



: OFFICIAL PROCEEDINGS :

: OF THE CITY OF PEORIA, ILLINOIS :

A Special Meeting of the City Council of Peoria, Illinois, was held October 19, 2021, at 6:00 P.M. at City Hall, Council Chambers (Room 400), 419 Fulton Street, Peoria, with Mayor Ali presiding, and with proper notice having been posted.

INVOCATION & PLEDGE OF ALLEGIANCE

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

ROLL CALL

Roll Call showed the following Council Members were present: Allen, Grayeb, Jackson, Jensen, Kelly, Oyler, Riggenschach, Ruckriegel, Velpula, Mayor Ali – 10. Absent: Cyr – 1.

PETITIONS, REMONSTRANCES & COMMUNICATIONS – CITY OF PEORIA

(21-318) Communication from the Mayor and Corporation Counsel with a Request to APPROVE the DECLARATION OF LOCAL STATE OF EMERGENCY.

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

Approved by roll call vote.

Yeas: Allen, Grayeb, Jackson, Jensen, Kelly, Oyler, Riggenschach, Ruckriegel, Velpula, Mayor Ali – 10;

Nays: None.

(21-319) Communication from the City Manager and Finance Director with a Request to RECEIVE and FILE the CIVIC CENTER 2022 BUDGET.

Rik Edgar, the General Manager of the Peoria Civic Center, said the entertainment and event industry was harshly affected due to the pandemic. He explained the monitoring of expenses and pursuit of grants to address building depreciation concerns. He said the first event at the Civic Center in fifteen months was the TBT Illinois Regional Basketball Tournament in July 2021. He noted an increasing public interest in comedic acts, and he detailed the COVID-19 mitigation measures in place for events.

Discussions were held regarding building depreciation, the priority and cost of repairs, and insurance coverage challenges.

Council Member Allen moved to receive and file the Civic Center 2022 Budget; seconded by Council Member Ruckriegel.

Approved by roll call vote.

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

Nays: None.

**(21-317) Communication from the City Manager and Finance Director/Comptroller
with a Request to RECEIVE and FILE the 2022-2023 BIENNIAL BUDGET.**

A handout containing the 2022-2023 Biennial Budget Presentation was distributed to all Council Members.

Mayor Ali said the Council would hold discussions and request Report Backs regarding the Budget after the presentation. She said no action would be taken other than to receive and file the presentation.

City Manager Urich began by overviewing the economic news, the unemployment rates, the status of economic recovery, and the effect those factors had on the City Budget. He noted 2021 provided a higher rate of recovery than anticipated, which he partially credited new State Legislation for Internet Sales Tax Revenue. He said all revenue types had recovered at or above projections, except Hotel and Restaurant Tax Revenues. He explained why some revenues were projected to decrease in 2022, which would be impacted by the cessation of federal assistance funds to individuals.

Finance Director Kyle Cratty provided an overview of the 2022 Revenue Estimates. He reported the Central Business District TIF would expire at the end of 2022, which would account for a \$1.6 million decrease in revenues for 2023. He said Staff recommended suspending the increase in the stormwater fee but continue to impose the Public Safety Pension Fee. He highlighted the American Rescue Plan (ARP) Fiscal Recovery Funds and how those funds would be utilized and reported. He said \$10 million in bonds were cancelled due to the receipt of the Fiscal Recovery Funds. He reviewed the proposed 2022-2023 expenses by category. He explained the impact the Early Retirement Incentive (ERI) had on the budget as well as Staff transitions that affected personnel levels in 2020 and 2021. He provided an update on plans to replenish City Staff levels.

City Manager Urich said the greatest funding increase in the proposed Budget utilized the Fiscal Recovery Funds and he provided recommendations on how to utilize those funds. He explained how the Fiscal Recovery Funds were structured in the proposed budget and said \$10.185 million was planned for 2022 and 2023. He said an additional \$1 million was added to Violence Reduction in response to Council's direction to front load more funds in 2022 and 2023. He said the Racial Justice and Equity Commission was funded through the Health Equity allocation, which contained funds matched by Peoria County. He reviewed additional grant funds built into the proposed budget to address the Tabor Property, permanent supportive housing for families, the homeless job training center, Trewyn Park and staffing and operations for the City's new Land Bank. He reviewed support to other agencies such as the Convention and Visitors Bureau, the Civic Center, Arts Partners, Downtown Development Corporation, Greater Peoria Economic Development Council, Distillery Labs, Peoria County Animal Control Services and TIF subsidies. He presented the 2022-2026 Community Investment Plan and explained Capital Investments were higher in 2022 due to the revival of projects suspended because of the pandemic.

Director Cratty recommended the adoption of refunding bonds in 2022 to restructure debt. He summarized the City Fund balances and the recovery of the General Fund balance nearer to

the 25% of Operating Expenses goal. He overviewed the 2022-2026 Budget outlook, including the Safety Pension Property Tax Levy. He said providing Public Service to citizens while keeping taxes low was the goal and explained how the Levy was integral to that outcome. He discussed the City's Pension Fund responsibilities with a 2040 funding deadline. He concluded by reviewing the 2022-2023 budget discussion and budget process and adoption timeline.

