

# 2024-2025 Biennial Budget

**Patrick Urich,**  
City Manager

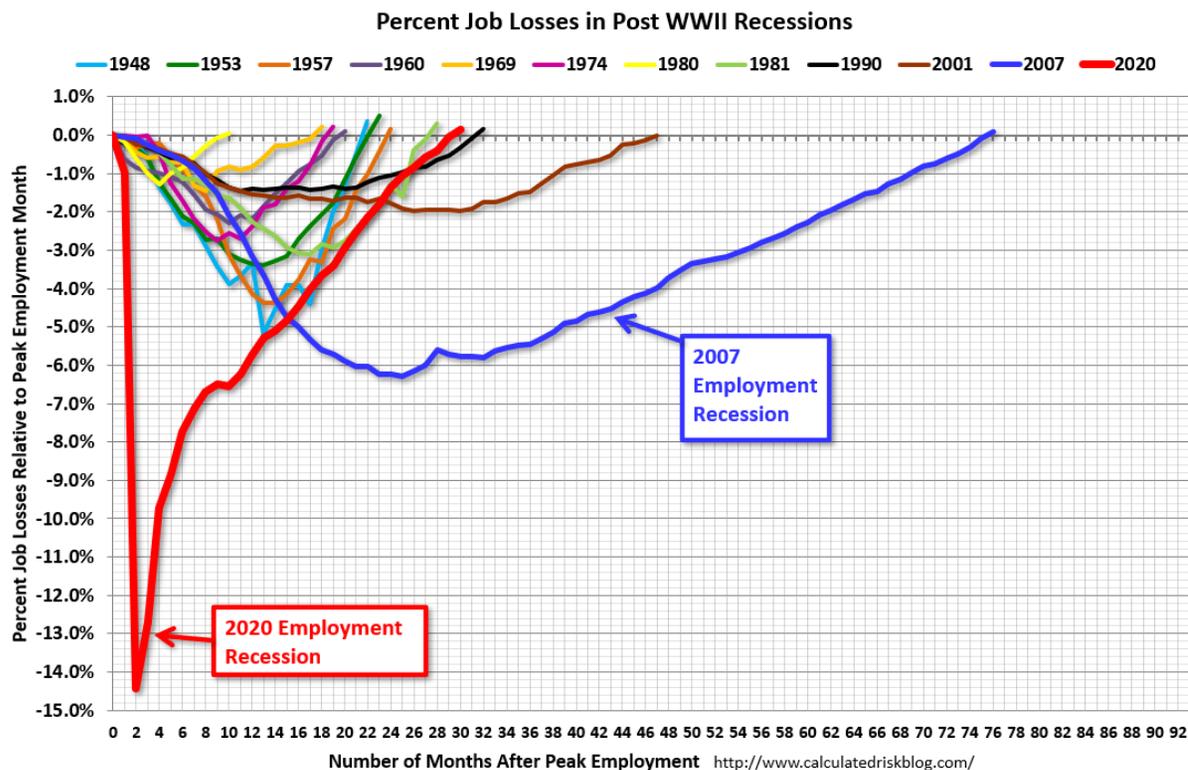
**Kyle Cratty,**  
Finance Director

October 17, 2023



# Economic News - GDP

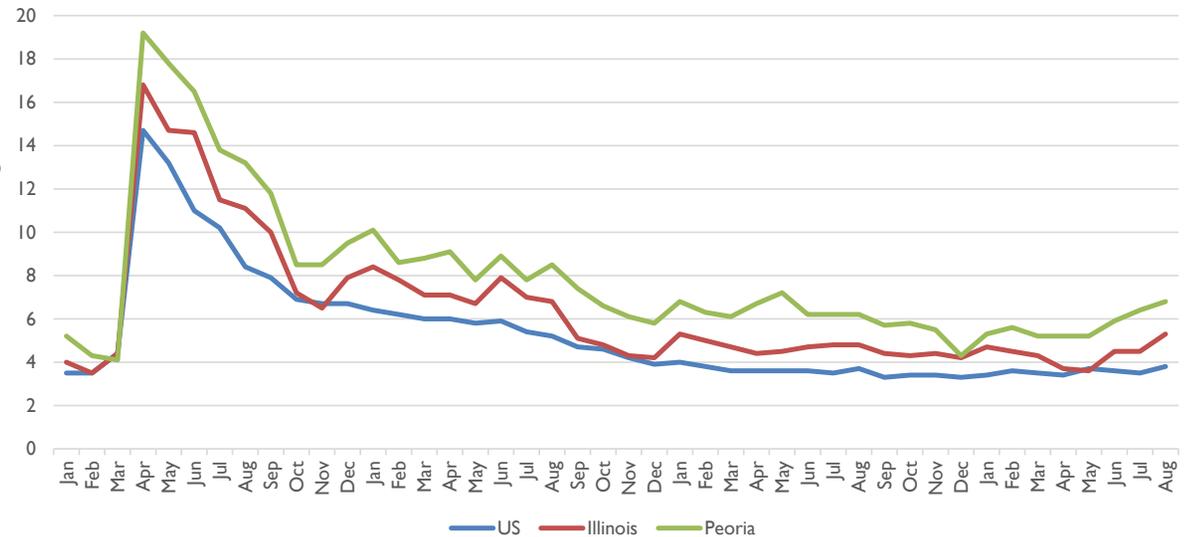
- Economists estimate US GDP growth will be 0.9% in 2024
- Fed efforts to combat inflation have lowered risk of a major recession, but uncertainty looms



# Economic News - Unemployment

- National unemployment 3.8%
- State unemployment 5.3%
- Peoria unemployment 6.8%, versus 6.2% one year ago.

Unemployment Rates January 2020-August 2023, %



# 2024 Budget Summary

**Revenues: \$291.7M (-6.22%), including \$10.3M Fiscal Recovery Funds**



**Operations: \$198.9M (-4.22%), Fiscal Recovery Funds Spending Lower**



**Capital: \$101.4M (+35%), CSO Year 3, more grant funds, roads, & drainage**



**Debt: \$21.6M (-3.8%), to meet debt requirements**

# 2023 Budget Highlights

- Strong revenue growth (Local and State Sources)
- Federal and State Grants remain strong
  - SAFER
  - Violence Prevention Grants
  - ARP Funds for small businesses and neighborhoods
  - Capital Grants
- Expenses on track to be at budget
- Recommended early repayment of debt
- Transfer of General Fund overage to Capital for 2024 projects

