

Proposed 2012 Operating Budget

October 17, 2011



Local Economy: Recovery Continues

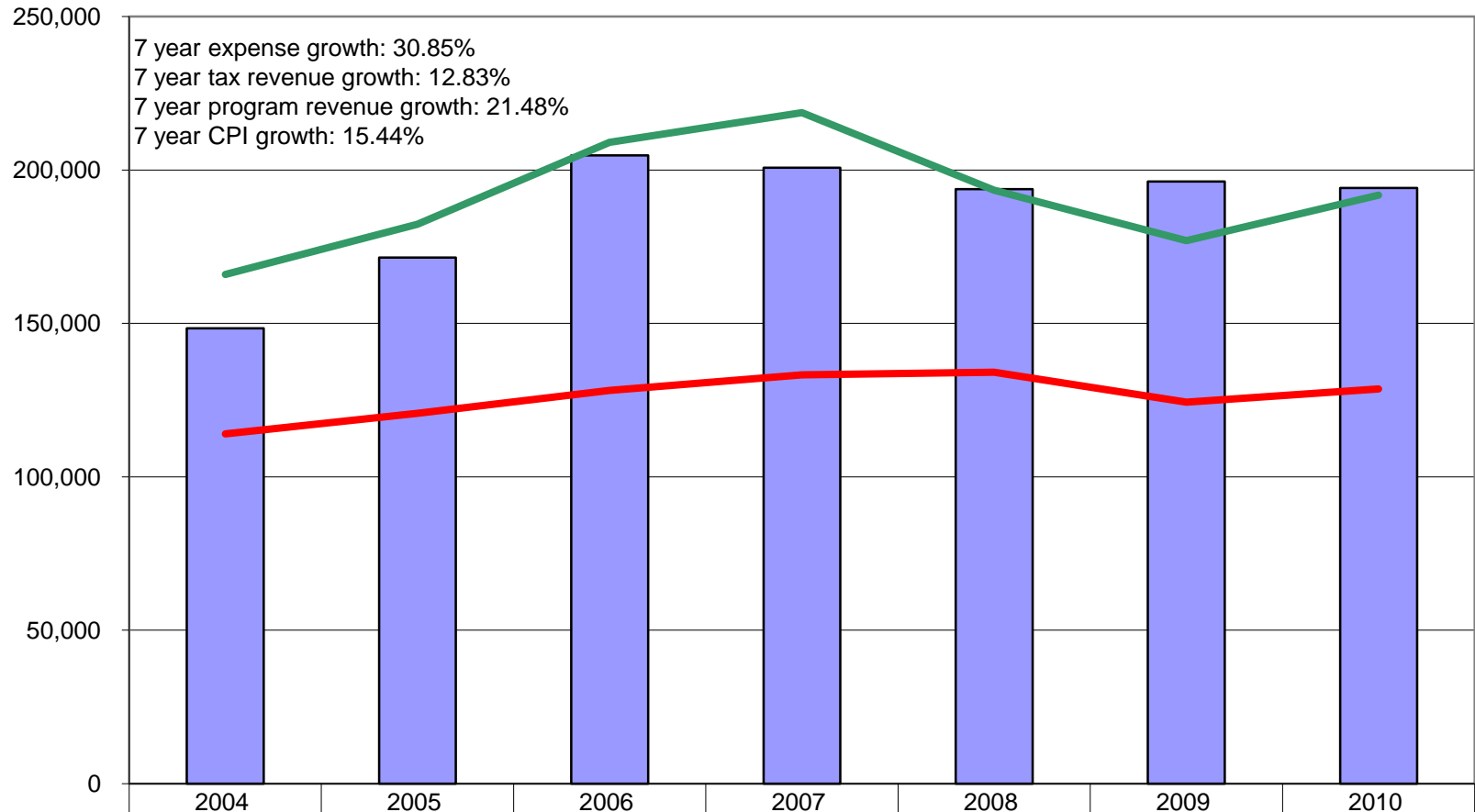
Peoria MSA Summary Index (100 = First Quarter 2000)



Source: Bradley University Center for Business and Economic Research, SCOPE Report Q2 2011

