Council Report Back

2019 Budget Questions

Part 1

Number	Question	Council Member	Page
1-1	The last time the City's General Fund was at 25%.	Jensen	3
1-2	Review the averages for bond rating, reserve balances, etc. in comparable communities.	Ardis	4
1-3	Forecast on a spreadsheet to show what was likely and how it came to be that the General Fund balance shrunk. She directed the City Manager and Staff to come back with options, forecasts, realistic assessment, and strategy to create higher property values and taxes to attract people with higher disposable income.	Akeson	5
1-4	A review funding the General Fund at 25% with the longer timeframe and 25% with the shorter timeframe. Extend the 5 year fund balance requirement extended to 10 years. She requested a ratio range between 18% - 25%. She requested reviewing the $90 million budget to see if additional cuts can be made. What other cities were doing regarding the 25% and provide number increasing the timeframe from 5 years to 10 years. She also recommended showing a spread sheet on what it would look like to start paying back in small increments and to increase the payment over a period of time.	Cyr Moore Jensen	6
1-5	Motion to have the City Manager bring back numbers funding the General Fund in 10 years with options on how to do that. Show the top line revenue and expenses 5 and 10 years out.	Council	8
1-6	Look at all pension funding options: property taxes, fee per parcel and expense reductions and to balance out among all of them. Report on how the fee per parcel could provide some relief on property taxes. He recommended providing a report on property taxes, pension fee per parcel and expense reductions.	Riggenbach Ardis	10
1-7	Report looking at freezing certain salary levels of City employees and/or cut salary levels to see how much savings that would be to keep people employed and services up. Report Back on the number of employees making over $70,000/year and whether those salaries can be cut by 10%.	Jensen	11
1-8	She suggested considering purchasing or conducting the due diligence of the Water Company and how it would impact the City's revenues.	Jensen	12
1-9	Report/forecast on the City's revenues. Report that projected out into the future at 5 years and at 10 years for property assessed values (which was currently down 2.5%), sales tax and	Ruckriegel	13

	whether it would be leveling out, PPRT, transition of businesses moving out of the area, etc.		
1-10	Look at where the basic services were for the City and how to cut those personnel and how it would impact the pensions. He wanted to know where the breakeven point was.	Montelongo	14
1-11	Report going back to 1990 that reflected that property tax rate per $100 assessed valuations to 2018 to show how those numbers had changed.	Grayeb	15
1-12	Report on motor vehicle fee and if non-residents could be charged for using the City roadways.	Jensen	16
1-13	Report on Traffic Fines from the Police Department	Ardis	17
1-14	Report on Jobs and other key economic statistics for the City	Montelongo	18
1-15	Report on Business Registrations	Akeson	21
1-16	Report on statistics for the Fire Department	Grayeb	22

Question 1-1 The last time the City's General Fund was at 25%.	**Question From** Jensen	**Answer From** Finance

The following chart shows the General Fund Balance policy target of 25% of expenditures and the unassigned fund balance from 1995 to 2017 and it includes a projection through 2023. The City came closest to meeting the 25% target in 2008, when the unassigned fund balance reached 24.24% of expenditures. From 1996 to 2015, the unassigned fund balance averaged just under 20%.