# Revenue Recovery in 2023



Real Estate  
Transfer  
**+36%**



Home Rule Sales  
**+12%**



Hotel Tax  
**+16%**



Rest. Tax  
**+14%**



Sewer/  
SWU  
**-1%**



Licenses  
Permits  
**9%**



State Sales  
**+2%**

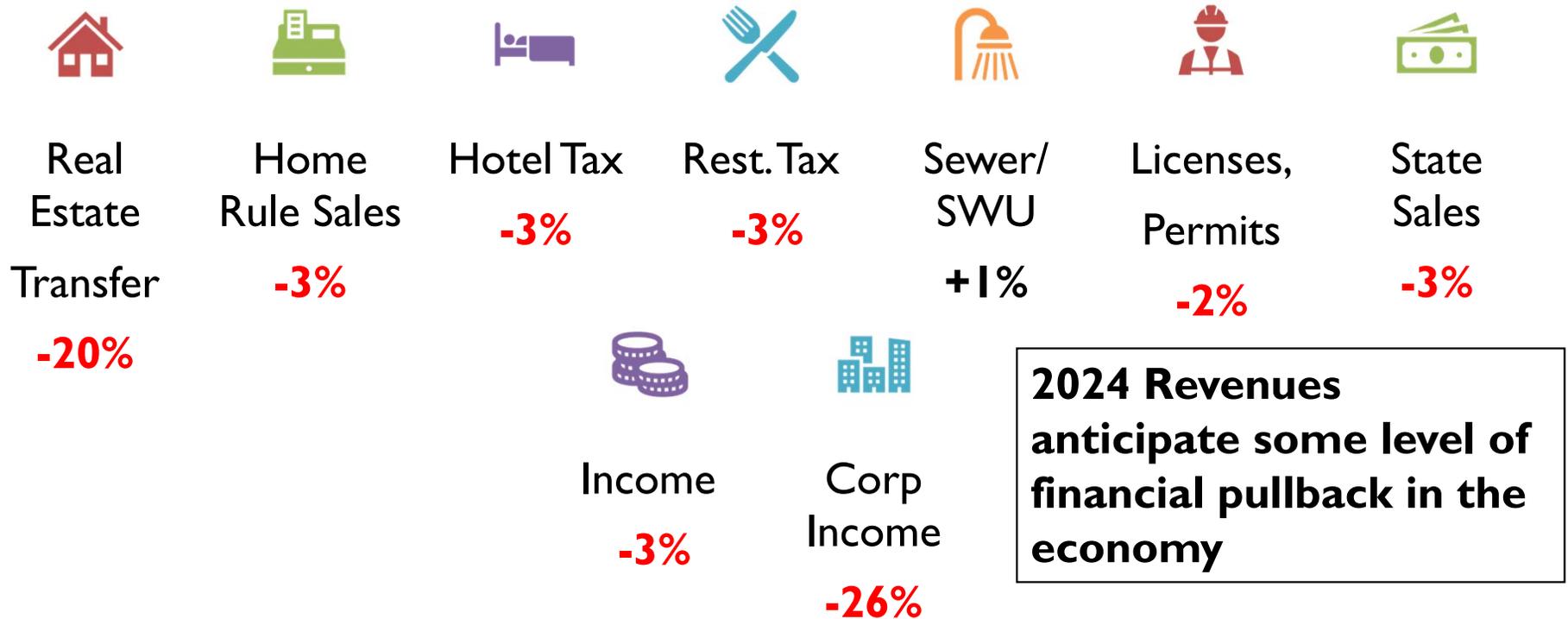


Income  
**+16%**



Corp  
Income  
**+23%**

# 2024 Revenue Estimates vs. 2023



# 2024 Local Sources

(\$ in thousands ,000)

	<b>Proj 2023</b>	<b>Bud 2024</b>	<b>% Chg</b>	<b>\$ Chg</b>	<b>Bud 2025</b>	<b>% Chg</b>	<b>\$ Chg</b>
<b>Property Tax Levy</b>	33,347	34,769	4.3%	1,421	35,465	2.0%	695
<b>TIF Property Taxes</b>	3,825	4,114	7.6%	289	4,197	2.0%	82
<b>Home Rule Sales</b>	29,790	28,896	-3.0%	-894	29,474	2.0%	578
<b>Sewer Fees</b>	24,980	25,182	0.8%	202	25,686	2.0%	504
<b>HRA Tax</b>	11,808	11,492	-2.7%	-316	11,722	2.0%	230
<b>Gambling</b>	3,098	3,085	-0.4%	13	3,147	2.0%	62
<b>Real Estate Transf</b>	1,356	1,085	-20.0%	-271	1,106	2.0%	22
<b>Fines/Forfeitures</b>	606	739	22.0%	133	754	2.0%	15
<b>Local Sources</b>	<b>155,967</b>	<b>157,485</b>	<b>1%</b>	<b>1,519</b>	<b>160,621</b>	<b>2.0%</b>	<b>3,136</b>

# Assessed Values and Stormwater Fees



## Assessed Values

- Gain +7.0%, No Rate Change



## Stormwater Fee

- Suspend CPI Increase

# 2024 State/Federal/Other Sources

(\$ in thousands ,000)

