



# FAQs – 2019 Revised Budget

## *What is the current budget deficit?*

The City of Peoria is currently facing a **\$6 million** budget deficit.



## *What is the 2019 Revised Budget and how does it address the deficit?*

Expenses for fiscal year 2019 are recommended at **\$206,462,129**, an increase of **2.1%** from the 2018 Revised Budget. This proposal is a balanced operating and capital budget that attempts to address Council policy goals, balancing operational needs, and infrastructure investments.

**This budget, as directed by Council, identifies \$3 million in expenditure reductions, as well as \$3.1 million in new revenue.**



## *How did the City get so far into debt?*

**Illinois public safety pension growth** is a major contributing factor to the City's current budget deficit. Other factors that are adding to the deficit include **increased online shopping** and its negative impact on local retail, **declining property values**, settlement of the **2005 Peoria Area Advancement Group (PAAG) lawsuit**, and the **reduction in the amount of income tax** historically provided by the State of Illinois to the City.



## *What public safety cuts are being suggested as part of the Revised Budget?*

Public safety expenses including **Fire, Police, and Emergency Communication** make up **\$87 million** of the City's budget.

The Revised Budget includes the **consolidation of Fire Stations 8 and 4**, while calling for the creation of a new southside fire station.

**Additionally, one engine unit and one rescue unit would be decommissioned as a result of this budget.**

This budget also calls for the **reduction of Police budget by \$1.1 million (2.3%)**.

**This reduction would prevent the Police Department from filling the currently vacant positions in the detective bureau, the traffic unit, and the target offender unit. However, there will be no change to staffing or patrol levels. The City will maintain its current 92 patrol officers.**



## FAQs – 2019 Revised Budget (continued)



### *Are there any new revenue generating streams being introduced in the proposed budget?*

**Yes.** The City plans to implement a **per parcel Public Safety Pension Fee**. This fee would directly feed the City's Police and Fire pension obligations and could yield up to **\$2.2 million**. Additionally, the City budget includes the implementation of a **2% package liquor tax** that would generate **\$700 thousand** for the General Fund. Finally, the use of a **third party to bill for EMS calls** will generate **\$200 thousand** for the Fire Department annually.



**PUBLIC SAFETY  
IS ONE OF OUR  
PRIORITIES.**

### *What impact will budget cuts have on resident safety?*

Public safety budget cuts are never ideal. However, the redistribution of resources, utilization of advanced technology, and future strategic investments leave the City **confident that quality Police, Fire, and EMS protection will not be hampered** by these decisions.



### *What impact do public safety pensions have on the City's budget?*

Public safety pensions have a **tremendous impact** on the City's ability to effectively manage and balance a budget.

**Public safety pension costs have grown at an alarming rate increasing from \$12 million in 2010 to \$21 million in 2019.**

The City of Peoria is beholden to the rates and rules established by the State of Illinois, leaving City residents to cover the cost.



### *Are there alternatives ways to resolve the \$6 million budget deficit?*

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.



### *When will the City council vote on the proposed budget?*

The Council may vote to pass this proposed budget **as early as the November 20, 2018** meeting. If discussion extends beyond this meeting the Council will vote on this issue in **early December 2018**.