

First Quarter Financial Report

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City Manager
May 24, 2011

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Finance Director



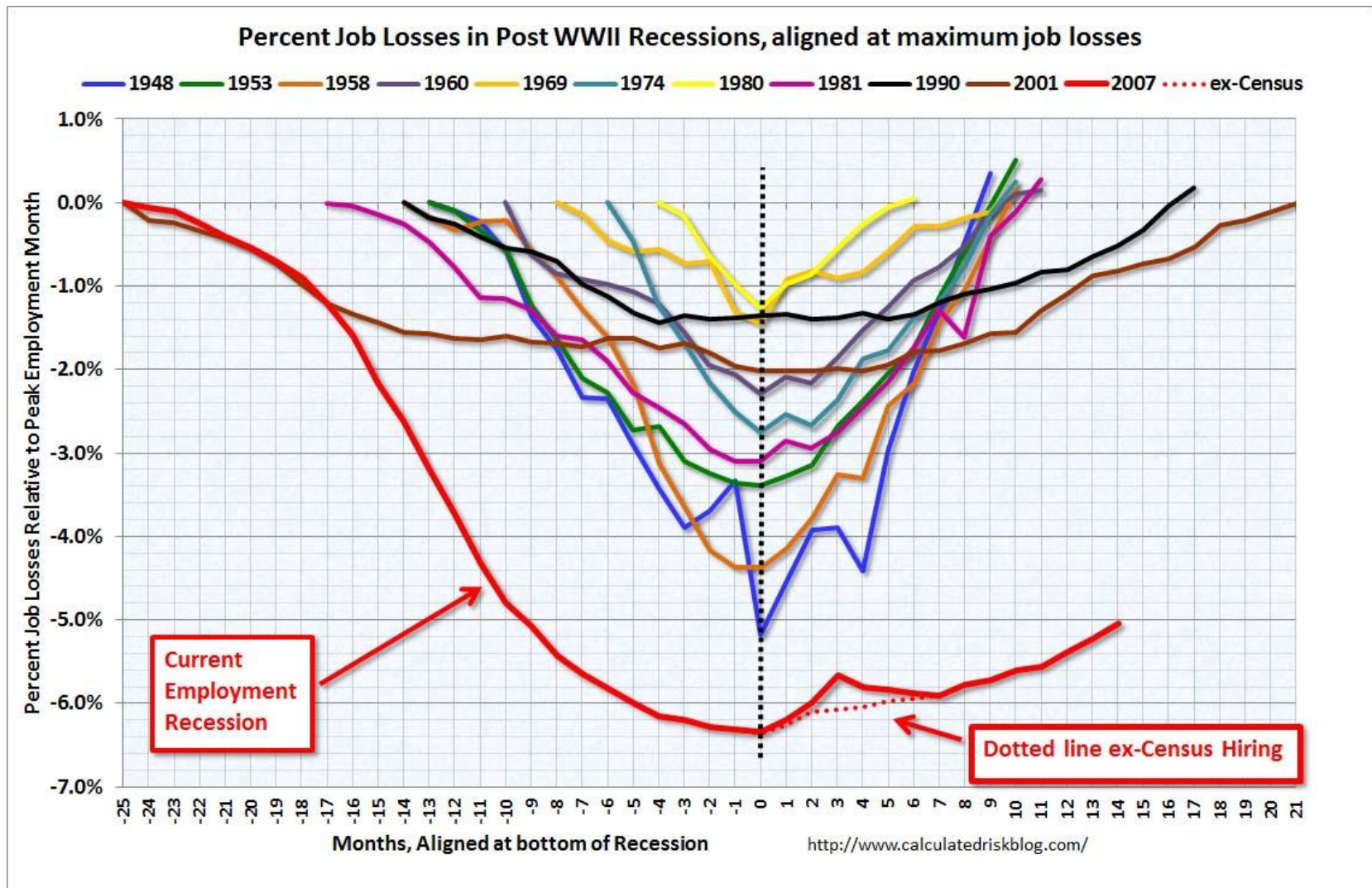
Fiscal Condition of City Government

- City has taken steps over the last several years to balance the budget during the economic downturn
- A structural deficit is affecting service delivery and needs to be addressed quickly, creatively and transparently
- Internal and external cost drivers are causing the deficit

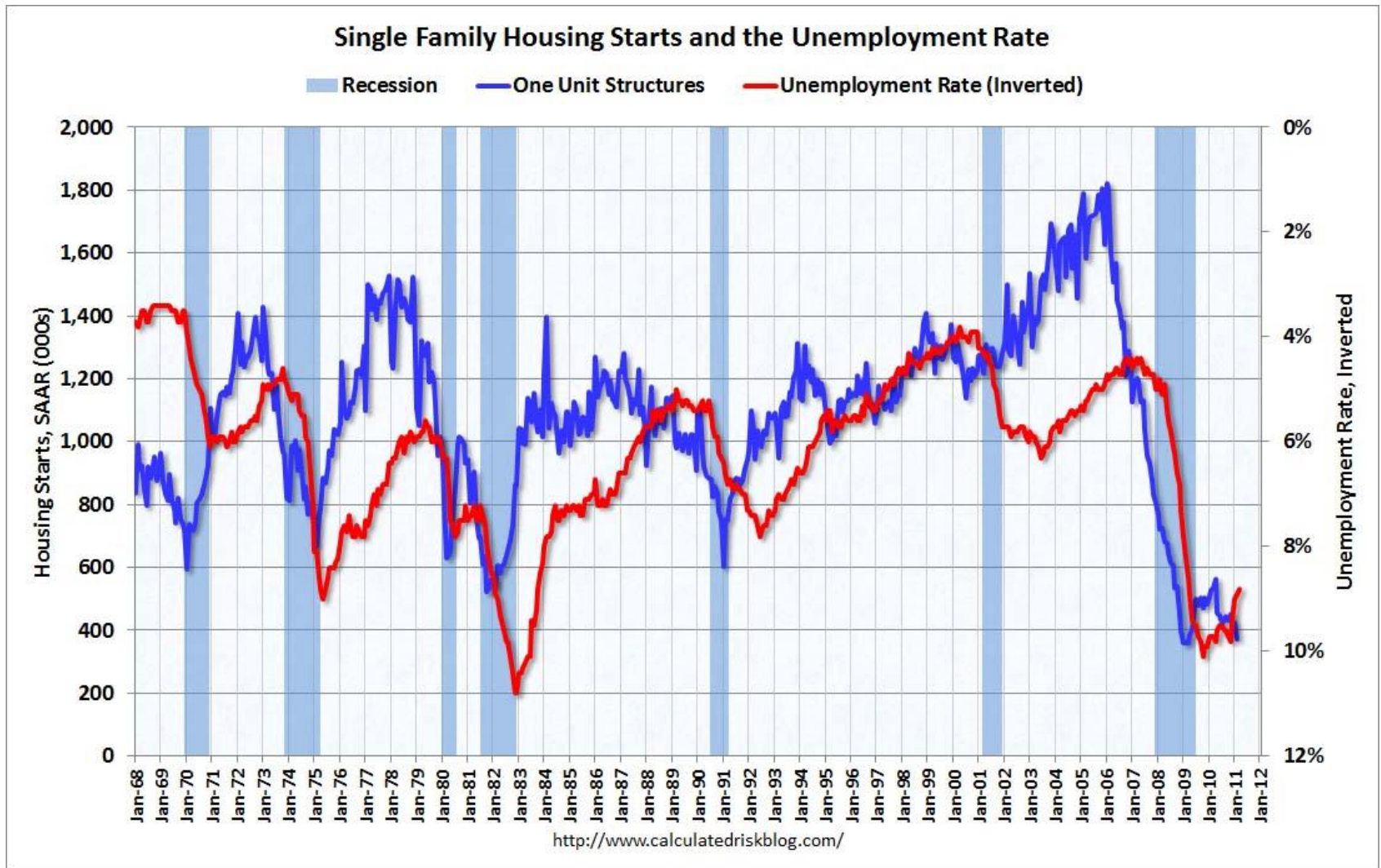
Q1 2011 Financial Results

- Revenues
 - General Fund Revenues \$1.4 million higher than Q1 2010
 - Overall Revenues \$1.6 million higher than Q1 2010
- Expenses
 - General Fund Expenses \$1.2 million less than Q1 2010
 - Overall Expenses \$3.5 million less than Q1 2010
- Revenues Less Expenses
 - \$2.6 million used compared to \$4.5 million Q1 2010
 - \$1.9 million improvement over Q1 2010

