

## 2012 State of the City

January 25, 2012

Good afternoon everyone. It's wonderful to see such a nice crowd today. Please join me in thanking the Chamber of Commerce, as well as this year's business sponsors, PSA-Dewberry and RLI, for making this event possible. Be sure to check out the information at your table about the exciting renovation project happening at RLI. Yes, there IS another big company whose corporate headquarters is in Peoria, and they ARE re-investing in our community without any public funds – and, they've engaged local design talent from Dewberry and the Mangieri companies to do the work. What a great example of local companies collaborating to help build Peoria's economy in very challenging times. More on RLI, Dewberry and a few others in a few minutes. First things first.

Before beginning this year's address, I would like to recognize several groups and individuals in the audience today. Please hold your applause and we will thank everyone at once at the end. Please recognize:

- My peers on the City Council. I am proud to serve with these leaders who give of their time and talent to make our city a better place to live, work and have fun. Also, other elected officials from the City, our Clerk, Treasurer, Township Supervisor and Assessor.
- Next, our City Manager Patrick Ulrich and his staff, many whom are with us this afternoon. We consider ourselves extremely fortunate to have kept Patrick and his family here in Peoria and for the City to be the beneficiary of his considerable administrative talents.
- Our elected friends from Peoria County, and Administrator Lori Luther. Special thanks to Chairman Tom O'Neil who has done a great job in helping us build a bridge between city and county.
- Welcome to other local and state elected officials from our school districts and other units of government.
- And a special thanks to the local area Mayors who have worked hard to make our region stronger. Mayors Manier, Durflinger, Barra, Mingus, Dillon and Allen.
- I'd also like to thank our local educators and their CEO's. We are extremely fortunate to have Bradley University, Illinois Central College, University of Illinois Springfield, U of I College of Medicine, Midstate, Robert Morris, Eureka, and Nursing Schools at St. Francis and Methodist in our area.
- Speaking of Education, the strides we've made in recognizing the importance of a strong educational foundation in our City would not be possible without our Education Liaison, Dr. Bill Collier. Bill has given literally hundreds of volunteer hours to establish effective working relationships between area educators and policy makers.
- And, finally, to the Board Members and Executive Director of Peoria Promise, who we'll hear more about in a few minutes.

**Please give all of these folks a nice round of applause in thanks for their hard work in our community.**

From both my personal and the city's perspectives, I'm glad 2011 is history. It was another challenging year at City Hall – as it was for many of you – but overall the accomplishments were more numerous than the setbacks. In an extremely demanding environment, Peoria leaders in business, government and all walks of life are striving to develop local solutions to the challenges we face. This attitude of "Progress Through Adversity" has helped define our community during the historic worldwide economic challenges of the past several years, and has subsequently made us stronger and more efficient. It's easy to get caught up in the negative headlines you see every day, but the optimism, creativity and determination our business and civic leaders have demonstrated has had impressive results. Ladies and gentlemen, "the state of our city is Strong".

For example, if you're not aware, check out these rankings and recognitions that we –meaning the city of Peoria --earned in 2011.

- **"Best Performing Cities"**, Peoria jumped **19 spots** from 2010 and ranked **68<sup>th</sup>** on the list of the top 200 largest cities in the nation according to the Milken Institute's annual survey. **We received the highest ranking in all of Illinois.**
- The Peoria MSA jumped 38 spots to **#27** on New Geography's list of **"Best Midsize Cities for Job Growth in 2011"**.
- Peoria is rated in the top 10 (**#8**) cities in the country for **"best credit scores"** by Experian
- Peoria ranks **71** among the top 200 **"Best Places for Business and Careers"** according to Forbes Magazine, up from number 86 in 2010.
- Peoria was named in the **Top 10 employment gainers in the Midwest** by USA Today

These are certainly great honors, achieved as the result of focus and prioritization, followed by the successful accomplishment of many initiatives – the highlights of which I will focus on today.

At the top of the list for accomplishments last year was the hiring of our new City Manager, Patrick Ulrich. After 10 years at the County, Patrick is no stranger to the issues and politics on the city side. His passion for Peoria and his resolve to approach issues head-on with logic and keen business sense made him a huge catch for the City. The Council and I are eager to continue his plans to reorganize our departmental structure to realize further efficiency.

Immediately after his appointment, the Manager and the Council engaged in a series of strategic planning sessions. These sessions resulted in 5 Objectives for the council and manager to focus on:

1. **Smart Population Growth:** *Individuals and families making a choice to live in Peoria*
2. **Financially Sound City Government:** *Resources to support Municipal Services*
3. **Grow Business:** *Business finding Peoria a desirable place to locate and expand*
4. **Responsive Efficient city organization:** *Services delivered in a responsible, accountable manner with results*

5. **Lively Downtown/Warehouse District:** *24/7 urban destination with residents and businesses.*

With these prioritized objectives in place, the Council tackled another tough budget for 2012.

As we continued the analysis and community discussion necessary to determine how to best go through the downsizing process, we analyzed our 'core services.' Strategic Planner Tim Cunningham from Caterpillar chaired a committee to help us identify and rank those core services in order to develop a plan to deliver these services most appropriately. Subsequently, the "PASS FORWARD" group chaired by Doug Crew – with support from the Institute for Principled Leadership at Bradley and a strong and dedicated group of volunteers – looked at areas of potential duplication, consolidation or other opportunities for efficiencies at different levels of local government.

I was extremely impressed when this group presented its recommendations in 3 specific areas; Economic Development, Information Technology and Public Works. The group provided twenty-two recommendations, ranging from specific to broad and from simple to complex. The most promising highlights include shared services between the city and county in the areas of information systems and economic development. I want to thank all those who participated in these important exercises, while also reminding everyone that we have a long way to go and more help will be requested. I know I can count on people in this room and the community at large to respond again.