	<b>Proj 2023</b>	<b>Bud 2024</b>	<b>% Chg</b>	<b>\$ Chg</b>	<b>Bud 2025</b>	<b>% Chg</b>	<b>\$ Chg</b>
<b>State Sales Tax</b>	30,544	29,745	-2.6%	(800)	30,340	2.0%	595
<b>Income Tax</b>	19,683	19,000	-3.5%	(683)	19,380	2.0%	380
<b>PPRT</b>	20,079	14,947	-25.6%	(5,131)	10,463	-30.0%	(4,484)
<b>State Motor Fuel</b>	4,862	5,398	11.0%	536	5,476	1.4%	78
<b>State Grants</b>	9,611	20,243	110.6%	10,632	4,027	-80.1%	(16,216)
<b>State Sources</b>	84,780	89,333	5.4%	10,632	69,686	-22.0%	(19,647)
<b>Federal Sources</b>	25,515	22,550	-11.6%	(2,965)	12,186	-46.0%	(10,364)
<b>Other Sources</b>	44,745	22,305	-50.2%	(22,440)	23,638	6.0%	1,332
<b>TOTAL REVENUE</b>	<b>311,007</b>	<b>291,675</b>	<b>-6.22%</b>	<b>(19,332)</b>	<b>266,132</b>	<b>-8.8%</b>	<b>(25,543)</b>

# 2024 Expenses by Category

(\$ in thousands ,000)

	<b>Proj 2023</b>	<b>Bud 2024</b>	<b>% Chg</b>	<b>\$ Chg</b>	<b>Bud 2025</b>	<b>% Chg</b>	<b>\$ Chg</b>
<b>Operating Expenses</b>							
<b>Personnel</b>	73,244	75,389	2.9%	2,144	76,436	1.4%	1,047
<b>Benefits</b>	38,072	39,083	2.7%	1,011	39,798	1.8%	715
<b>Contractual</b>	90,142	75,562	-16.2%	(14,580)	67,350	-10.9%	(8,212)
<b>Supplies</b>	6,164	8,834	43.3%	2,671	7,350	-16.8%	(1,484)
<b>Total Op. Expenses</b>	207,622	198,868	-4.2%	(8,754)	190,934	-4.0%	(7,933)
<b>Capital</b>	75,327	101,448	34.7%	26,121	70,523	-30.5%	(30,925)
<b>Debt Service</b>	22,432	21,572	-3.8%	(860)	23,519	9.0%	1,947
<b>TOTAL EXPENSES</b>	<b>305,380</b>	<b>321,887</b>	<b>5.4%</b>	<b>16,507</b>	<b>284,976</b>	<b>-11.5%</b>	<b>(36,911)</b>

# Staffing



## 2023 Staffing (+25)

- Public Works (12), Fire (11), Legal (1), Diversity and Inclusion (1)



## 2024 Staffing (+13)

- Increase staffing to 690, up 3.8%
- Fill current vacancies

# Staffing – 13 New Positions

- **Information Systems- Public Safety Coordinator** position to assist public safety departments with unique IT needs
- **Public Works- Grant Coordinator** to assist with grant applications and processing, **Mechanical Technician** to help maintain the 50 buildings and 250 HVAC Systems
- **Stormwater – 9 Full-Time Maintenance** positions to help maintain curb/gutter and drainage restoration
- **Community Development– Building Inspector** to help with increased workload of permit applications

# Fiscal Recovery Funds - \$47.089M

(\$ in thousands ,000)

<b>RECOMMENDED SPENDING</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>INFRASTRUCTURE</b>		5,558	7,448	3,423
<b>NEIGHBORHOODS</b>		2,075	2,412	2,417
<b>ECONOMIC DEVELOPMENT</b>		2,400	2,394	2,945
<b>VIOLENCE REDUCTION</b>		725	1,303	1,325
<b>HEALTH EQUITY</b>		600	600	
<b>ADMINISTRATION</b>		57	276	280
<b>LOST REVENUE</b>	10,301			
<b>TOTAL</b>	<b>10,301</b>	<b>11,416</b>	<b>14,435</b>	<b>10,336</b>