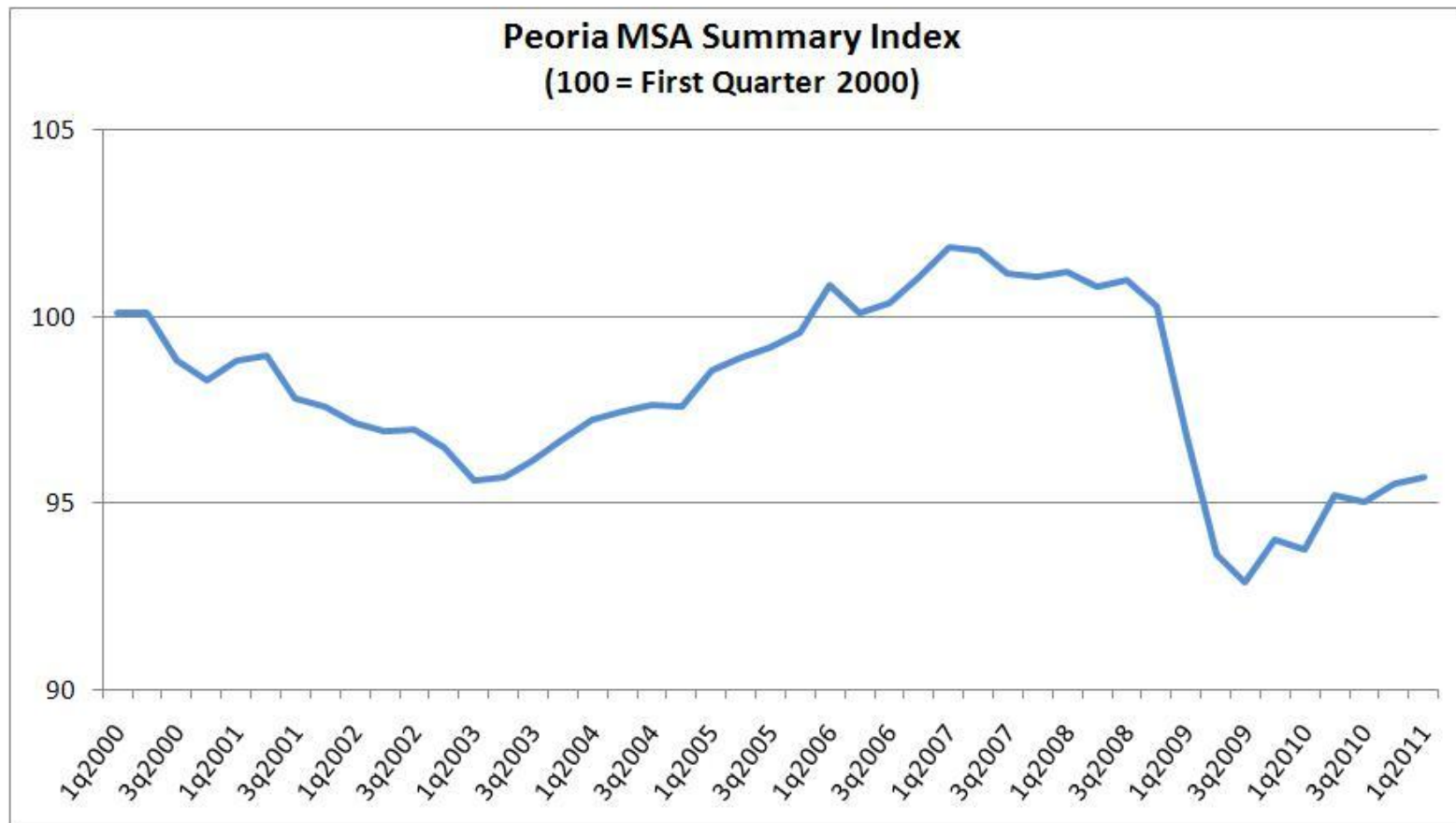
Job Loss



Housing and Unemployment

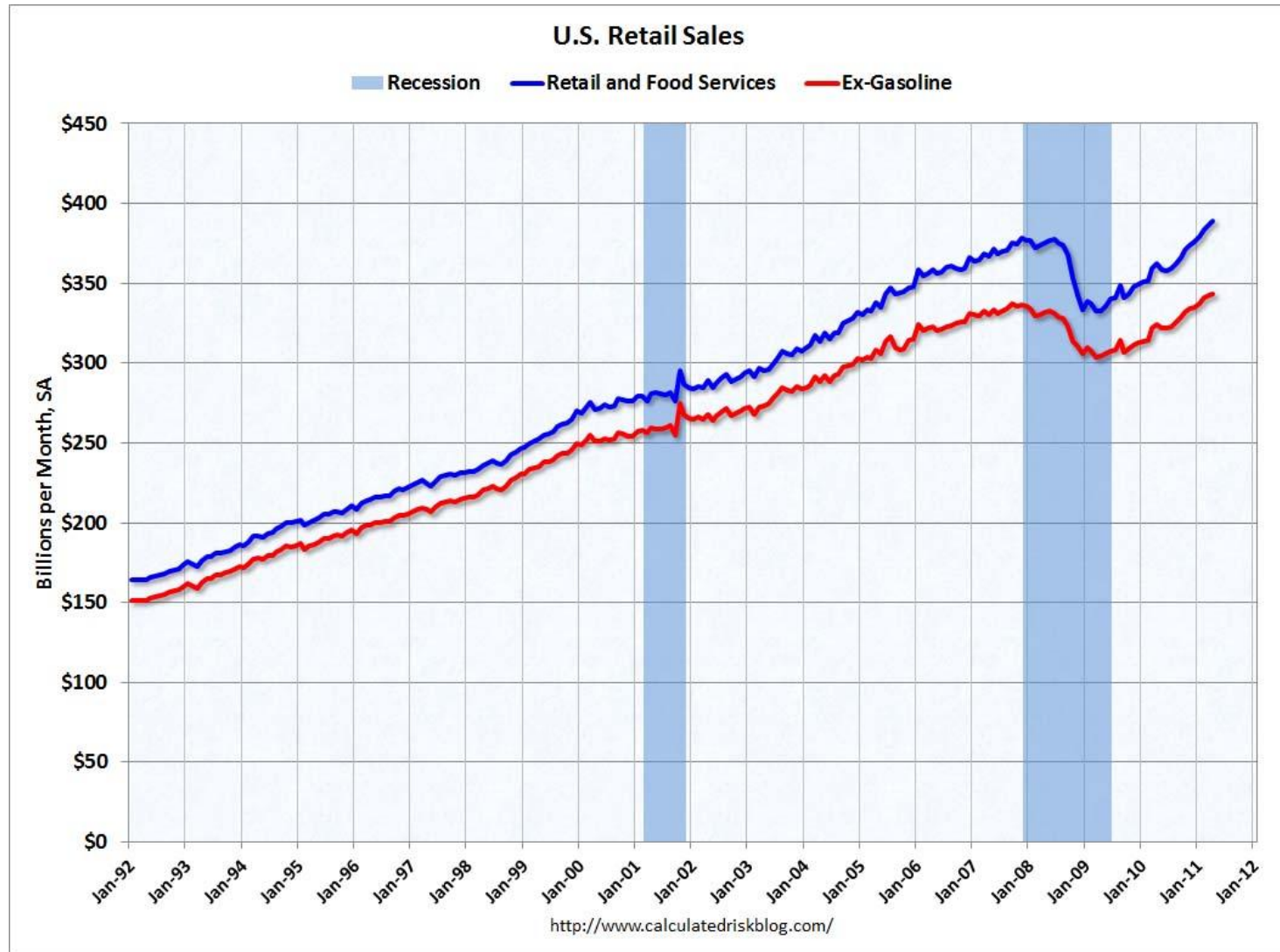


Local Economy: A Slow Recovery



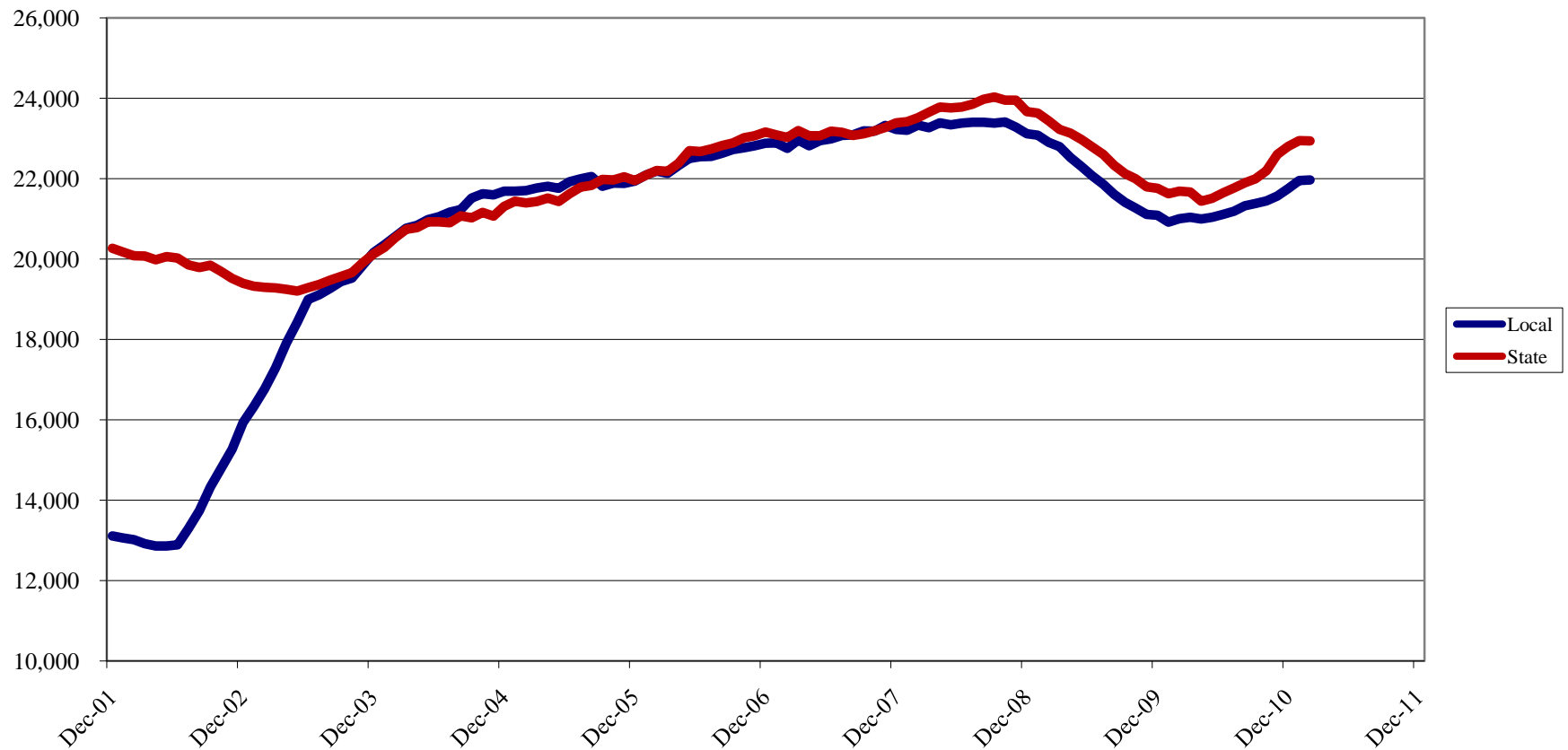
Source: Bradley University Center for Business and Economic Research, SCOPE Report Q1 2011