General Fund Expenditure & Fund Balance Summary

Year	Unassigned Fund Balance	Total Expenditures	25% of Expenditures (Target FB)	Unassigned FB % of Total Exp
1995	$ 7.929	$ 52.416	$ 13.104	15.13%
1996	$ 11.994	$ 59.605	$ 14.901	20.12%
1997	$ 13.285	$ 59.132	$ 14.783	22.47%
1998	$ 14.677	$ 63.429	$ 15.857	23.14%
1999	$ 13.241	$ 67.973	$ 16.993	19.48%
2000	$ 13.999	$ 68.815	$ 17.204	20.34%
2001	$ 10.612	$ 71.481	$ 17.870	14.85%
2002	$ 12.364	$ 74.565	$ 18.641	16.58%
2003	$ 12.480	$ 77.925	$ 19.481	16.02%
2004	$ 15.057	$ 81.836	$ 20.459	18.40%
2005	$ 17.808	$ 87.416	$ 21.854	20.37%
2006	$ 20.730	$ 89.472	$ 22.368	23.17%
2007	$ 22.235	$ 98.759	$ 24.690	22.51%
2008	$ 23.907	$ 98.615	$ 24.654	24.24%
2009	$ 17.443	$ 99.173	$ 24.793	17.59%
2010	$ 17.232	$ 96.750	$ 24.187	17.81%
2011	$ 17.398	$ 94.349	$ 23.587	18.44%
2012	$ 20.317	$ 88.805	$ 22.201	22.88%
2013	$ 17.212	$ 83.505	$ 20.876	20.61%
2014	$ 17.333	$ 82.287	$ 20.572	21.06%
2015	$ 15.880	$ 87.502	$ 21.875	18.15%
2016	$ 9.342	$ 89.195	$ 22.299	10.47%
2017	$ 2.882	$ 92.248	$ 23.062	3.12%
2018	*$ 4.482*	*$ 85.353*	*$ 21.338*	*5.25%*
2019	*$ 6.085*	*$ 85.787*	*$ 21.447*	*7.09%*
2020	*$ 7.891*	*$ 85.483*	*$ 21.371*	*9.23%*
2021	*$ 9.723*	*$ 86.978*	*$ 21.744*	*11.18%*
2022	*$ 11.736*	*$ 88.137*	*$ 22.034*	*13.32%*
2023	*$ 13.941*	*$ 89.581*	*$ 22.395*	*15.56%*

Question 1-2 Review the averages for bond rating, reserve balances, etc. in comparable communities.	**Question From** Ardis	**Answer From** Finance

The following charts reflect the General Fund unassigned fund balance as a percentage of expenditures and the bond ratings for comparable communities:

	General Fund Balance Target	Report Date	Unassigned General Fund Balance	General Fund Expenditures	Percent of Expenditures
Town of Normal	15% of General Fund expenditures	3/31/2018	26,578,883	60,761,562	43.74%
City of Bloomington	10% of General Fund expenditures	4/30/2017	14,764,537	87,851,150	16.81%
City of Champaign	10% of General Fund expenditures	6/30/2017	26,324,950	63,040,999	41.76%
City of Springfield		2/29/2016	20,551,975	112,440,486	18.28%
City of Rockford		12/31/2017	30,466,617	134,672,516	22.62%
City of Moline		12/31/2017	12,026,429	40,813,527	29.47%
City of Decatur		12/31/2017	8,270,608	65,822,830	12.56%
City of Elgin	30% of General Fund expenditures	12/31/2017	56,885,253	122,583,906	46.41%
City of Peoria	25% of General Fund expenditures	12/31/2017	2,882,276	92,247,827	3.12%

Bond Rating			
	Moodys	Standard & Poors	Fitch
Town of Normal	Aa1	AA	AAA
City of Bloomington	Aa2		AA+
City of Champaign	Aaa		AAA
City of Springfield	A1	AA	
City of Rockford	A1		
City of Moline	A1		
City of Decatur	A2		
City of Elgin		AA+	AAA
City of Peoria	A2	AA-	

Question 1-3	**Question From**	**Answer From**
Forecast on a spreadsheet to show what was likely and how it came to be that the General Fund balance shrunk. She directed the City Manager and Staff to come back with options, forecasts, realistic assessment, and strategy to create higher property values and taxes to attract people with higher disposable income.	Akeson	Finance

In 2015 the Unassigned General Fund Balance was $15.9 million or 18.15% of general fund expenditures. In 2016, revenues were $3.5 million dollars under budget as a result of sales taxes finishing $1.26 million under budget, state income tax finishing $751 thousand under budget and fines and court cost finishing $1.4 million under budget. On the expense side, the city incurred $1.2 million in unanticipated legal fees. Combined, this resulted in the Unassigned General Fund balance decreased by $5.4 million to $9.3 million or 10.47%.

In 2017, sales taxes and state income tax continued to underperform finishing $3.2 million and $1.4 million under budget. In July 2017, the State Legislature adopted a State budget that included a reduction in the local distributive fund which was unanticipated. Employee benefit expenditures in the general fund exceed budget by $2.6 million, as workman's compensation cost were $470 thousand over budget; termination benefits exceeded budget by $1.3 million due to a voluntary separation initiative (VSI) and other retirements. The total reduction in General Fund balance was $7.3 million resulting in an ending Unassigned General Fund balance of $2.9 million or 3.12%

The General Fund Revenue and Expenditure statements for the year ended December 31, 2016 and 2017 are attached.