# Other Grant Funds



## Fire Station 16 (\$5.0 million)

- State funds for construction of a new station with Police Sub #2 and Community Center



## McArthur Corridor(\$4.69 million)

- State Funds for improvements to the McArthur Corridor



## Wisconsin Avenue (\$3.5 million)

- Reconstruction of road from McClure to Nebraska (State and Federal)

# Other Grant Funds



## Street Lighting Upgrades (\$3.5 million)

- State Grant for Lighting Upgrades



## Pioneer Parkway/University(\$2.4 million)

- Surface Transportation Block Grant for the reconstruction of the intersection



## Police Grants (\$2.84 million)

- Operating grants for Co-response and vehicle task force

# Other Grant Funds



## CDBG (\$1.9 million)

- Federal Community Development Block Grant



## HOME (\$735 thousand)

- Federal grant for affordable housing



## ESG (\$165 thousand)

- Federal grant for homeless services in the region

# Support to Other Agencies

- Convention and Visitors Bureau - \$542,000
- Civic Center – \$1,200,000
- Arts Partners – \$100,000
- Downtown Development Corporation – \$100,000
- Greater Peoria Economic Development Council – \$75,000
- Distillery Labs – \$100,000 (American Rescue Plan)
- Peoria County Animal Control Services – \$278,470
- Springdale Cemetery- \$250,000
- TIF Subsidies – \$1,100,000

# 2024 Community Investment Plan



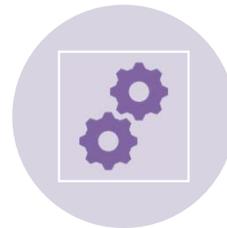
**\$101.4M** in Capital Improvements



Road, sewer and sidewalks, traffic  
**77.8%** of the CIP



**77.8%** Directly impacts citizens



**22.2%** for tools, technology, and facilities

Category	%	2024	2025	2026	2027	2028
Development	3.79%	\$3,840	\$1,000	\$1,000	\$1,000	\$1,000
Equipment	6.98%	\$7,077	\$2,380	\$1,762	\$1,247	\$1,124
Facilities	9.01%	\$9,145	\$0	\$2,630	\$0	\$2,716
Parking	4.93%	\$5,005	\$0	\$0	\$0	\$0
Sewers/Drainage	38.49%	\$39,047	\$43,298	\$44,004	\$32,788	\$33,559
Sidewalks	1.38%	\$1,400	\$800	\$800	\$800	\$800
Streets	28.92%	\$29,334	\$18,896	\$26,953	\$12,295	\$7,650
Traffic/Lighting	0.30%	\$300	\$650	\$300	\$300	\$300
Vehicles	6.21%	\$6,300	\$3,500	\$4,000	\$2,800	\$2,800
<b>Grand Total</b>	<b>100.00%</b>	<b>\$101,448</b>	<b>\$70,523</b>	<b>\$81,449</b>	<b>\$51,230</b>	<b>\$49,948</b>

## 2024-2028 Community Investment Plan (\$ in thousands ,000)

# 2024 Major Capital Projects

Pioneer Parkway and University Intersection	\$8,565,000
Combined Sewer Overflow Reduction Year 3 Project	\$6,900,000
Fire Station 16 2105 W Northmoor Rd.	\$5,000,000
Drainage Improvements - Deerbook Drive Green Street	\$4,640,000
Depot Street From Oak St to Persimmon St and Parking Lot	\$4,505,000
Radio Replacement Project	\$4,331,045
Fire Fleet Replacement	\$3,500,000
Wisconsin Avenue from McClure to Nebraska	\$3,460,000