Retail Sales: Improving

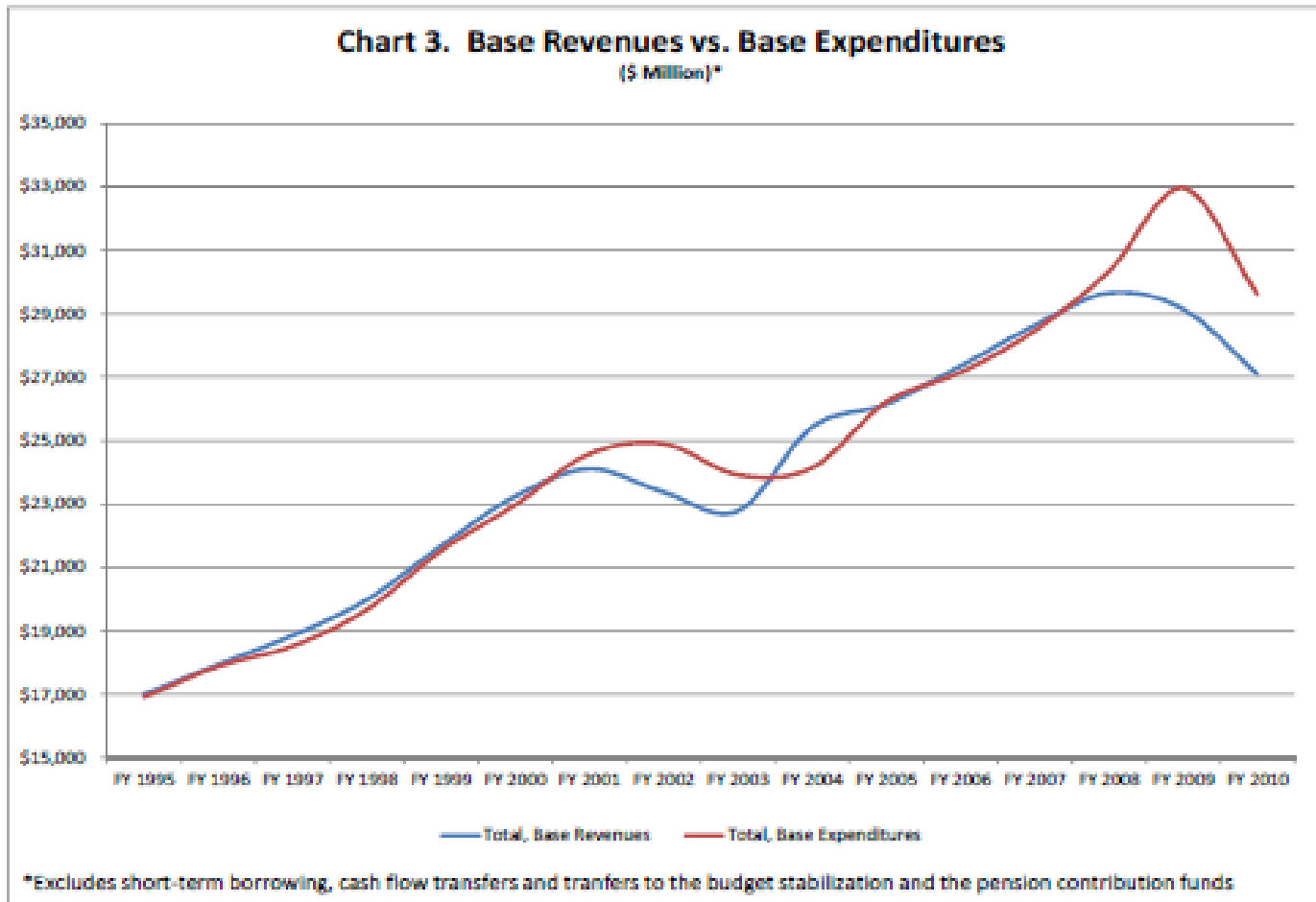


Sales Tax Receipts Mirror National Trends

**Local and State Sales Tax Receipts
(Rolling 12 Month Average)**



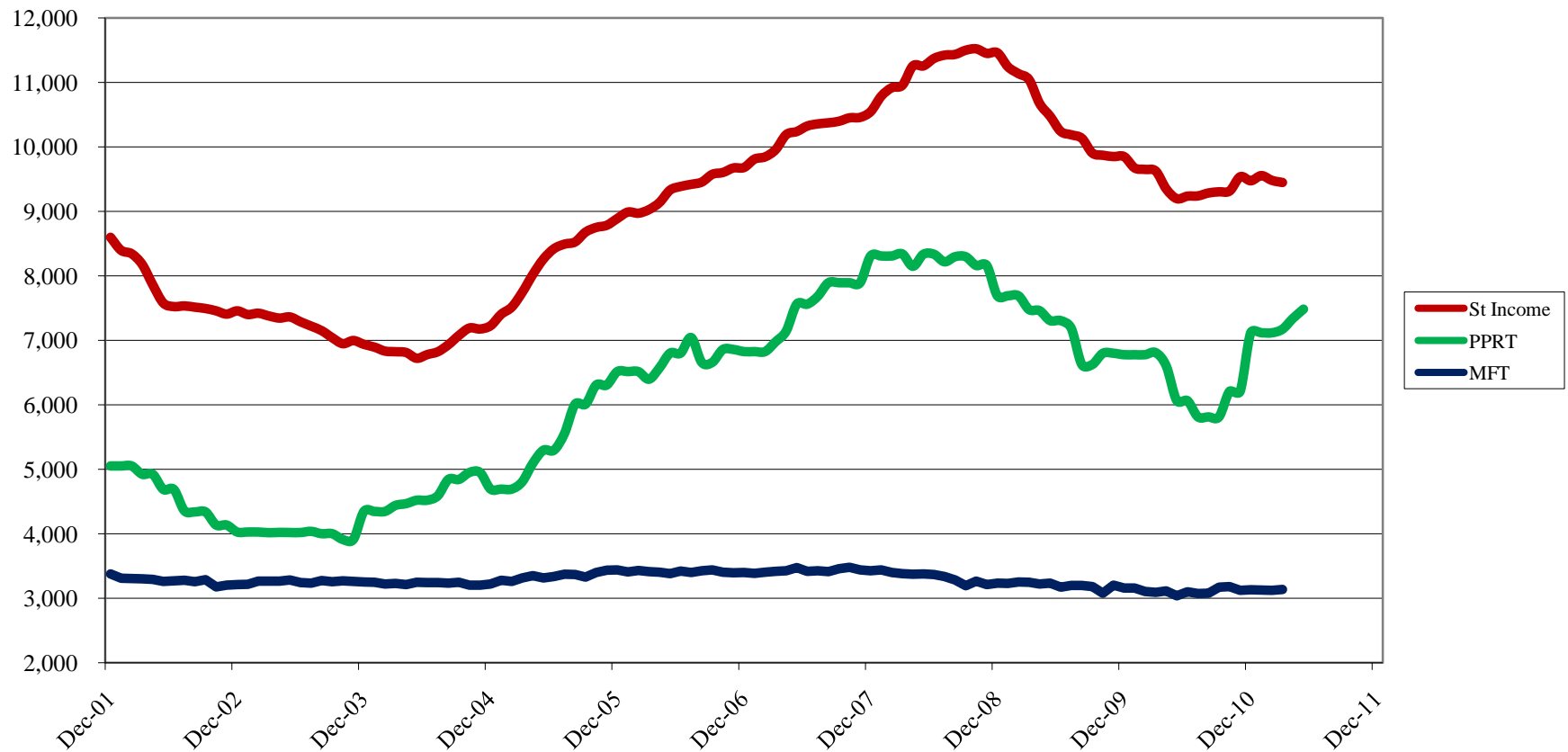
State Government Challenges



Source: Commission on Government Forecasting and Accountability

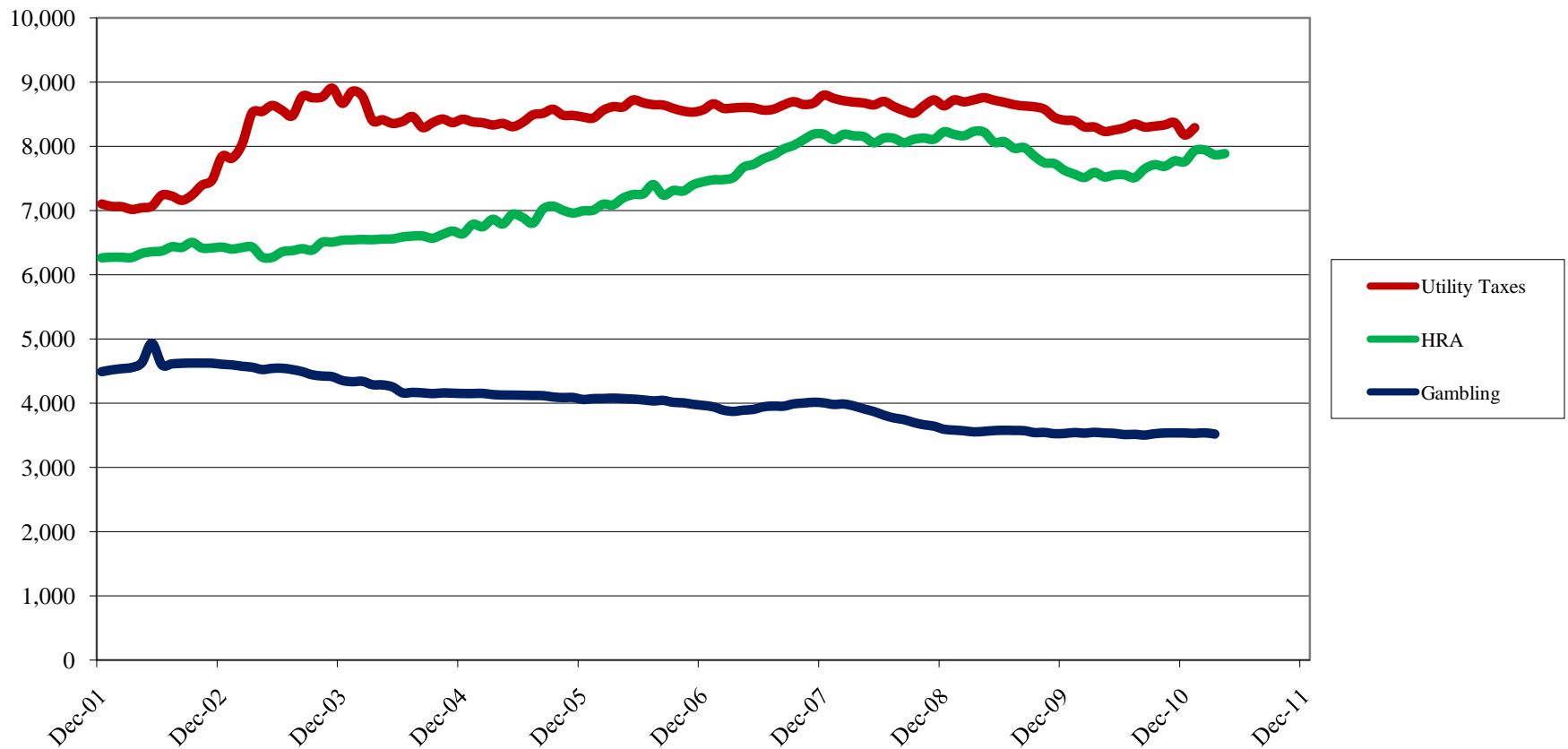
State Tax Receipts: Delays, Uncertainty

Income Tax , PPRT and MFT Revenues
(Rolling 12 Month Average)