Question 1-4	**Question From**	**Answer From**
A review funding the General Fund at 25% with the longer timeframe and 25% with the shorter timeframe. Extend the 5 year fund balance requirement extended to 10 years. She requested a ratio range between 18% - 25%. She requested reviewing the $90 million budget to see if additional cuts can be made. What other cities were doing regarding the 25% and provide number increasing the timeframe from 5 years to 10 years. She also recommended showing a spread sheet on what it would look like to start paying back in small increments and to increase the payment over a period of time.	Cyr Moore Jensen	Finance

Based upon the Fund Balance policy, the City would have to replenish the unassigned fund balance to 25% of expenditures within 5 years. This would require placing approximately $3.49 million annually into fund balances each year for 5 years. It would require the City to reduce operational spending in the General Fund by $2.2 million in 2019, and limit the growth in spending in the General Fund to 1.4% for the out years. With collective bargaining agreements, this would mean annual reductions in headcount to meet this fund balance target.

General Fund Expenditure & Fund Balance Summary

Year	Unassigned Fund Balance	Total Expenditures	25% of Expenditures (Target FB)	Unassigned FB % of Total Exp
2017	$ 2.882	$ 92.248	$ 23.062	3.12%
2018	$ 4.482	$ 85.353	$ 21.338	5.25%
2019	$ 7.973	$ 83.100	$ 20.775	9.59%
2020	$ 11.381	$ 83.500	$ 20.875	13.63%
2021	$ 14.811	$ 85.000	$ 21.250	17.42%
2022	$ 18.280	$ 86.300	$ 21.575	21.18%
2023	$ 21.934	$ 87.750	$ 21.938	25.00%

The following table reflects the amount necessary to set aside in fund balance to achieve the 25% target within 10 years. This would require placing approximately $2.0 million annually into fund balances each year for 10 years. It would require the City to reduce operational spending in the General Fund by $1.0 million in 2019, but a reduction of $3.0 million from the 2019 original budget. Spending growth in the General Fund would have to be limited to 1.67% for years 2020-2028.

General Fund Expenditure & Fund Balance Summary

Year	Unassigned Fund Balance		Total Expenditures		25% of Expenditures (Target FB)		Unassigned FB % of Total Exp
2017	$	2.882	$	92.248	$	23.062	3.12%
2018	$	4.482	$	85.353	$	21.338	5.25%
2019	$	6.458	$	84.300	$	21.075	7.66%
2020	$	8.798	$	85.300	$	21.325	10.31%
2021	$	10.427	$	86.800	$	21.700	12.01%
2022	$	12.196	$	88.000	$	22.000	13.86%
2023	$	14.200	$	89.400	$	22.350	15.88%
2024	$	16.256	$	90.900	$	22.725	17.88%
2025	$	18.298	$	92.600	$	23.150	19.76%
2026	$	20.354	$	94.300	$	23.575	21.58%
2027	$	22.153	$	96.300	$	24.075	23.00%
2028	$	24.423	$	97.600	$	24.400	25.02%

The following table reflects the amount necessary to set aside in fund balance to achieve the 18% target within 10 years. This would require placing approximately $1.34 million annually into fund balances each year for 10 years. It would require the City to reduce operational spending in the General Fund by $0.4 million in 2019, but a reduction of $2.2 million from the 2019 original budget. Spending growth in the General Fund would have to be limited to 1.65% for years 2020-2028.