# 2024 Major Capital Projects

Moss Avenue from Western Avenue to Sheridan Road	\$3,350,000
MacArthur Hwy from Jefferson Street to Bridge Rehabilitation	\$2,990,000
Fleet Recapitalization	\$2,800,000
Outfall Repair - Dry Run Creek Tributary C at University	\$2,450,000
Drainage Repair Program	\$2,325,000
Stormwater Fleet Recapitalization	\$2,200,000
MacArthur Highway Business Corridor	\$2,000,000
Glen Ave from War Memorial Dr to University St	\$1,965,000

# 2024 Major Capital Projects

Adams and Jefferson Signal Upgrade/ One-Way to Two Way Conversion	\$1,590,000
Roadway Infrastructure Projects	\$1,380,000
Channel Stabilization - Stone Creek at Wilhelm Bridge	\$1,320,000
Combined Sewer Overflow Reduction Year 2 Project	\$1,254,859
Drainage Improvements - Sheridan Rd between Northmoor and Knoxville	\$1,165,000
OEM Facility Improvements 3615 N Grandview Drive	\$1,000,000
Demolition & Clearance	\$1,000,000

# Debt – Decreases \$860k

## New Issues

No new bond issues

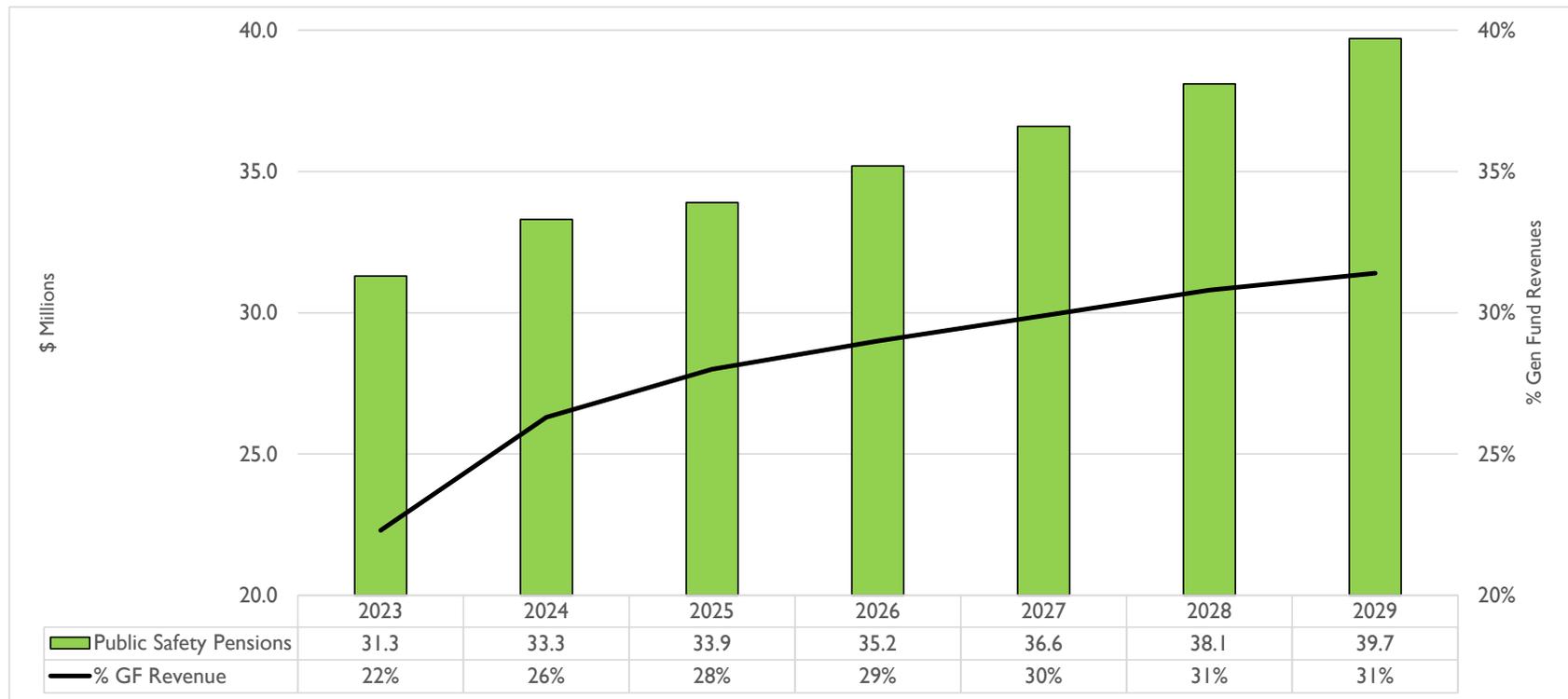
## Payments

\$860,418 lower than 2023

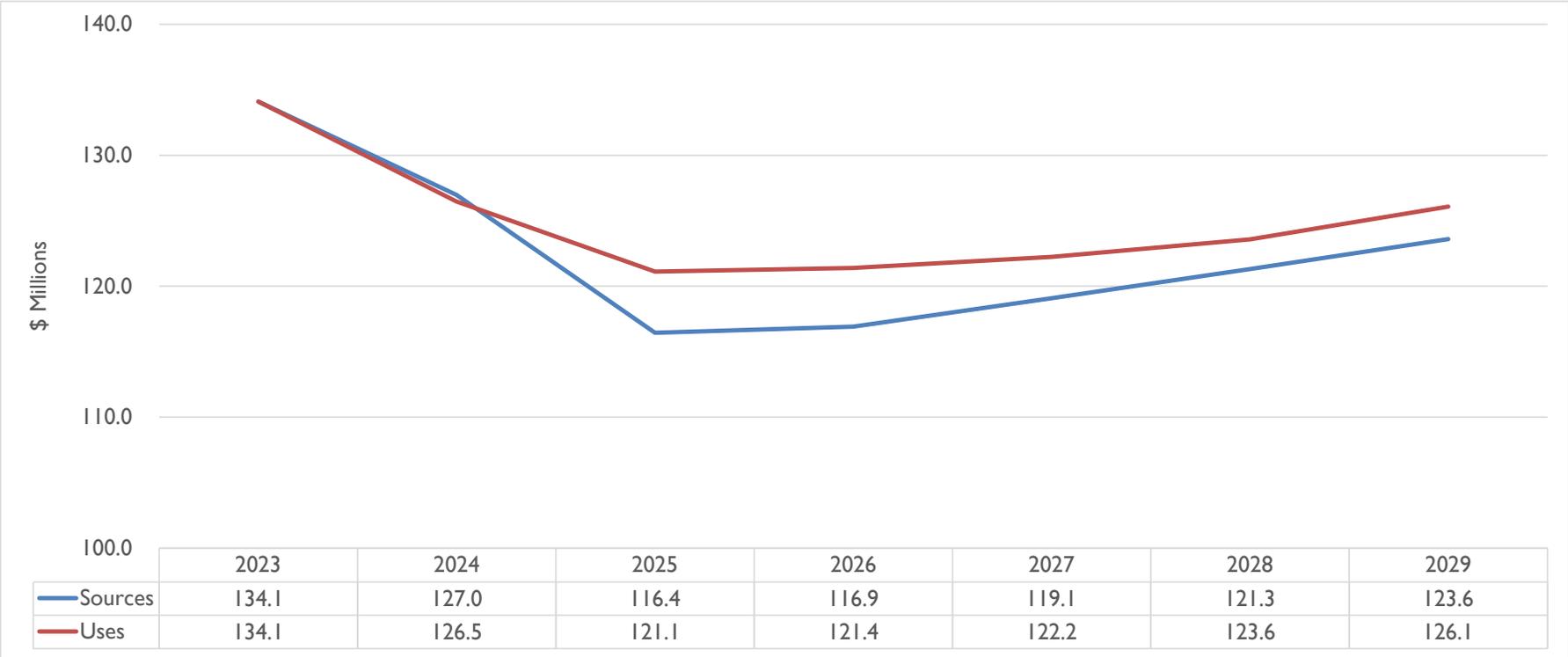
# Fund Balances

- Currently, the projected unobligated fund balance in the General Fund at the end of 2023 will be \$57,199,159 or **42.6%** of operating expenses.
- Due to anticipated growth in pension obligations, excess fund balance will be assigned for future pension payments.
- Overall use of fund balance in 2024 is \$30,212,273 (16.25%)