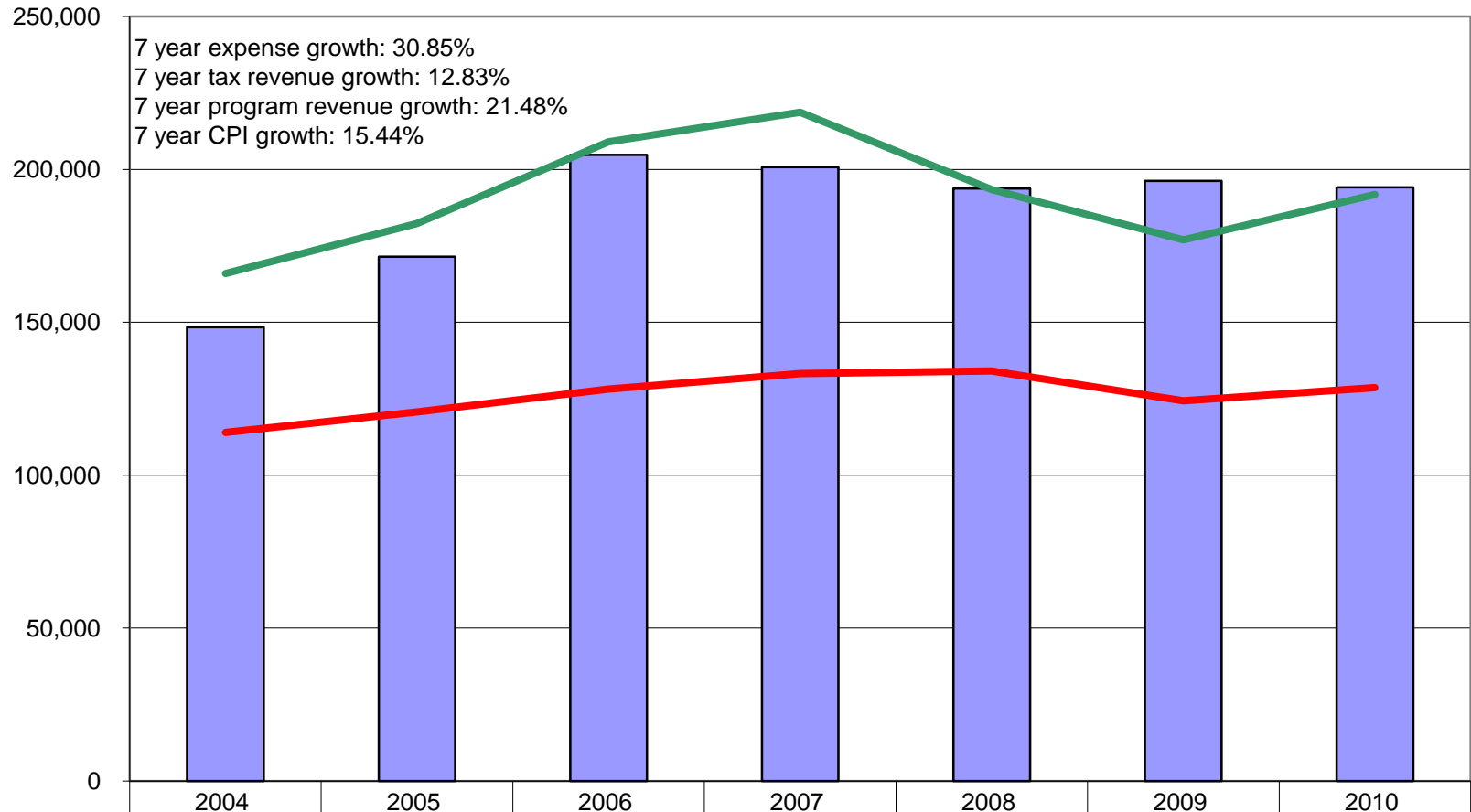
Local Tax Receipts: Capital Budget Pressure

Utility, HRA, and Gambling Tax Receipts
(Rolling 12 Month Average)



Expense Growth Outpacing Revenue Growth

City of Peoria, Civic Center and Springdale
Tax Revenues and Expenses 2004-2009



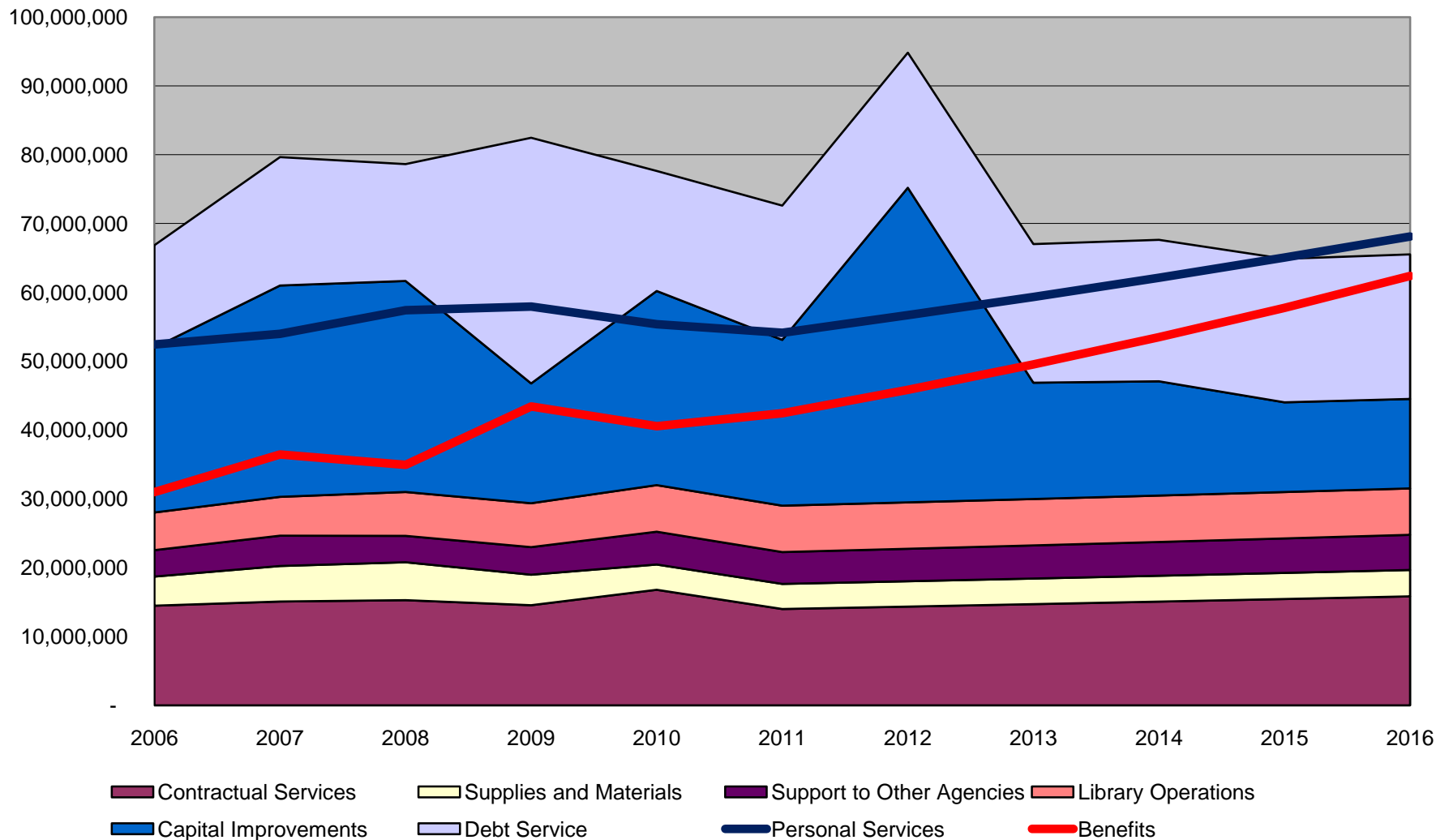
Total Expenses	148,373	171,436	204,759	200,704	193,773	196,192	194,146
Program Revenues	51,966	61,665	80,896	85,421	59,368	52,642	63,129
Tax Revenues	114,003	120,644	128,127	133,242	134,058	124,288	128,635

