The Special City Council Meeting was adjourned at 7:53 P.M.



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