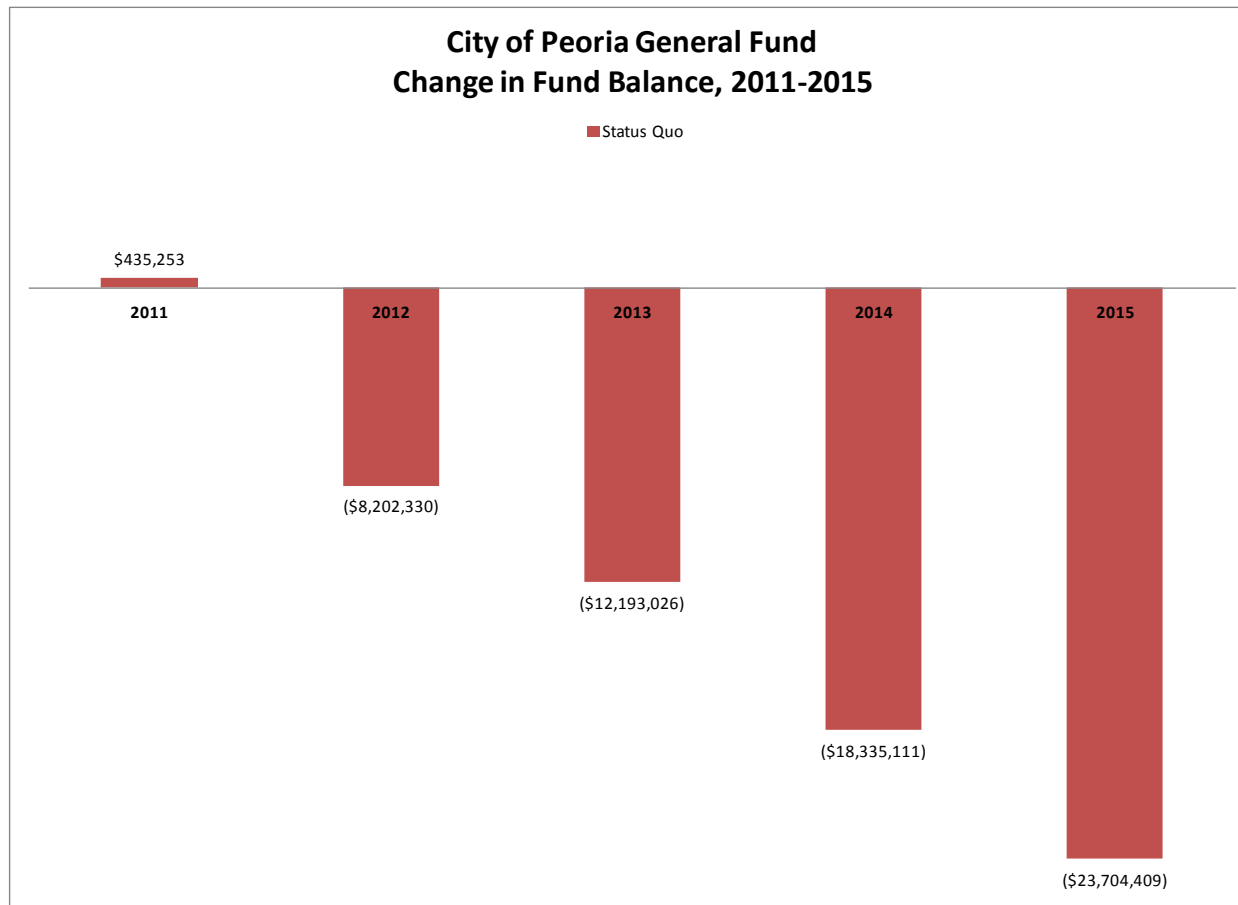
Expense Growth Outpacing Revenue Growth

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



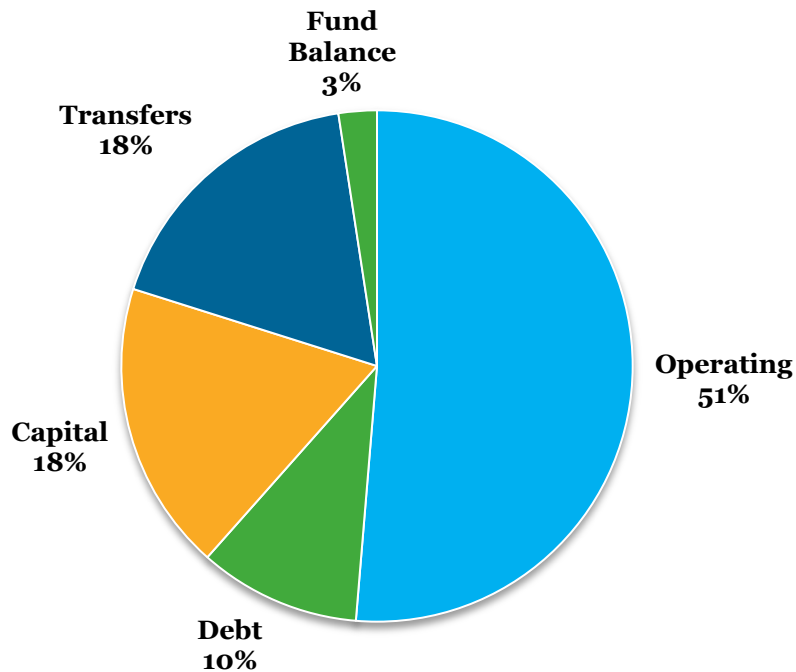
Total Expenses	148,373	171,436	204,759	200,704	193,773	196,192	194,146
Program Revenues	51,966	61,665	80,896	85,421	59,368	52,642	63,129
Tax Revenues	114,003	120,644	128,127	133,242	134,058	124,288	128,635