General Fund Reserve/Operating Expenditure Ratio, 2003-2010

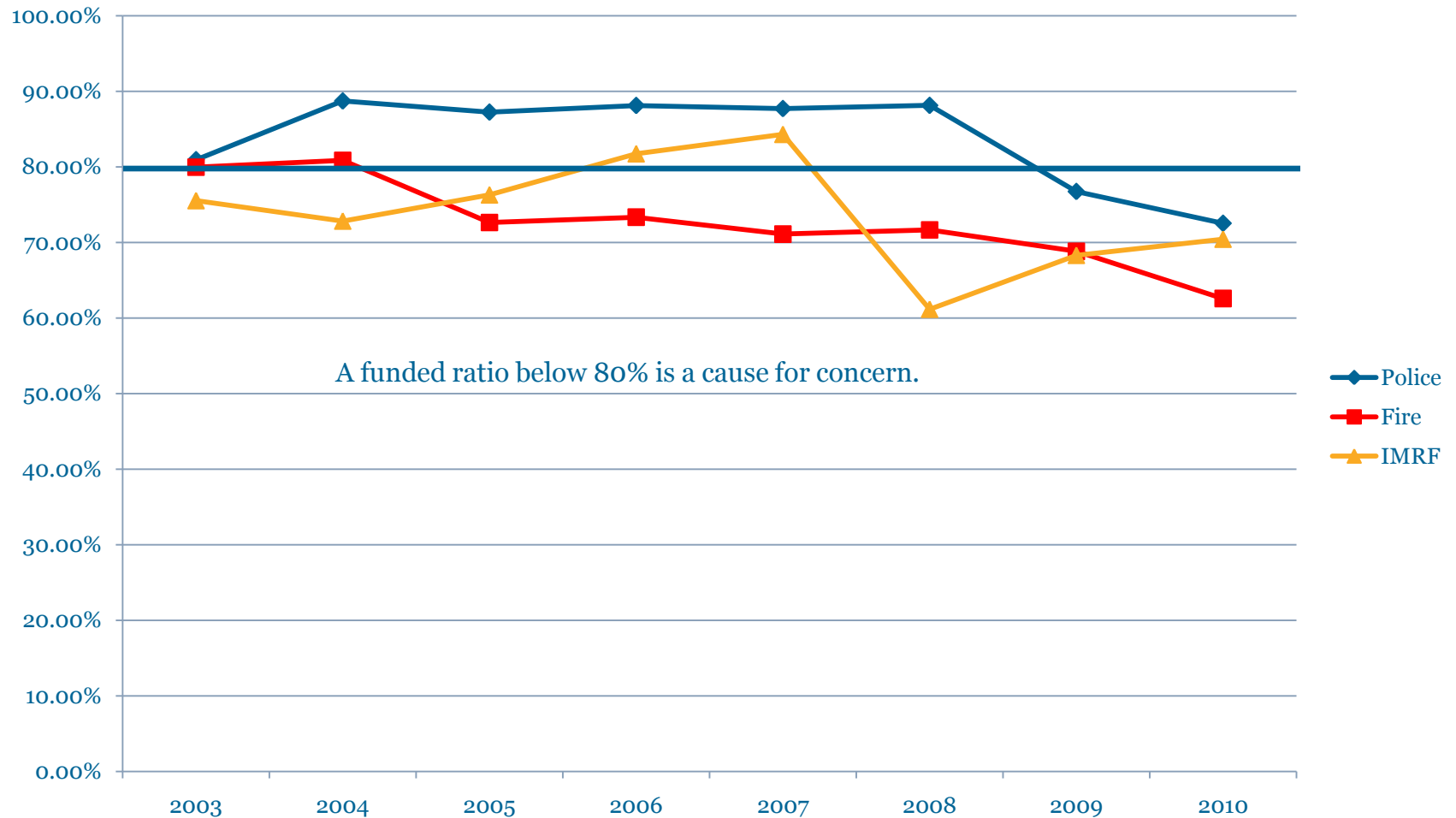
Year	Unreserved - Undesignated Fund Balance	General Fund Operating Expenditures	Ratio
2003	\$3,312,155	\$77,925,069	4.3%
2004	\$4,993,106	\$81,835,983	6.1%
2005	\$6,532,340	\$87,416,318	7.5%
2006	\$8,736,116	\$89,471,894	9.8%
2007	\$9,665,019	\$98,759,351	9.8%
2008	\$11,078,502	\$98,615,373	11.2%
2009	\$4,595,390	\$99,172,510	4.6%
2010	\$4,371,848	\$96,749,557	4.5%