General Fund Expenditure & Fund Balance Summary

Year	Unassigned Fund Balance		Total Expenditures		25% of Expenditures (Target FB)		Unassigned FB % of Total Exp
2017	$	2.882	$	92.248	$	16.605	3.12%
2018	$	4.482	$	85.353	$	15.364	5.25%
2019	$	5.858	$	84.900	$	15.282	6.90%
2020	$	7.066	$	85.700	$	15.426	8.24%
2021	$	8.395	$	87.100	$	15.678	9.64%
2022	$	9.664	$	88.500	$	15.930	10.92%
2023	$	11.068	$	90.000	$	16.200	12.30%
2024	$	12.424	$	91.600	$	16.488	13.56%
2025	$	13.766	$	93.300	$	16.794	14.75%
2026	$	15.122	$	95.000	$	17.100	15.92%
2027	$	16.421	$	96.800	$	17.424	16.96%
2028	$	17.892	$	98.400	$	17.712	18.18%

Question 1-5 Motion to have the City Manager bring back numbers funding the General Fund in 10 years with options on how to do that. Show the top line revenue and expenses 5 and 10 years out.	**Question From** Council	**Answer From** Finance

The following chart shows the top line revenue and expenses, with transfers to debt service, in the General Fund from 2017-2028. The revenues grow on average 1.37% and the total expenditures and transfers grow 1.25% during this period. This would grow the fund balance to achieve the 25% target by 2028. This assumes that public safety pension increases are funded by property taxes.

General Fund Top Line Revenue and Expense, Property Tax Funding Pension Growth

Year	Total Revenues	Expenditures & Transfers	Total Expenditures	Unassigned Fund Balance	Unassigned FB % of Total Exp
2017	$ 91.723	$ 100.379	$ 92.248	$ 2.882	3.12%
2018	$ 94.200	$ 93.285	$ 85.353	$ 4.482	5.25%
2019	$ 94.909	$ 92.934	$ 84.300	$ 6.458	7.66%
2020	$ 95.225	$ 92.885	$ 85.300	$ 8.798	10.31%
2021	$ 96.057	$ 94.428	$ 86.800	$ 10.427	12.01%
2022	$ 97.662	$ 95.893	$ 88.000	$ 12.196	13.86%
2023	$ 99.298	$ 97.293	$ 89.400	$ 14.200	15.88%
2024	$100.956	$ 98.900	$ 90.900	$ 16.256	17.88%
2025	$102.642	$ 100.600	$ 92.600	$ 18.298	19.76%
2026	$104.356	$ 102.300	$ 94.300	$ 20.354	21.58%
2027	$106.099	$ 104.300	$ 96.300	$ 22.153	23.00%
2028	$107.871	$ 105.600	$ 97.600	$ 24.423	25.02%

The following chart shows the top line revenue and expenses, with transfers to debt service, in the General Fund from 2017-2028 with no property tax increase for pensions. Over 10 years, an additional $117 million of pension funding would have to be supported with General Fund revenues. It would require the City to reduce operational spending in the General Fund by $4.3 million in 2019, but a reduction of $6 million from the 2019 original budget. Since public safety pension costs are growing at 8% annually, the City would need to make expense reductions in a similar amount on an annual basis. This would equate to 17-25 positions each year to absorb the growth in pension costs.

General Fund Top Line Revenue and Expense, No Property Tax Increase

Year	Total Revenues	Expenditures & Transfers	Total Expenditures	Unassigned Fund Balance	Unassigned FB % of Total Exp
2017	$ 91.723	$ 100.379	$ 92.248	$ 2.882	3.12%
2018	$ 94.200	$ 93.285	$ 85.353	$ 4.482	5.25%
2019	$ 94.909	$ 90.134	$ 81.500	$ 9.258	11.36%
2020	$ 90.704	$ 88.364	$ 80.779	$ 11.598	14.36%
2021	$ 89.659	$ 88.030	$ 80.402	$ 13.227	16.45%

2022	$ 89.237	$ 87.468	$ 79.575	$ 14.996	18.84%
2023	$ 88.684	$ 86.679	$ 78.786	$ 17.000	21.58%
2024	$ 87.978	$ 86.922	$ 78.922	$ 18.056	22.88%
2025	$ 87.110	$ 86.068	$ 78.068	$ 19.098	24.46%
2026	$ 86.067	$ 85.511	$ 77.511	$ 19.654	25.36%
2027	$ 84.831	$ 85.032	$ 77.032	$ 19.453	25.25%
2028	$ 83.386	$ 83.916	$ 75.916	$ 18.923	24.93%

Question 1-6	**Question From**	**Answer From**
Look at all pension funding options: property taxes, fee per parcel and expense reductions and to balance out among all of them. Report on how the fee per parcel could provide some relief on property taxes. He recommended providing a report on property taxes, pension fee per parcel and expense reductions.	Riggenbach Ardis	Finance

The City of Danville has established a per parcel fee to aid in funding public safety pension costs. The public safety pension fee for 2018 is $267 for properties smaller than 5,000 square feet. For properties over 5,000 square feet, the charge is $600 per parcel for properties with an EAV under $40,000 and $1,020 for all other large high value parcels. The estimated revenue for Danville's 11,740 parcels is $3,070,814.