Status Quo Budget: Unsustainable

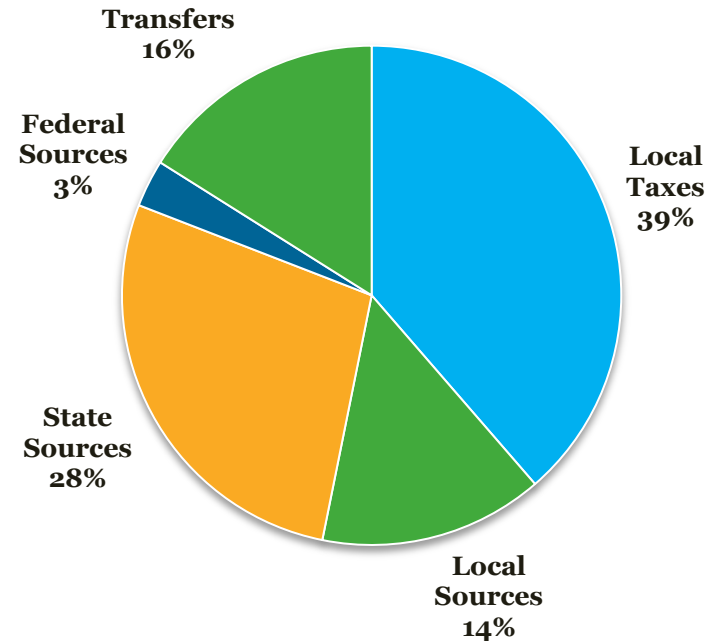


2012 Proposed Budget Sources and Uses \$223,556,339

Operating and Capital Budget

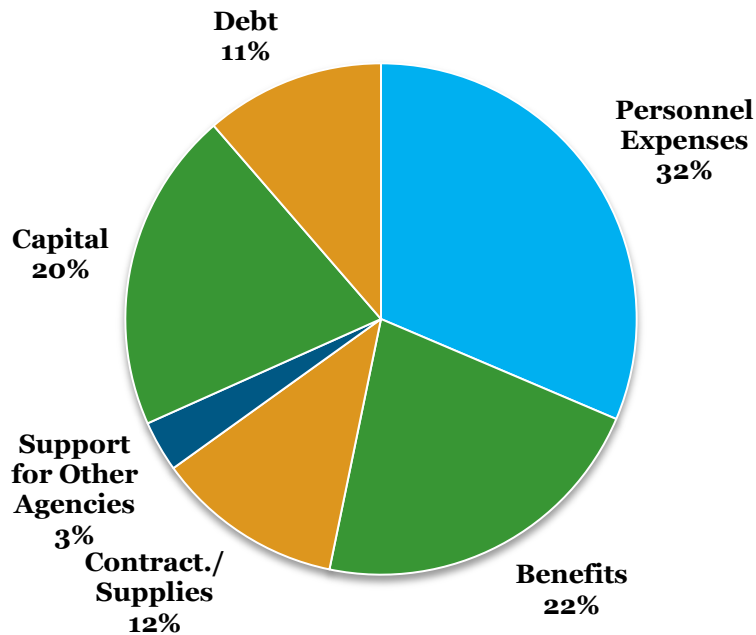


By Funding Source