Mayor Ali thanked City Manager Ulrich and Director Cratty for the presentation and acknowledged Staff contributions to the process. In response to her question regarding the General Fund balance, Director Cratty said it was a Council-approved Policy to have 25% of annual Operating Expenses available in the General Fund, noting the current balance was 19%.

Council Member Allen inquired about frontloading the Fiscal Recovery Funds, and City Manager Ulrich said extra money was put in the 2022-2023 budget, stating there would be less to spend by the 2024-2025 budget. He said the Fiscal Recovery Funds had to be obligated by 2024 and spent by 2025.

Discussions were held regarding the Fiscal Recovery Funds and how to allocate the spending within the specified timeframe. City Manager Ulrich described the Safer Grant, a Federal Program the City would apply for to fund hiring Firefighters. He said the plan was to restore a Fire Engine and three Firefighters on overtime until the Grant Application was approved. He said the Grant would help restore Fire Department Staffing levels and improve emergency response times. He stressed the importance of leveraging the unprecedented amount of State and Federal Funding available to maximize impact in the City.

Council Member Allen and City Manager Ulrich discussed the Allen Road Reconstruction Project. Further discussions were held regarding the Fiscal Recovery Funds and the Safer Grant Program. Mayor Ali requested a Report Back regarding the annual cost to fund eleven Firefighters.

Council Member Jackson discussed the allocation process for Fiscal Recovery Fund use and said she believed Council should be involved in the process. She said citizen suggestions and transparency were key factors to include in the decisions. At her request, Community Development Director Joe Dulin described mini-grant programs for neighborhood associations to increase citizen engagement, neighborhood appreciation, and improve other areas of need. Discussions were held about grant applications for the demolition of McKinley School and Council Member Jackson requested a Report Back to provide a status update.

Further discussions were held regarding the Safer Grant Program and the proposed plan to reinstate a Fire Engine and hire Firefighters using overtime hours ahead of the grant application process. Council Member Kelly said he preferred to reinstate the Fire Engine and hire Staff after the Safer Grant was approved.

Discussions were held regarding an attorney for the Police Department, and City Manager Ulrich explained Police Department Staffing changes with the reduction of a Lieutenant to accommodate for another attorney, which would not create much of a budgetary change.

Discussions were held regarding suspended Capital Projects, and City Manager Ulrich said the budget provided for addressing the City's roads, sewers and drainage. He said addressing these needs to diminish the City's reserves.

Continued discussions were held regarding the proposed spending outlined in the Budget and how Grants could offset spending reserve funds. City Manager Ulrich said he would provide a

Report Back regarding the General Fund Balance Policy. Council Member Kelly asked for projections for 2022-2026 that provided for a balanced budget, which should be the starting point of consideration for the Council.

Mayor Ali asked if the Safer Grant could be used for Staff retention as well as additions. City Manager Ulrich said he would provide a Report Back regarding Safer Grant options.

Discussions were held regarding Council's request to front-load spending the Recovery Funds. Council Member Grayeb said frontloading a one-million-dollar increase was not enough to address concerns caused or exacerbated by the pandemic. Council Member Grayeb discussed the effects of the closure of Fire Station 8, including effected response times and Staff safety.

Council Member Riggenbach requested a Report Backs for the following:

- The status of the Wisconsin Avenue Reconstruction Project with funding to be added into the budget to complete it.
- General Fund balancing options or suggestions
- Update on the status of the Garbage Fund
- Parking projects in the Warehouse District - Sullivan Property update and progress plan
- Public Safety Pension Fee details and rates

He said there had been previous discussions about seeking public input before considering an extension of the Public Safety Pension Fee. He mentioned legislation recently passed in Springfield that provided a revenue source for the City from online sales, and he recognized Representative Ryan Spain for his role in implementing the Internet Sales Tax.

Council Member Riggenbach recognized thirty Police Academy slots included in the Budget. Police Chief Echevarria said thirty recruits would attend the Police Academy in 2022 and he was working with Human Resources on recruitment strategies, which would include an online initiative targeting military transition centers and universities. Council Member Riggenbach asked Chief Echevarria to keep the Council apprised on the progress. In response to Council Member Riggenbach, Fire Chief Bachman explained the proposed staff increases, noting eleven Firefighters was the minimum to operate a Fire Engine. Council Member Riggenbach said he appreciated his leadership in the process to restore Public Safety Staff and said collaboration with local organizations was key for the City's recovery.

Mayor Ali expanded her earlier request for a Report Back regarding the annual cost of funding eleven Firefighters to include the cost of funding three, six, and nine Firefighters as well.

Council Member Oyler said he agreed the Council should consider public input regarding the extension of the Public Safety Pension Fee, noting the voting results from the 2021 election regarding increased taxes or fees wherein the majority of the voters did not support an ongoing or increased fee.