The City of Peoria has more than 4 times as many parcels as Danville. Establishing a public safety pension fee in Peoria would likely be able to generate 3 times the amount of revenue that Danville is generating. Similar to the storm water utility fee, a public safety pension fee would charge non-property tax paying parcels a charge to contribute to pension funding.

Danville's public safety pension fee ordinance is attached.

Question 1-7 Report looking at freezing certain salary levels of City employees and/or cut salary levels to see how much savings that would be to keep people employed and services up. Report Back on the number of employees making over $70,000/year and whether those salaries can be cut by 10%.	**Question From** Jensen	**Answer From** Human Resources

In order to cut wages for all employees by ten percent, several issues need to be considered.

A reduction in wages also results in reduced pensions. We would need to contact the Police Pension Board, Fire Pension Board, and the Illinois Municipal Retirement Fund to determine the extent of these reductions and estimate the number of employees who would choose to leave rather than face a reduced pension benefit. In addition, employees who are not near retirement age could choose to resign rather than take such a wage reduction. Turnover is costly in terms of productivity and morale. In addition, the cost to recruit and train employees would increase. The City has already experienced increased turnover and fewer applicants for open positions due to layoffs and furloughs. At a time when we have reduced staff and are asking more from the employees who remain, it is important that we have the ability to attract and retain employees and are seen as an employer of choice.

Our collective bargaining agreement between the City and the Peoria Police Benevolent Association ends December 31, 2019, and our agreement with the International Association of Firefighters ends December 31, 2021. We could ask that these unions voluntarily agree to reopen their contracts so we could renegotiate a reduction in wages. However, employers cannot force unions with existing contracts to reopen negotiations to change contract terms. It is highly unlikely that either union would agree to reopen their contracts, but if they did, the City would need to identify concessions in order to convince the unions to reduce wages. Additionally, reopening the contract would subject the City to binding arbitration in the event of impasse.

The City is currently negotiating with the Electricians, Steamfitters, AFSCME and the multi-union Trades. In order to get these bargaining units to agree to a ten percent reduction in wages, the City would need to identify concessions that would persuade their membership to support such a significant change. As Council is aware, the multi-union Trades and AFSCME both chose to lay off their members rather than agree to furloughs. Therefore, it is most likely they would take the same position if the City asked for wage concessions. These unions also have the option to strike so we would need to consider how the work would be performed if these employees refused to accept the City’s demand that their wages be reduced by ten percent.

Council could impose a wage reduction for management employees. While not ten percent, that was the result of the furloughs which were imposed this year. If Council chose to reduce management wages by ten percent, the same issues identified above would need to be considered. In addition, such a change would result in many union employees making more than their supervisors. Management employees could then choose to take lower-level positions and union employees would have no incentive to apply for management positions.

Given these parameters, a decrease in wages is not a practical solution. Rather, the Council’s leverage lies is in determining the number of employees who work for the City.

Question 1-8 She suggested considering purchasing or conducting the due diligence of the Water Company and how it would impact the City's revenues.	**Question From** Jensen	**Answer From** City Manager

The issue of what type of revenue the City would be able to generate and assume as income from the operations of the water company are of some question and debate. The statute that applies to the revenue derived from operating a water system seems to indicate that the revenue must be used for the system purposes:

(65 ILCS 5/11-129-11) (from Ch. 24, par. 11-129-11)
Sec. 11-129-11. All revenue derived from the operation of a water-supply system, improvement or extension constructed or acquired under Section 11-129-9 shall be set aside as collected and deposited in a special fund designated as a municipal water fund for the particular locality. The fund shall be used only for the purpose of paying the cost of operating and maintaining the water-supply system, improvement or extension, providing an adequate depreciation fund, and paying the principal and interest on the bonds issued by the municipality under Section 11-129-9 for the purpose of constructing or acquiring the system, improvement or extension.
(Source: P.A. 80-1382.)