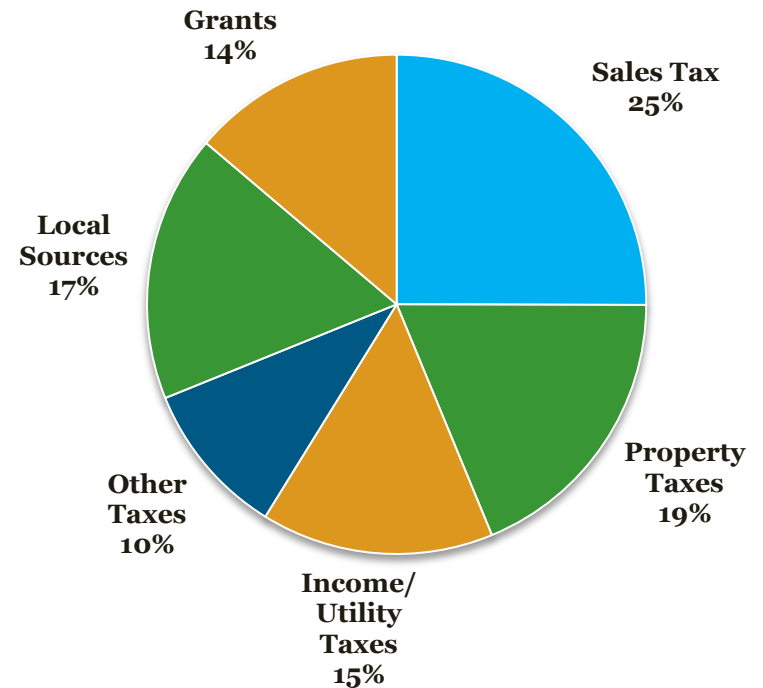


2012 Proposed Budget

Expense \$182,731,148



Revenue \$187,640,993



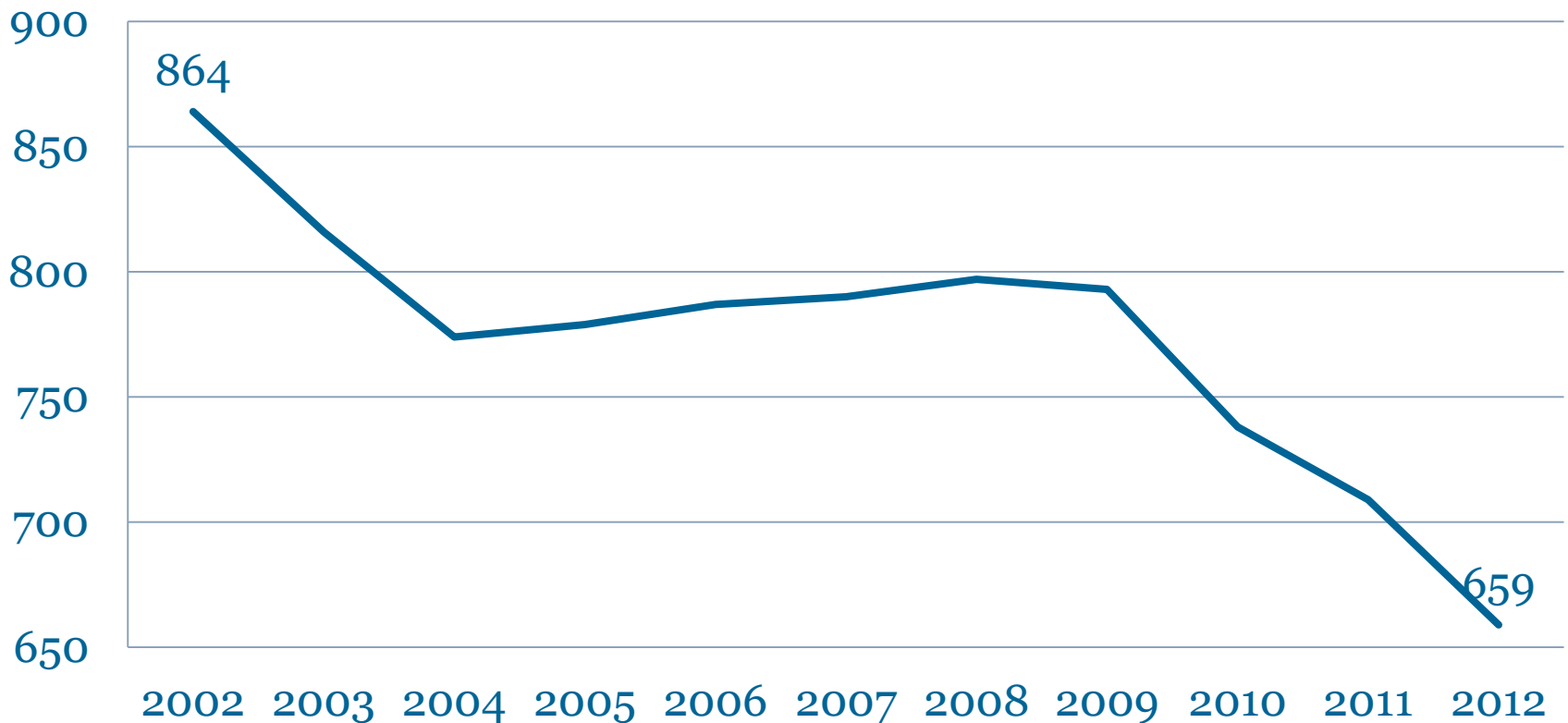
Budget: Recommendations

Structural Operating Deficit

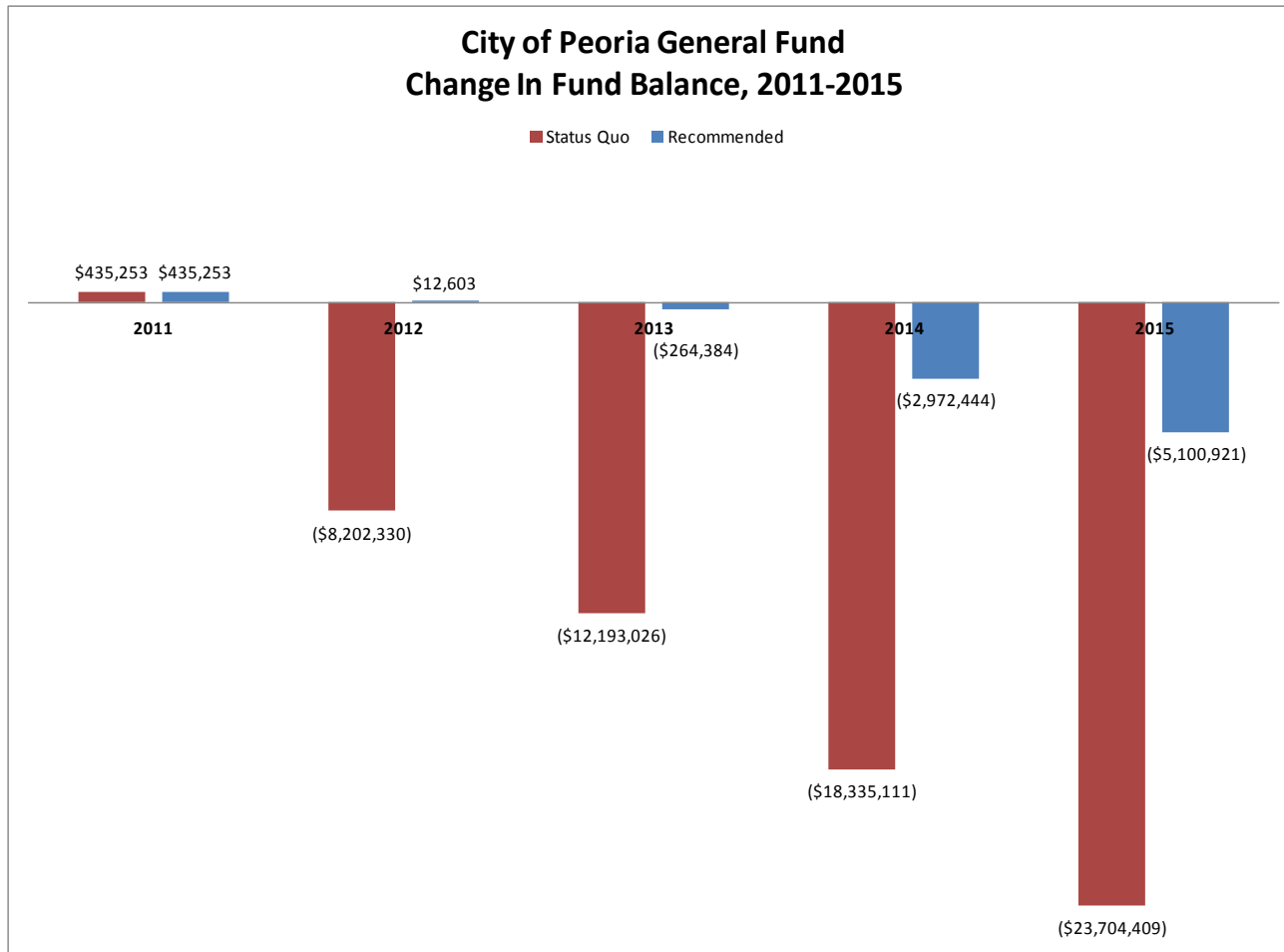
- Reduction In Force: 52 net reduction, \$5.0 million less of Salaries and Benefits
- ERI: Window Open 11/1/11 – 11/1/12
- Restructuring Options
 - New Reporting relationships
 - Managed Competition
 - Shared Services with County