Benefit Growth Driving Expense Growth

Expense by Type, 2006-2016

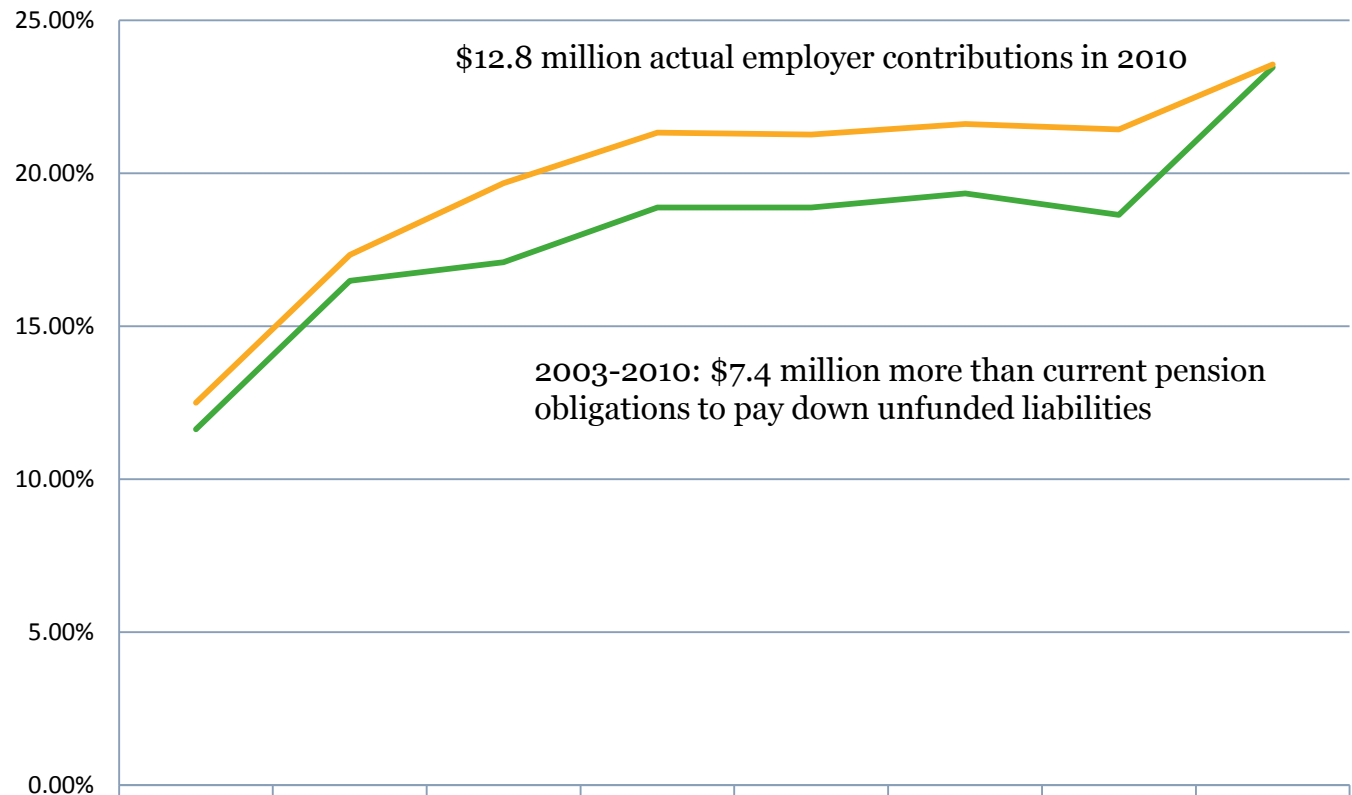


Funded Ratio: Actuarial Value of Assets 2003-2010



Pension Costs vs Employer Contributions, 2003-2010

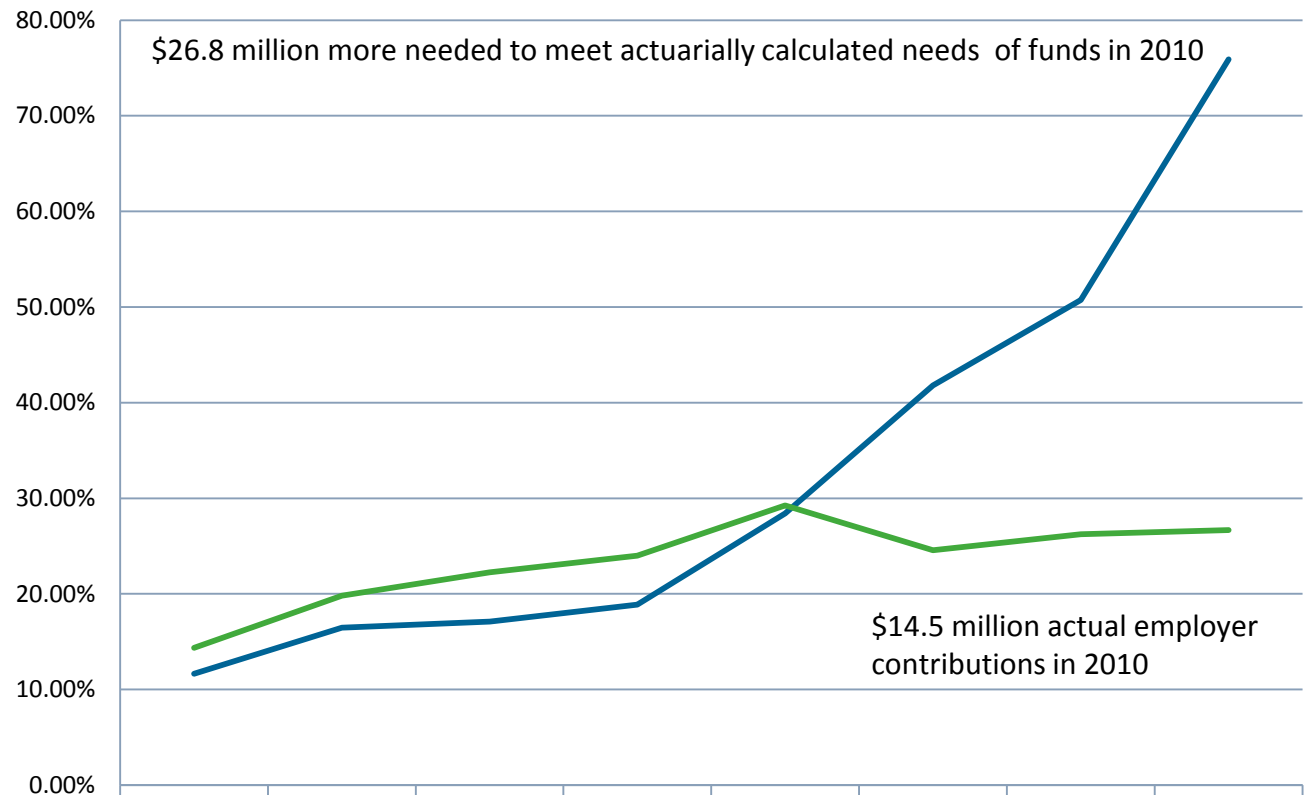
City of Peoria Three Pension Funds Combined



APC as a % of Payroll	11.63%	16.48%	17.09%	18.88%	18.88%	19.34%	18.64%	23.46%