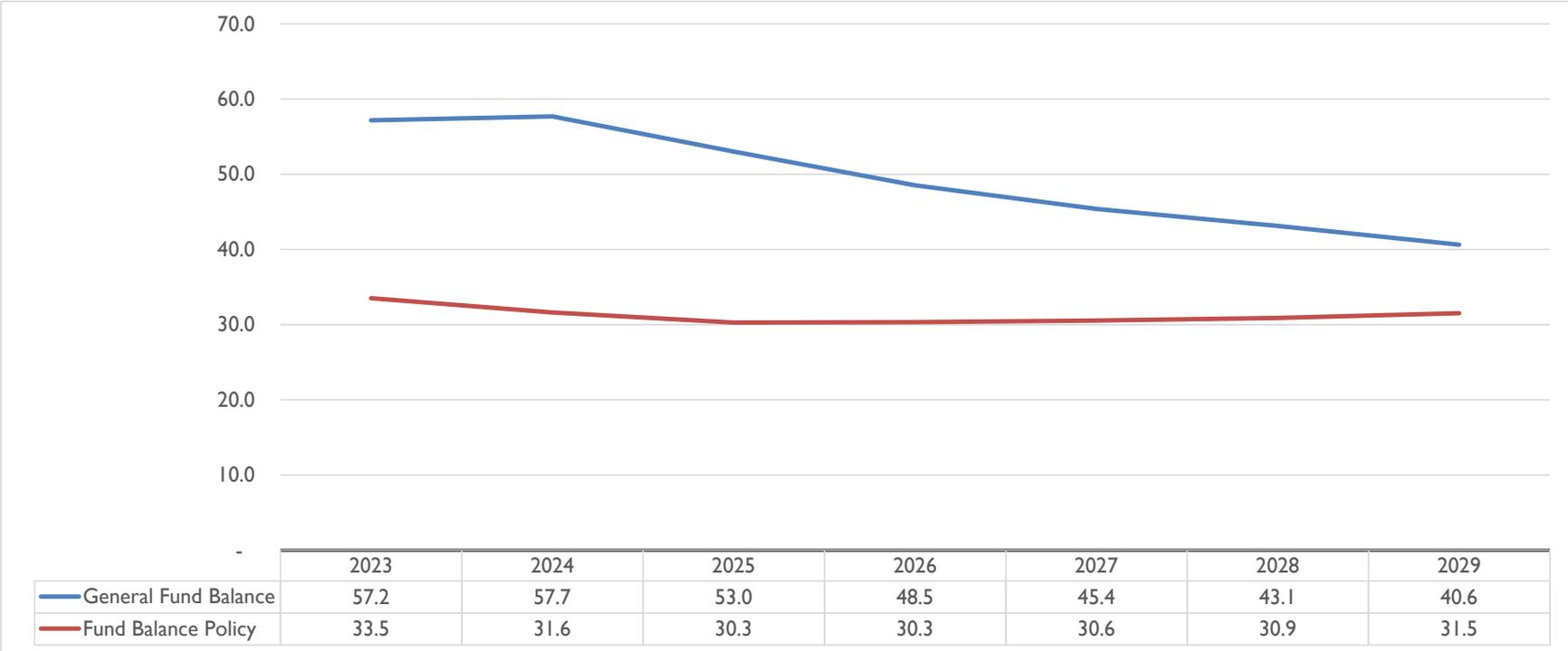
# Public Safety Pensions 2023-2029



# Budget Outlook, 2023-2029, General Fund



# General Fund Balance, 2023-2029



# Budget Timeline