Council Member Allen requested a Report Back detailing Stormwater Utility Fees and projects, citing reported drainage issues in the Fourth District.

Council Member Grayeb requested a Report Back on the Main Street Reconstruction Project.

Discussions were held regarding projected revenue decreases in 2022 and how Federal Funding forecasts included Fiscal Recovery Funds spending. Council Members Jensen and Kelly said they agreed with additional increased spending of Funds in 2022 and 2023.

Discussions were held regarding City Staff funding sources outlined in the Budget. Council Member Jensen requested a Report Back regarding details of the Recovery Funds proposed allocation categories, projects, and programs, as well as a Council approval process.

Discussions were held concerning the proposed Public Safety Pension Fee extension.

Council Member Jensen requested a Report Back detailing the cost of overtime hours to operate the reinstated Fire Engine as outlined in the budget proposal. Continued discussions were held regarding the Safer Grant Program, including the timeline and available funds.

At Mayor Ali's request, City Manager Urich explained the Relief Funds the City was awarded and how much had already been used. He outlined the suggested allocation in the proposed budget and said the second installment of \$23.5 million would be distributed to the City in May 2022. Council Member Grayeb said many Council Members expressed interest in frontloading the Recovery Funds, and Mayor Ali asked the Council to direct City Manager Urich with an amount. Council Member Kelly suggested an additional \$3-5 million per year and Council Member Grayeb suggested spending \$20 million per year. Council Member Riggerbach said the City had not received the second payment installment yet and suggested spending \$13 million in 2022 to avoid spending funds not yet received. Council Members Allen, Kelly, and Jensen concurred with his recommendation.

Council Member Jackson asked for a Report Back on the South Village TIF and how those funds were used for demolitions. She said the Council should focus the ARP Funds to citizen requested urgent projects.

Discussions were held regarding allocation of the additional Recovery Funds, including infrastructure and workforce development. Council Member Jensen asked for a Report Back to provide more details on proposed funding used for Economic Development, Violence Reduction, and Health Equity as outlined in the budget. City Manager Urich said he would provide a complete breakdown of the suggested funding uses for the Council. Council Member Grayeb stressed the importance of applying the Relief Funds as quickly as possible to benefit the community. Council Member Kelly said he believed restoring the Public Works Department budget for suspended projects was a priority. Council Member Jensen agreed the Relief Funds should be focused on budgeting projects suspended or delayed due to the pandemic. She asked for a Report Back on the status of Capital Projects that were suspended, reinstated, or pending.

Council Member Grayeb moved to receive and file the 2022-2023 Biennial Budget; seconded by Council Member Kelly.

Approved by roll call vote.

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

Nays: None.

(21-320) Communication from the City Manager and Finance Director/Comptroller with a Request to ADOPT an ORDINANCE LEVYING the TAXES for Fiscal Year 2022, for MUNICIPAL PURPOSES for the City of Peoria, Illinois.

City Manager Patrick Urich said the Council was required to approve an estimate of taxes to be levied during the annual budget approval process. He said adoption of an Ordinance levying the taxes would occur when the budget was finalized.

Council Member Riggerbach moved to adopt an Ordinance levying the taxes for fiscal year 2022, for municipal purposes for the City of Peoria, Illinois; seconded by Council Member Velpula.

Council Member Grayeb said he was supportive of the process and of this item.

Council Member Oyler inquired about a discrepancy in the tax rates listed in the documents and said he could not support the approval of the item until the correct amount was verified. Finance Director Kyle Cratty said he would provide the exact rate to the Council. Council Member Ruckriegel agreed that the correct tax rate amount was needed. The deadline to adopt the Ordinance was also discussed.

It was determined the title and requested action on the item was not congruent with the approval of an estimate of taxes to be levied for fiscal year 2022. Interim Corporation Counsel Chrissie Kapustka said the approval of an estimate of taxes to be levied had to occur no less than twenty days prior to the budget adoption. City Manager Urich requested a deferral of one week to properly address this item.

Council Member Riggerbach moved for a substitute motion to defer the item to the October 26, 2021, City Council Meeting; seconded by Council Member Kelly.

Motion to defer the item to the October 26, 2021 City Council Meeting was approved by roll call vote.

Yeas: Allen, Jackson, Jensen, Kelly, Oyler, Riggerbach, Ruckriegel, Velpula,
Mayor Ali – 9;

Nays: Grayeb – 1.

CITIZENS' OPPORTUNITY TO ADDRESS THE CITY COUNCIL/TOWN BOARD

It was determined there were no citizens who wished to address the City Council at this time.

EXECUTIVE SESSION

It was determined there was no need for an Executive Session at this time.

ADJOURNMENT

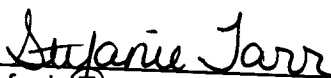
Council Member Jensen moved to adjourn the Special City Council Meeting; seconded by Council Member Jackson.

Approved by roll call vote.

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

Nays: None.

The Special City Council Meeting was adjourned at 8:27 P.M.


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