Contributions Made as a % of Payroll	12.50%	17.33%	19.67%	21.32%	21.26%	21.61%	21.43%	23.55%

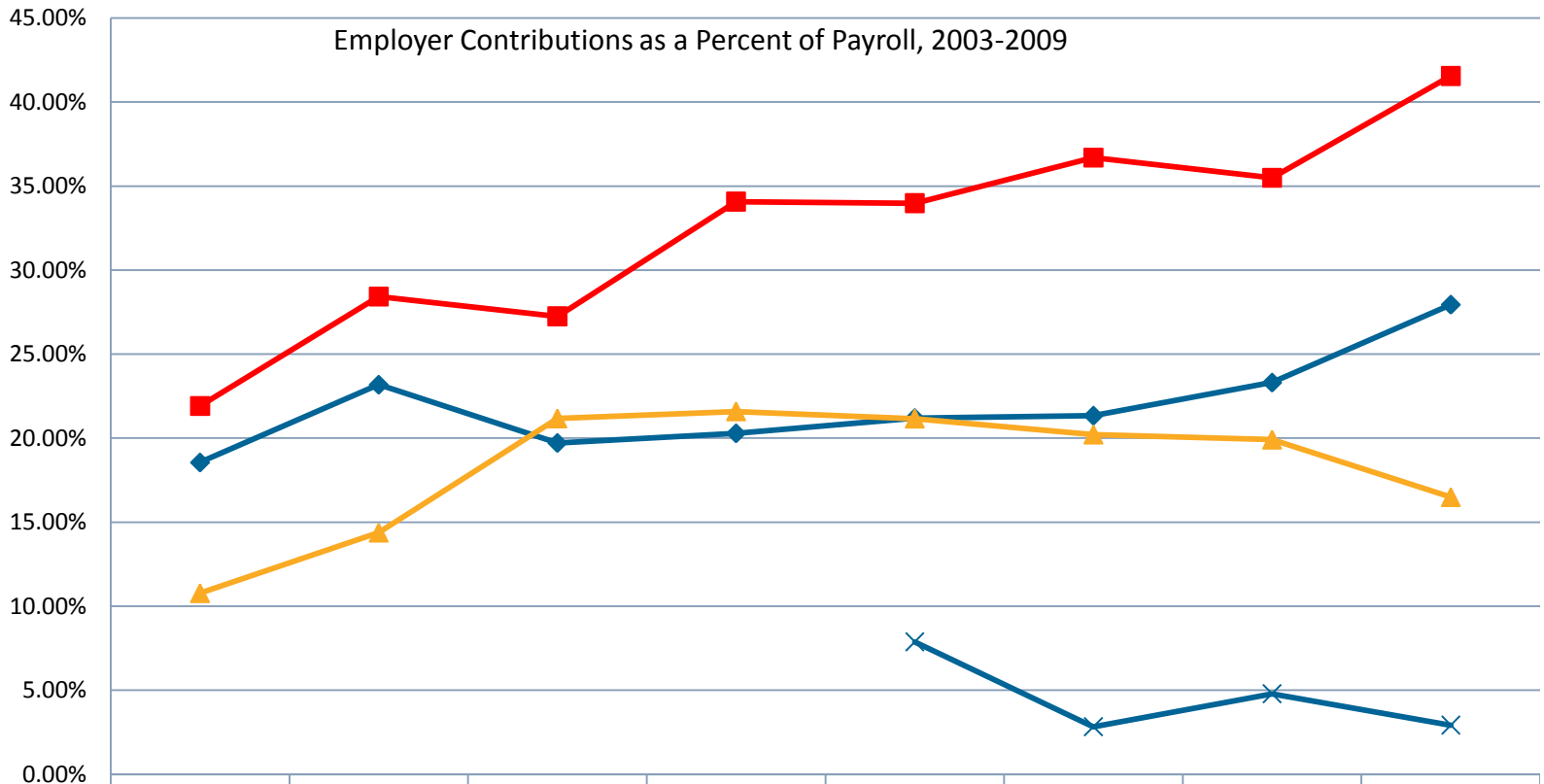
Pension Costs, OPEB Obligation vs. Employer Contributions, 2003-2010

City of Peoria Three Pension Funds/ Health Plan Combined



APC as a % of Payroll	11.63%	16.48%	17.09%	18.88%	28.42%	41.81%	50.73%	75.91%
Contributions Made as a % of Payroll	14.36%	19.81%	22.27%	24.01%	29.26%	24.57%	26.23%	26.66%

