

2019 Revised Budget



FACT SHEET • November 2018



REDUCING EXPENSES AND GENERATING REVENUE: Balanced Budget at a Glance



In an attempt to move Peoria closer toward its vision statement, “Peoria 2032 is a safe, beautiful, and growing city”, a budget has been proposed for fiscal year 2019.

This budget was created by the City Manager, Patrick Urich, and Finance Director, James Scroggins, with input from City Council members and the Mayor, Jim Ardis. It seeks to close a six-million-dollar deficit by calling for equal amounts of expenditure reductions and new revenue streams.

A Balanced Revised Budget



Revenues	Value	Δ	Expenses	Value	Δ
Property Tax	\$32.2M	↓ 1.8%	Personnel Services	\$60.3M	↓ 4.0%
Home Rule Sales Tax	23.9M	↓ 2.0%	Employee Benefits	50.5M	↑ 2.8%
HRA Taxes	11.2M	↑ 3.3%	Contractual Services	23.6M	↑ 21.1%
Other Local Sources	78.5M	↑ 0.6%	Supplies	3.7M	↑ 2.2%
State Sales Tax	25.1M	↑ 1.3%	Support to Others	7.7M	↑ 7.30%
Other State Sources	20.4M	↓ 0.2%	Library	6.5M	↓ 0.3%
Federal Sources	2.5M	↓ 77.7%	Capital	32.9M	↓ 5.3%
Bond Proceeds	15.8M	↑ 66.6%	Debt Service	21.3M	↑ 12.8%
TOTAL REVENUES	\$209.4M	↑ 0.2%	TOTAL EXPENSES	\$206.5M	↑ 2.1%

Among some of the revenue generating streams introduced by the Revised Budget include a per parcel public safety pension fee that would directly feed the City’s Police and Fire pension obligations. Additionally, the budget calls for the implementation of a 2% package liquor tax that would feed into the General Fund, and the use of a third party to bill EMS calls that would generate annual funds for the Fire Department. ●



How Did We Get So Far Into Debt?



The current **six-million-dollar deficit** was caused by a variety of issues including:

- 1 **Increased public safety pension growth** as determined by the State of Illinois



DID YOU KNOW?

The City of Peoria is beholden to the rates and rules established by the State of Illinois, leaving City residents to cover the cost of public safety pensions. A comprehensive solution on public safety pension must come from the General Assembly in order to prevent the future hamstringing of City budgets.

- 2 **Declining property values** as homes stay on the market longer and sell for lower prices
- 3 **Settlement of the 2005 Peoria Area Advancement Group lawsuit**
- 4 **Reduction in the amount of income tax** historically provided by the State of Illinois
- 5 **Increased online shopping** and its detrimental impact on local retail sales



DID YOU KNOW?

For every \$100 of taxable goods purchased at a **Peoria store, \$4.00** goes to the City, County, and local schools.

For every \$100 of taxable goods **purchased online, only \$0.01** goes to the City and County, and nothing is provided to local schools. ●



What Are Our Options?

By early December 2018, City Council will vote to pass the 2019 Revised Budget. This budget was created with expressly stated direction from the Council to seek expenditure reductions, while avoiding the increase of property taxes.

While spending cuts are never easy, these difficult decisions must be made in order to reinforce the service priorities of the City and launch Peoria into a prosperous future.

The primary alternatives to the 2019 Revised Budget would be to raise property taxes or introduce additional new revenue streams. For example, the City would need to increase property taxes by \$0.30 per \$100.00 of assessed value to raise \$6 million. This increase would cost the owner of a \$100 thousand home an additional \$100.00 in taxes.

Contact City Manager, Patrick Urich with questions or comments on the 2019 Revised Budget.

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IMPACTS ON PUBLIC SAFETY

For multiple budget cycles, the City has avoided reducing public safety budgets. However, Police and Fire pensions imposed by the State of Illinois are growing at an alarming rate. These obligations are putting a severe burden on the City of Peoria and its residents. Currently, cuts to Police and Fire budgets are part of the proposed solution that avoids the increase of property taxes for Peoria residents.

The redistributing of resources, utilization of advanced technology, and future strategic infrastructure investments leave the City confident that quality Police, Fire, and EMS protection will not be hampered by these decisions. The proposed budget was created with maintenance of resident safety as a top priority.



PUBLIC SAFETY IS ONE OF OUR PRIORITIES.