As reflected above, the bonds incurred for the purchase of the system would be a direct cost, as would the operation and maintenance costs, depreciation and any improvements to the system.

However, overhead costs for the City operating the water system would be eligible for reimbursement. These costs include a portion of the legal, financial, and administrative costs incurred in the General Fund. Costs to offset lost property taxes, since the City would not pay property taxes, would likely also be able to be charged and shared with all taxing bodies.

Could the revenue of the water company go to pay for salaries of departments not directly related to the oversight of the system? No.

Question 1-9 Report/forecast on the City's revenues. Report that projected out into the future at 5 years and at 10 years for property assessed values (which was currently down 2.5%), sales tax and whether it would be leveling out, PPRT, transition of businesses moving out of the area, etc.	**Question From** Ruckriegel	**Answer From** Finance

The City staff will present 5 year & 10 year projections when presenting budget options. The projections will be provide by revenue and expenditure source. Included in the projections will be the assumptions used for each year.

Question 1-10 Look at where the basic services were for the City and how to cut those personnel and how it would impact the pensions. He wanted to know where the breakeven point was.	**Question From** Montelongo	**Answer From** Finance

As presented on page 8 under Question 1-5, the "break even" for the General Fund expenses, for the next several years is as follows:

General Fund Expense "Break Even", with Pension Property Taxes and No Property Tax

	Option A				Option B	
Year	Expenditures			Year	Expenditures	
2017	$ 92.248			2017	$ 92.248	
2018	$ 85.353	-7.5%		2018	$ 85.353	-7.5%
2019	$ 84.300	-1.2%		2019	$ 81.500	-4.5%
2020	$ 85.300	1.2%		2020	$ 80.779	-0.9%
2021	$ 86.800	1.8%		2021	$ 80.402	-0.5%
2022	$ 88.000	1.4%		2022	$ 79.575	-1.0%
2023	$ 89.400	1.6%		2023	$ 78.786	-1.0%
2024	$ 90.900	1.7%		2024	$ 78.922	0.2%
2025	$ 92.600	1.9%		2025	$ 78.068	-1.1%
2026	$ 94.300	1.8%		2026	$ 77.511	-0.7%
2027	$ 96.300	2.1%		2027	$ 77.032	-0.6%
2028	$ 97.600	1.3%		2028	$ 75.916	-1.4%

Question 1-11	**Question From**	**Answer From**
Report going back to 1990 that reflected that property tax rate per $100 assessed valuations to 2018 to show how those numbers had changed.	Grayeb	Finance

The following chart shows the property tax rate and equalized assessed value from 1989 to 2017.