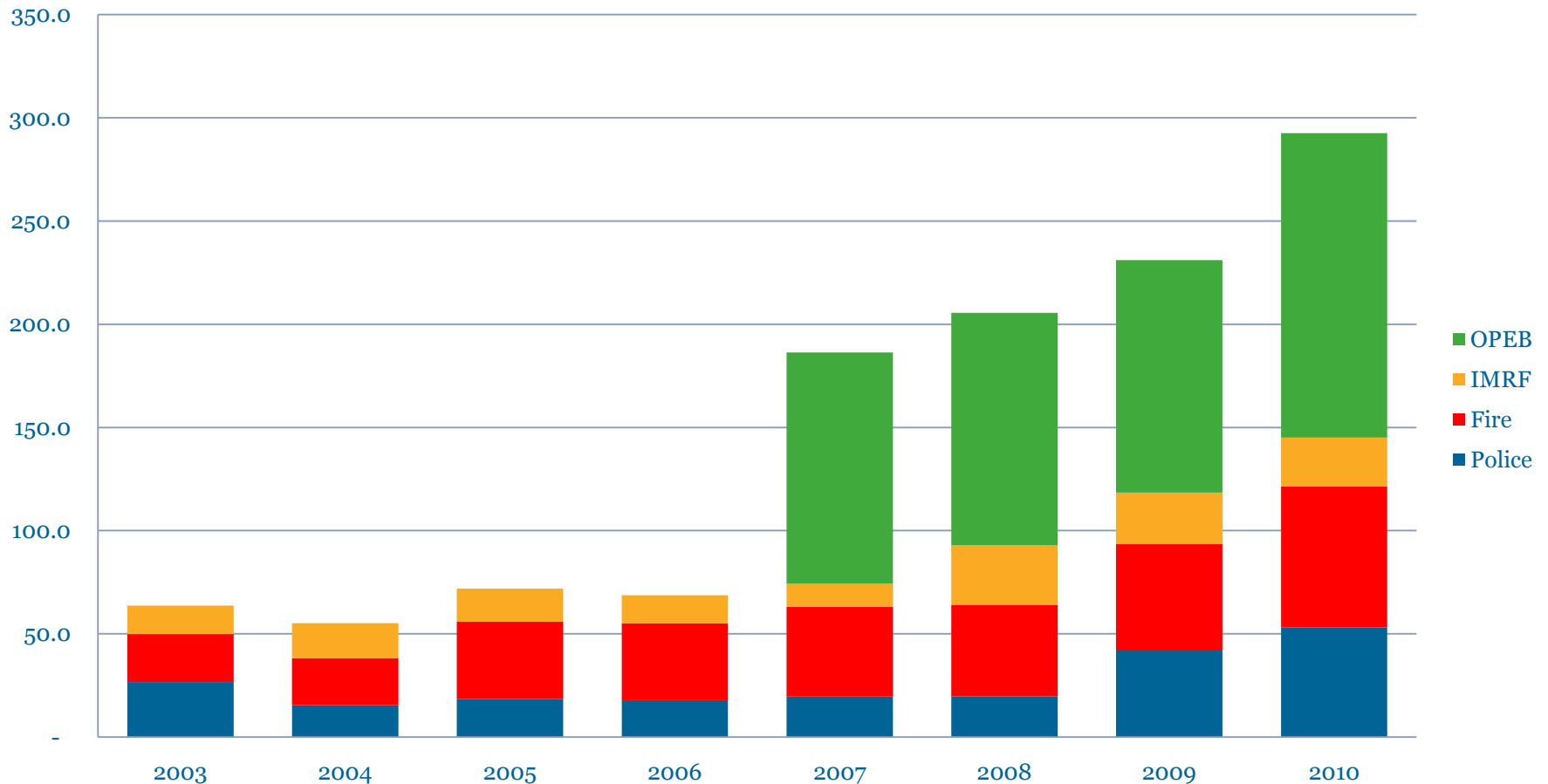
Employer Pension Contributions as a Percent of Payroll, 2003-2010



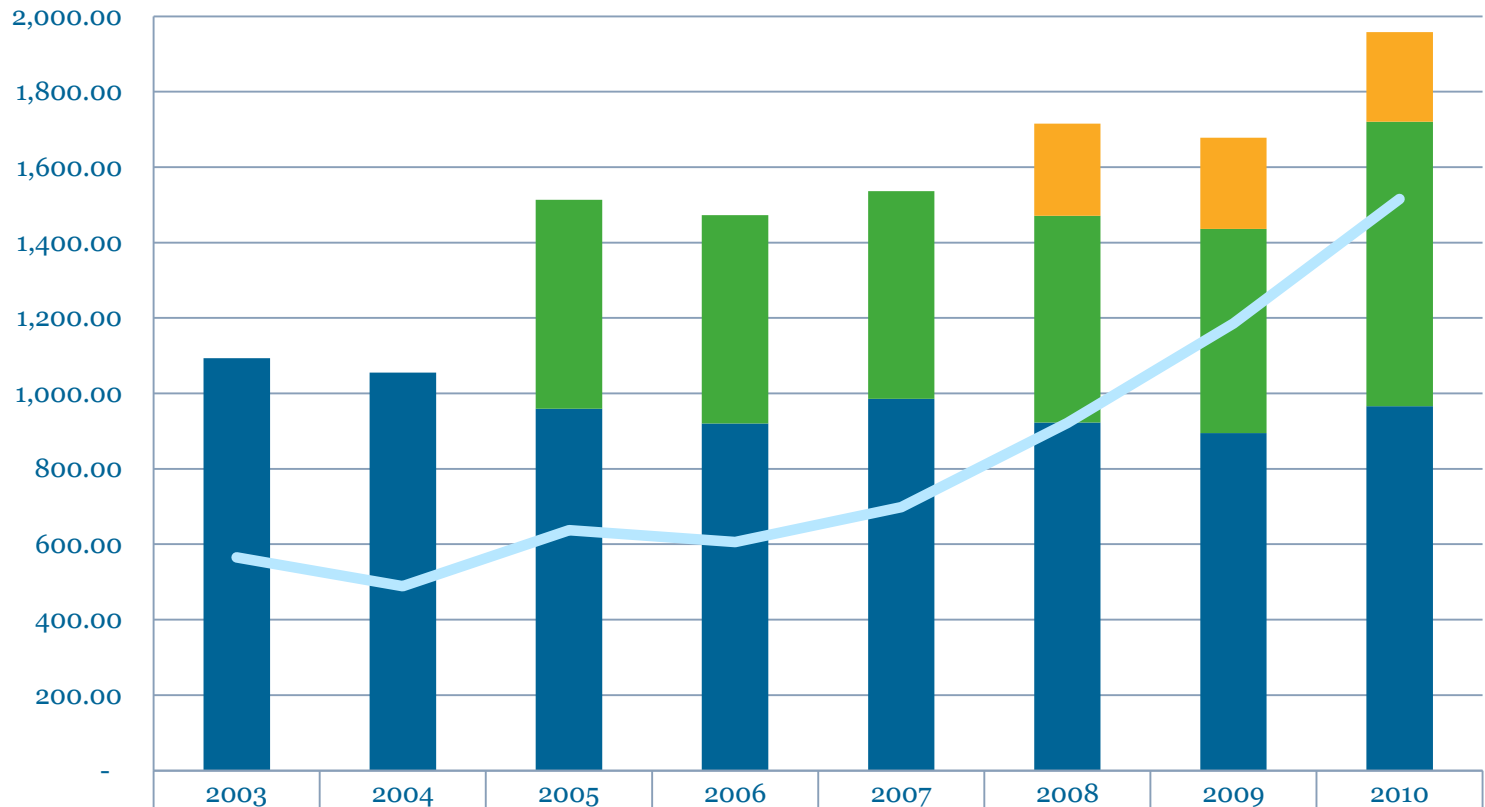
	2003	2004	2005	2006	2007	2008	2009	2010
Police	18.56%	23.18%	19.72%	20.29%	21.20%	21.34%	23.31%	27.95%
Fire	21.92%	28.43%	27.25%	34.08%	33.98%	36.69%	35.49%	41.55%
IMRF/ Soc Sec	10.78%	14.38%	21.17%	21.59%	21.16%	20.21%	19.91%	16.49%
OPEB					7.88%	2.83%	4.79%	2.92%

Unfunded Actuarial Accrued Liabilities

City of Peoria Pensions and Other Post Employment Benefits, 2003-2010



Bonded Debt, UAAL per Capita 2003-2010



	2003	2004	2005	2006	2007	2008	2009	2010
Library GO Debt						245.18	242.38	238.25
Civic Center GO Debt			554.41	552.13	550.49	548.20	541.08	754.00
Bonded GO Debt	1,093.36	1,055.39	959.45	920.52	986.06	922.45	894.90	966.21
UAAL	565.36	488.87	637.68	605.59	698.62	921.88	1,185.87	1,515.71

Initial 2012 Budget Assumptions

Expenses

- Wages
 - Represented: 4.75%
 - Unrepresented 3.5%
- Contractual Services 2.5%
- Supplies 1.5%
- Healthcare 10.0%

Revenues

- Property Taxes 0.9%
- Sales Taxes 2.65%
- Income Taxes 1.0%
- MFT 1.0%
- Utility Taxes 1.0%
- Gambling 0.5%
- Fees/Charges 2.3%

Anticipated Deficit of \$9.6 million – \$6.0 million structural, \$3.6 million cyclical

State Income Tax reductions would increase deficit

Organizational Alignment

- New Realities
 - Peoria must become financially self sufficient
 - Peoria will continue to face increased service demands
 - Peoria must refocus our Mission, Responsibilities, and Services
- Finalize Strategic Planning Process
- Financial Transparency/Financial Policy Review
- Define Core Services: Internally and Externally
- Restructure Organization for Sustainable Future