Employee Base Continues to Shrink

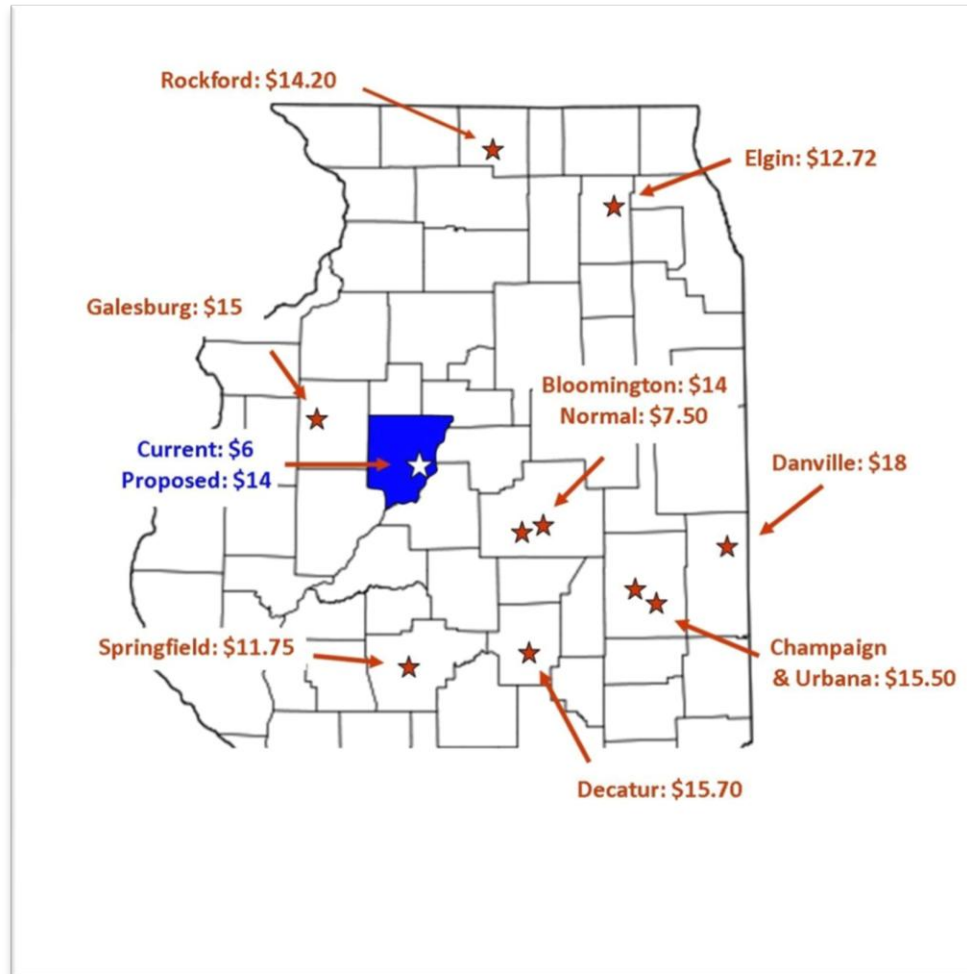
Approved FTE



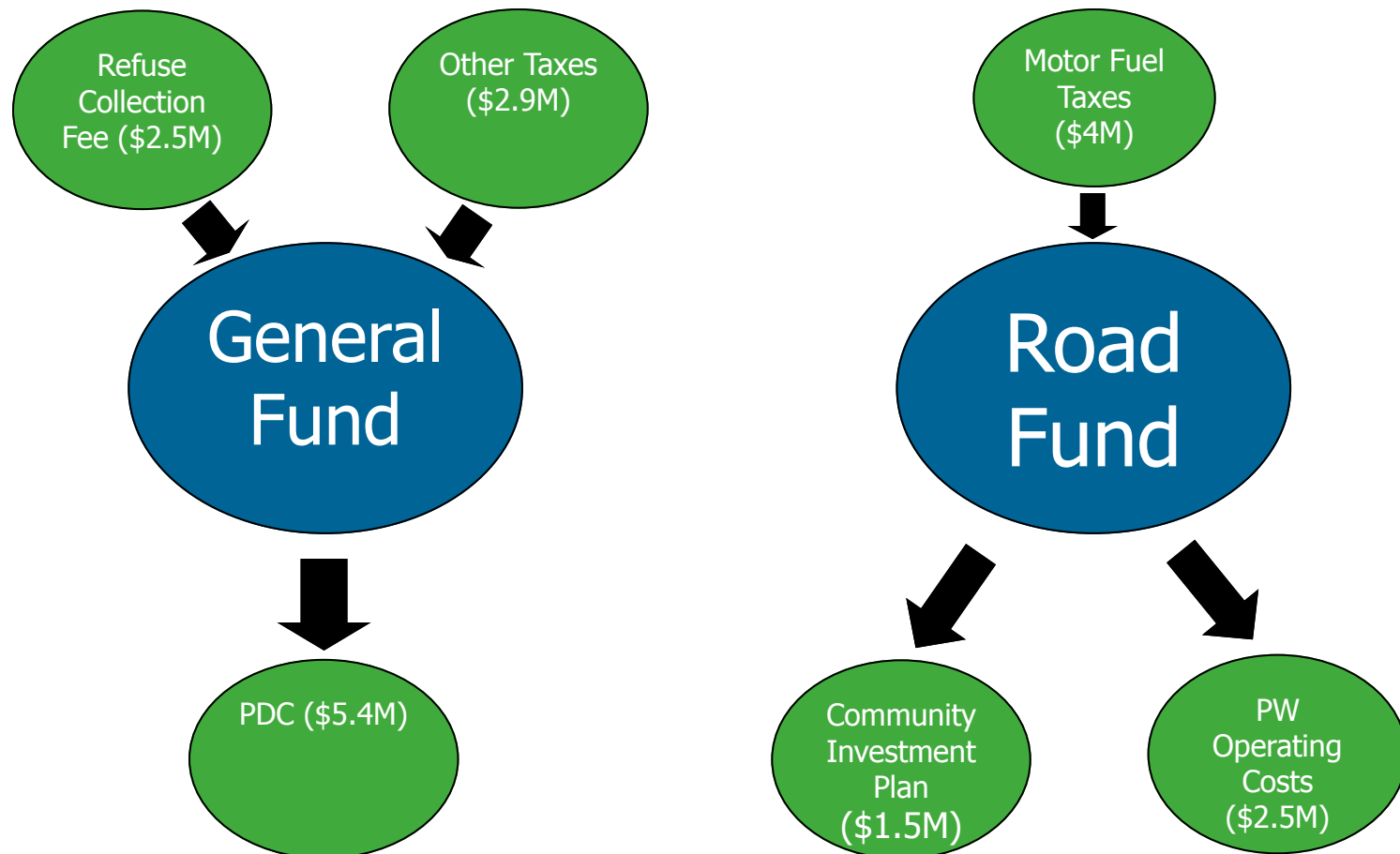
Moving To Financial Sustainability



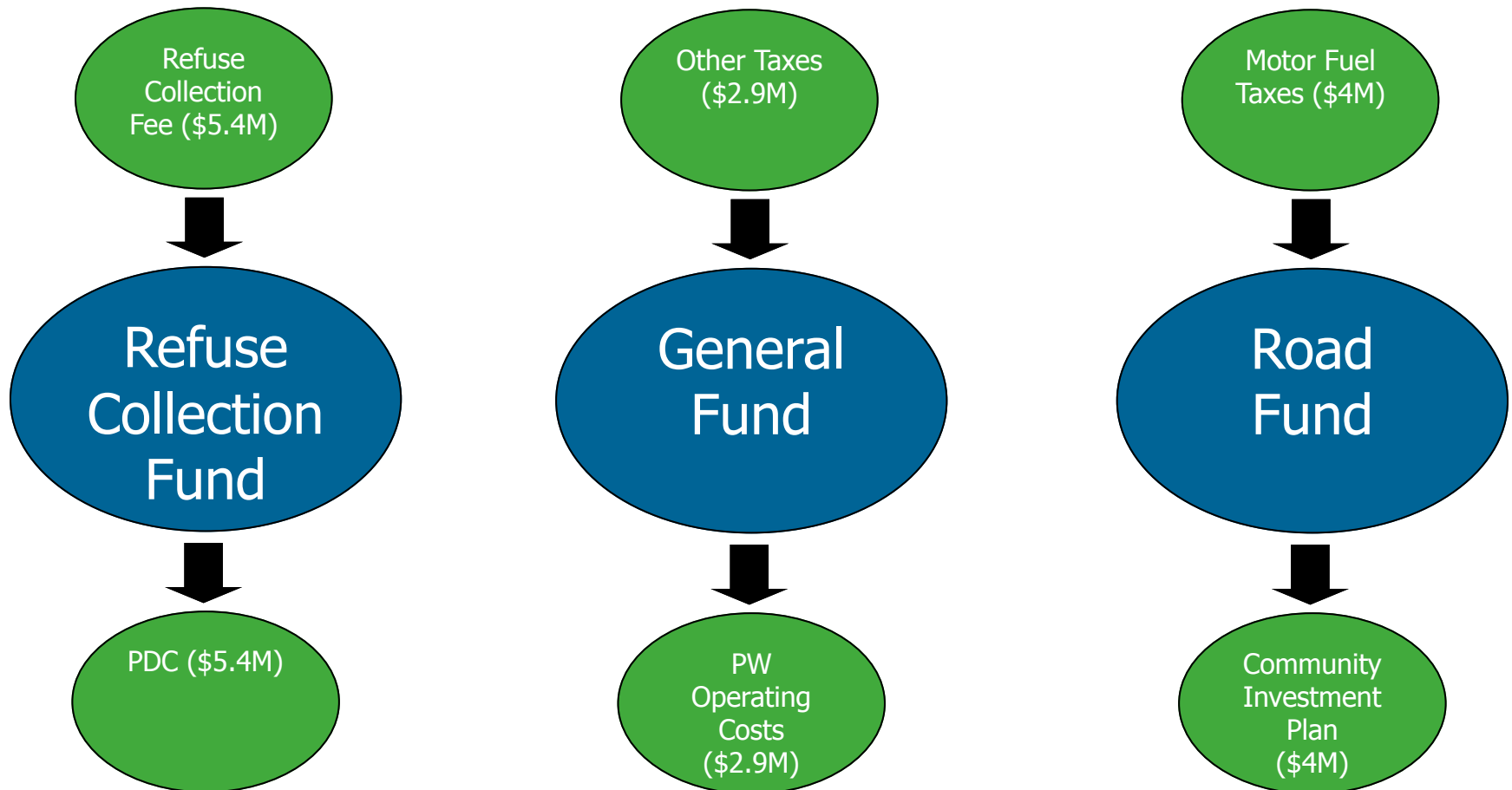
Refuse Collection Fees Across Illinois



Current Refuse/ Road Funding



Proposed Refuse/ Road Funding



Arterial Street Overlay Program

- \$42 million backlog for upgrading primary and minor arterial streets
- Recommendation to transfer operating costs back to General Fund
- Increase investment in roads by \$17 million over 5 years



Budget: Limited Resources, Maximum Benefit

Operating Budget

- Address the Structural Deficit through RIF/ ERI Strategy
- Curtail growth in healthcare, other benefits
- **Significant operational impacts**