COMPARISON OF CHANGE IN EAV AND TAX RATE 1989 to 2017

Year	EAV	% Chg	Rate	% Chg	Tax Levy	% Chg
1989	$ 602,357,447		$ 2.7089		$ 16,317,261	
1990	$ 638,219,894	5.95%	$ 2.6570	-1.92%	$ 16,957,503	3.92%
1991	$ 698,545,838	9.45%	$ 1.8566	-30.12%	$ 12,969,202	-23.52%
1992	$ 770,933,843	10.36%	$ 1.5067	-18.85%	$ 11,615,660	-10.44%
1993	$ 818,473,297	6.17%	$ 1.4659	-2.71%	$ 11,998,000	3.29%
1994	$ 856,851,881	4.69%	$ 1.4496	-1.11%	$ 12,420,925	3.52%
1995	$ 932,732,172	8.86%	$ 1.3490	-6.94%	$ 12,582,557	1.30%
1996	$ 963,373,482	3.29%	$ 1.3061	-3.18%	$ 12,582,621	0.00%
1997	$ 1,033,088,148	7.24%	$ 1.2649	-3.15%	$ 13,067,532	3.85%
1998	$ 1,110,482,958	7.49%	$ 1.2649	0.00%	$ 14,046,499	7.49%
1999	$ 1,170,866,360	5.44%	$ 1.2649	0.00%	$ 14,810,289	5.44%
2000	$ 1,236,540,262	5.61%	$ 1.2649	0.00%	$ 15,640,998	5.61%
2001	$ 1,318,044,419	6.59%	$ 1.2572	-0.61%	$ 16,570,454	5.94%
2002	$ 1,409,002,919	6.90%	$ 1.2479	-0.74%	$ 17,582,947	6.11%
2003	$ 1,482,898,908	5.24%	$ 1.2578	0.79%	$ 18,651,902	6.08%
2004	$ 1,536,607,174	3.62%	$ 1.2649	0.56%	$ 19,436,544	4.21%
2005	$ 1,616,801,731	5.22%	$ 1.2723	0.59%	$ 20,570,568	5.83%
2006	$ 1,716,118,322	6.14%	$ 1.2896	1.36%	$ 22,131,062	7.59%
2007	$ 1,847,028,461	7.63%	$ 1.2822	-0.57%	$ 23,682,599	7.01%
2008	$ 1,945,751,863	5.34%	$ 1.2707	-0.90%	$ 24,724,669	4.40%
2009	$ 1,983,654,984	1.95%	$ 1.3861	9.08%	$ 27,495,442	11.21%
2010	$ 2,012,056,724	1.43%	$ 1.3865	0.03%	$ 27,897,166	1.46%
2011	$ 1,992,980,826	-0.95%	$ 1.3911	0.33%	$ 27,724,356	-0.62%
2012	$ 1,968,373,893	-1.23%	$ 1.4096	1.33%	$ 27,746,198	0.08%
2013	$ 1,944,557,238	-1.21%	$ 1.4062	-0.24%	$ 27,344,364	-1.45%
2014	$ 1,991,844,015	2.43%	$ 1.3970	-0.65%	$ 27,826,260	1.76%
2015	$ 2,030,076,387	1.92%	$ 1.5619	11.80%	$ 31,707,560	13.95%
2016	$ 2,103,985,511	3.64%	$ 1.5514	-0.67%	$ 32,641,021	2.94%
2017	$ 2,113,617,692	0.46%	$ 1.5497	-0.11%	$ 32,754,311	0.35%

Question 1-12	**Question From**	**Answer From**
Report on motor vehicle fee and if non-residents could be charged for using the City roadways.	Jensen	City Manager

Recap on the Motor Vehicle Fee

- the City of Peoria has approximately 44,000 residential units;
- Each household has an average of 1.5 vehicles, equating to 66,000 registered vehicles within the City of Peoria;
- 12,500 of the total number of cars owned by senior citizens based on the 2010 Census estimating 14.2% of the population was over the age of 65.

If the registration fee was $30 per car, but only $6 for senior citizens, the program would generate approximately $1.68 million in gross revenue. Factoring in administrative costs (staff to run the program, cost of stickers, enforcement) and some degree of non-compliance, staff estimates that a vehicle sticker would generate approximately $1.0 million in net revenue.

Charging non-residents for using City roadways would be a challenge. Most bridges and main arterials in and out of Peoria are controlled by the State of Illinois.

Sales taxes capture taxes spent by individuals that do not live in the City of Peoria. Approximately 15% of sales taxes collected are paid by visitors to the City of Peoria. This would total almost $6.6 million annually.

Question 1-13	**Question From**	**Answer From**
Report on Traffic Fines from the Police Department.	Ardis	Finance

The attached slides are from the Police Department.

Question 1-14	**Question From**	**Answer From**
Report on Jobs and other key economic statistics for the City	Cyr	Finance

Employed and Unemployment Rate

The Bureau of Labor Statistics (BLS) keeps track of employed, unemployed and total labor force numbers. You can get data for MSAs, counties and cities of a certain size. (In our area, they only publish information on Peoria and Pekin.) The following information is reported for the City of Peoria. The table below shows employment data for the City of Peoria for three points in time: January 2017, January 2018 and August 2018 (the last month for which city level data is available).

Period	**Labor Force**	**Employed**	**Unemployed**	**Unemployment Rate**
Jan-17	51,754	47,657	4,097	7.9
Jan-18	50,485	47,729	2,756	5.5
Aug-18	52,103	49,170	2,933	5.6

Since January 2017, the City has had significant job growth. There are 1,513 more employed Peorians, 1,164 less unemployed Peorians and the unemployment rate has plummeted from 7.9% to 5.6%. The labor force (people either working or seeking work) has also grown (+349 since Jan 2017 and +1,618 since Jan 2018). A growing labor force is a positive sign.

