CITY OF PEORIA

OFFICE OF THE CITY MANAGER

September 27, 2010

Dear Mayor Ardis and Members of the City Council:

We are pleased to present the City Council with a preliminary Community Investment Plan (CIP) for the years 2011 through 2015. Projects are included in the CIP because they have a life expectancy greater than one year and exceed $10,000 in cost, or in rare cases, are non-recurring expenses that do not appropriately fit within the operating budget. The CIP includes $24,598,946 that will need to be budgeted for 2011. The remaining years represent an estimate of anticipated future capital needs.

The preliminary CIP book is divided into three sections:

- Section 1 displays summary tables for the 2011-2015 Community Investment Plan, including a breakdown of project by funding type.

- Section 2 contains the individual sheets for all projects recommended for any amount of funding, from any source, between 2011 and 2015.

- Section 3 contains information about a number of projects that have been identified for future funding, but are not currently anticipated for funding in 2011 through 2015. These projects could be accelerated through local funding decisions, grant activities and/or state or federal assistance (i.e. congressionally directed spending.)

The City of Peoria continues to face daunting financial obstacles as it heads into 2011. In light of a projected budget deficit nearly equal that addressed last year, I directed staff to closely scrutinize capital requests this year. I asked them to focus exclusively on those projects that absolutely needed to be implemented in 2011. I also directed them to avoid cutting capital programs that directly impacted our citizens and businesses, such as sidewalk and street repair. The result is a plan that balances our immediate needs with our financial constraints and continues to invest in our community.

Just as importantly, short-term sacrifices in projects funded by unrestricted sources will reduce the projected budget. In 2010, the projected budget for 2011 unrestricted capital expenditures was estimated at $10,751,200. By assembling a spending plan that limits expenses to $5,335,500 in this area, the budget gap will be reduced by $5,415,700.

In large part because of the receipt of federal and state funds, the 2011 CIP is actually $598,733 *higher* than the 2010 budget. The chart on the next page compares funding categories from 2010 and 2011.

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