Capital Budget

- Live within our Means
- Reinvest in the City
- Maximize Impact with Limited Resources

Organizational Alignment

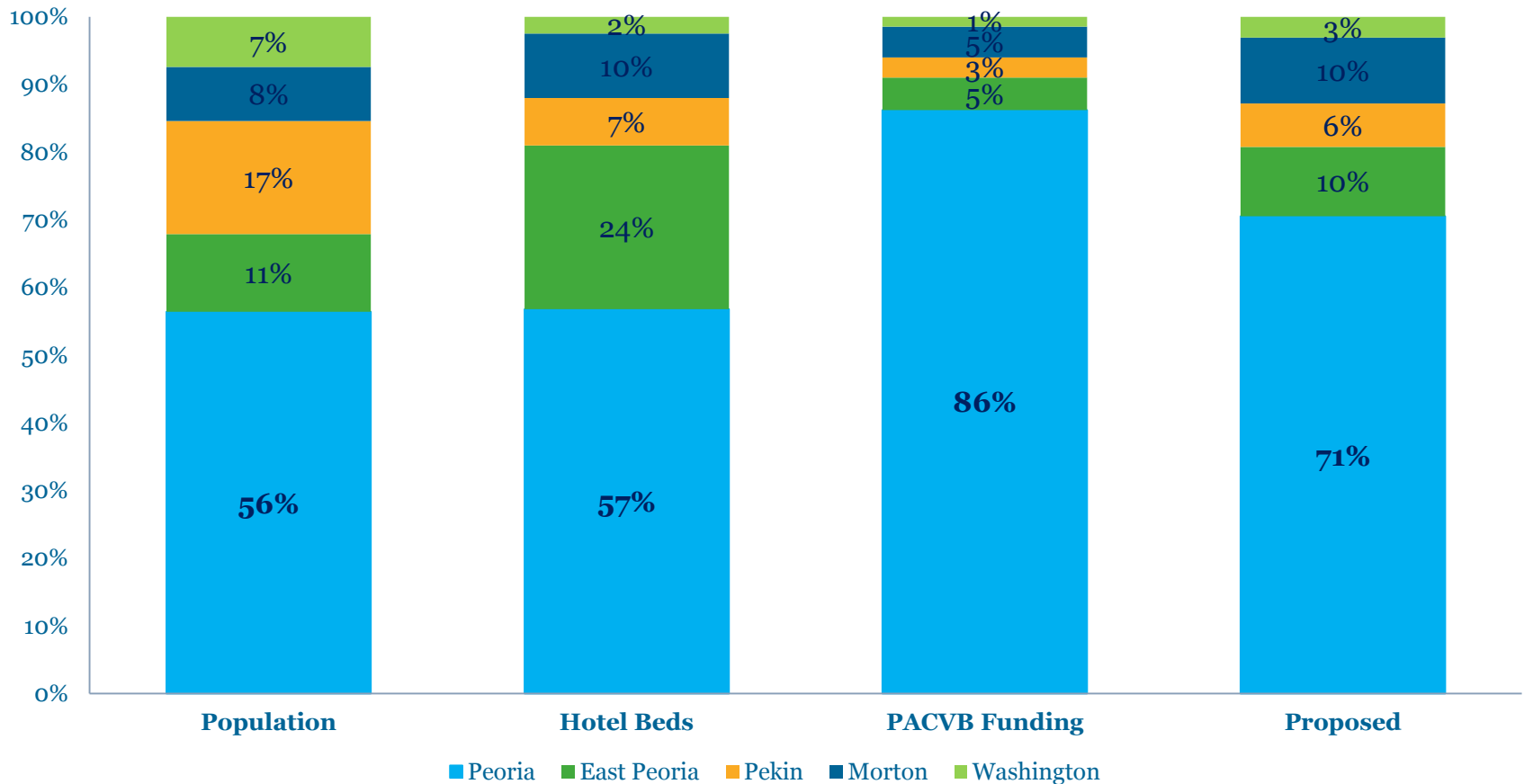
Budget Aligns with Strategic Plan:

- Shared Services with Peoria County
- Code Enforcement Performance and Direction
- City Services Priority and Plan
- City Economic Development Framework
- Early Retirement Program
- Financial Policies: Update
- Healthcare Cost Reduction Strategy
- City Structure Reorganization: Completion

Restructuring Recommendations

- Information Systems: Shared Services w/ County
- Community Development Department:
 - Merge Planning, Inspections, Economic Development into 1 Department
- Managed Competition:
 - Engineering/ Building Inspections
- Parking Services – Consolidation
- Reporting Relationships:
 - EEO, Assistant City Manager
- Business Process Reengineering

PACVB Funding



Additional Considerations

- Pere Marquette Hotel Project: No Additional Debt Service Costs in 2012
- Additional Revenue: 2% Package Liquor Tax - \$700,000
- More flexible and realistic labor contracts