Establishments

BLS also keeps track of the number of establishments in a county. This is not available at the city level and the data is also not updated very often. The most recent data available is for first quarter of 2018, and then it is listed as "preliminary." The table below shows total number of privately owned establishments:

Year	Qtr1	Qtr2	Qtr3	Qtr4	Annual
2013	4467	4468	4473	4487	4474
2014	4554	4557	4565	4586	4566
2015	4385	4414	4434	4380	4403
2016	4234	4265	4265	4273	4259
2017	3968	3997	3994	3981	3985
2018	3992(P)				

Between 2013 and 2017 there was a steep decline.

<u>Total Employees</u>

That same BLS data set also measures the total number of employees at those establishments. Here are the annual average number of employees for all private (non-governmental) establishments in Peoria County:

Year	Annual Avg
2013	91,073
2014	89,906
2015	90,953
2016	89,932
2017	92,707
2018*	93,278

2018 data only goes through March 2018. Here are the three months that make up that average:

January	91,798
February	93,312
March	94,725

While the data is not very recent, that March number is pretty big. In fact, it's the largest monthly number since November 2008 (data table only goes back to 2008).

<u>Weekly Wages and Annual Pay</u>

In August, Peoria County led the nation in the increase in "average weekly wages" from first quarter 2017 to first quarter 2018. This is kind of the reverse of the unemployment data. This is a measure of wages paid by establishments located in a particularly county (city level data not available). Since it's about the establishment's location, the people being paid those wages are not necessarily residents of Peoria.

Year	Qtr1	Qtr2	Qtr3	Qtr4	Annual
2013	972	872	854	939	909
2014	961	888	870	955	919
2015	1069	906	909	1011	973
2016	1033	928	975	989	981
2017	1021	1001	1073	1086	1045

Year	Qtr1	Qtr2	Qtr3	Qtr4	Annual
2018	1440(P)				

Finally, annual pay is increasing. This data is not available by quarter, so the most recent available data is for 2017:

Year	Annual
2013	47271
2014	47767
2015	50618
2016	51024
2017	54364

Question 1-15	**Question From**	**Answer From**
Report on Business Registrations	Akeson	City Manager

A number of cities in Illinois require businesses to register. This is distinct from licensing businesses, an activity that connotes some level of review and approval (i.e. liquor establishments, pawn shops, etc.).

Business registration programs can have a variety of purposes:

1. They gather information on businesses within the City. This can be helpful for planning efforts, demographic and market analysis, etc.
2. It opens a communication channel between the City and businesses. City records are generally limited to property ownership information with no real ability to reach individual businesses.
3. It provides emergency contact information for public safety agencies.
4. It can promote conducting business within the City. The information can be used to augment "shop local" campaigns, facilitate business-to-business transactions, etc.
5. It can be a source of revenue.

Additionally, a general business registration could serve as the "binder" that keeps all of the various permits and licenses they have in one place. Currently, zoning approvals, building permits, liquor licenses, special event permits, hazmat licenses, etc. all live in different places and are not easily shared. If there was a generic business license, everything associated with that license could be in one place. This would reduce internal City confusion and allow license holders to understand what they can and cannot do.

Recently, Normal and Bloomington have adopted business registration ordinances. Normal has no fee attached, and Bloomington charges $50 per business. Other communities with business registrations include:

- Chicago – Varies starting at $100 annually
- Evanston - $50 application fee + annual fee from $25 - $250 (based largely on size)
- Lisle - $40 initial fee, $25 renewal
- Homer Glen - $30 annually
- O'Fallon - $25 annually

In most cases, nonprofit organizations were not required to pay the fee but were asked to register for information purposes. Most communities required home-based businesses to also register. Staff would recommend that Council affirmatively direct staff to prepare a registration ordinance with no fee. Staff would come forward with an ordinance in 90 days.

Question 1-16	**Question From**	**Answer From**
Report on Fire Statistics	Grayeb	City Manager

Please see the attached report from the Emergency Communications Center.