Bringing our services in line with our expected revenues and "living within our means" has not been easy. Through an early retirement incentive program and modification to some departments, our workforce was reduced again in 2011. The original plan was a reduction in force of about 52, which translates into a \$5 million dollar reduction in salaries and benefits. The early retirement was quite successful and only about 15 actual layoffs occurred. Since 2002, we've reduced our workforce by nearly 25%, from 864 to 659 FTE's.

By charging for garbage collection, recycling and lawn waste as a stand-alone service like most other communities do, we will put over \$17 million dollars into local road maintenance over the next 5 years. We accomplished a balanced budget again without raising property taxes. In 1989 our tax rate was \$2.70 per \$100 assessed valuation. We have reduced that rate every year since and held the rate at about \$1.28 for the last 15 years. These moves have been necessary and helpful, but while our local elected leaders have gutted up to make and implement tough choices, unfortunately I can't say the same of some elected officials in Springfield. I generally prefer to have these annual talks focus on the positives, but this issue is so important I feel I must touch on it.

There is a train bearing down on Peoria and all other Illinois cities, and it is called Pensions and Post Employment Benefits. As you may know, the pension costs the city is liable for are not determined in our contract negotiations – they're handed out by Springfield without regard to the burden it places on city budgets. Our annual contributions for Pensions and Other Post Employment Benefits have grown \$11.2 million dollars from 2004 to 2012, a 144% increase. As you've heard, Peoria is continuing to decisively act to reduce and control costs, explore more public-private partnership opportunities and creatively partner with other units of government – and these moves are helping us align with our Strategic Plan and move toward financial sustainability.

Let me be perfectly clear to the legislators in our state's Capitol - the cities of Illinois can no longer absorb the perks and other commitments that you've made on our behalf. It is unconscionable that such extravagances are agreed to by people with no obligation to deliver them. I'd like to thank Representatives Keith Sommers and Mike Unes who were the only two of our local state officials that

voted against taking money from our share of the Personal Property Replacement Tax last year. State Senators and Representatives, once again I challenge you to refrain from balancing your budget by taking dollars that are designated for the cities populated by those who elect you. Another attempt will likely be made to come after these dollars and it is vital to our economic survival that you reject any attempts to misappropriate our dollars again.

On a side note, may I recommend that our legislators offer to support a casino in Cook County only in exchange for 2<sup>nd</sup> Amendment rights for the entire state? It's time we were on equal ground with the other 49 states in that regard.

My friends, some things have to change if we're going to survive. The Police and Fire Pension Boards have built in 6% and 5% annual wage increases, respectively, over the next **20 years** into their calculations to determine the city's required pension contribution. This is unsustainable for even the most fiscally healthy communities. During the last 10 years, median household income in Peoria grew by 20.4%. During that same period of time, the average wage and benefits for City employees grew by 41.8%. I have no intention of downplaying the vitally-important contribution of these great employees – I'm just being realistic. In 2012, four of the city's labor contracts will be renegotiated. We will work closely with our collective bargaining units to make them more flexible and realistic.

Shifting back to our community, you may recall that last year I encouraged Sheriff McCoy and Chief Settingsgaard to lead the discussion of a potential combined county-city police force, with an eye toward efficiently improving public safety. Acknowledging considerable logistical and contractual obstacles, I proposed a target of achieving this consolidation within 5 years. I'm happy to report that recently the Chief and Sheriff, along with our City Manager and County Administrator, attended a conference on law enforcement mergers and consolidations which was held in Chicago. The conference featured speakers from many locations across the country, sharing the experiences of their jurisdictions relative to varying forms of metro or county-wide law enforcement initiatives. Armed with their learnings from this conference, next steps will be additional study followed by site visits to learn from those who have gone down this road and what their successes and failures were.

One of the most significant steps coming in the near future will be the formation of a working group comprised primarily of members of the Peoria Police Department and Sheriff's Office, who will perform the bulk of the research and data gathering as we go forward. This will be the most substantial piece of the puzzle and I appreciate their hard work to date.

Despite the budget challenges I've noted, we experienced several areas of success.

The Police Department had many positives, and areas where more work is needed.

- ✓ A COPS grant helped the City maintain our Police workforce and, as a result, 2011 saw a 7% reduction in violent crime, primarily attributable to a 10% drop in aggravated assaults.
- ✓ Although the local media apparently missed it, we also achieved a 30% drop in homicides in 2011. Our goal is always zero but we need to acknowledge improvement when justified.
- ✓ The Police Department continued its strong partnership with Carl Cannon's ELITE group and once again we experienced a full year of large scale special events without an incident of mob violence.

While the number of homicides dropped last year, in August Peoria experienced the tragic death of 8 year old Albert Billups who was the victim of a drive-by shooting while he slept in his bed. His death prompted the formation of a special police unit that worked tirelessly through the summer and early fall to search for his killer. Albert's killer has not been identified yet but this case helped shed light on the activity of multiple career criminals operating in Peoria. I am proud to announce that in 2012, the Peoria Police Department and the Peoria County Sheriff's Office will join forces with the U.S. Attorney's Office, Peoria County State's Attorney and other significant state and federal law enforcement personnel to form a full time task force whose mission will be to target the most violent of criminal offenders in our community and bring them to justice. The task force will place a laser-like focus in a coordinated effort to drastically reduce gun crimes in our city.

While law enforcement does their part, we as private citizens and businesses in our community will have a role to play in this effort as well. Soon, we will be announcing a community-wide engagement based on a Department of Justice-backed program to help us reduce shootings in Peoria. The initiative will begin with a "Peoria Reads"-type community event involving David Kennedy's book titled "Don't Shoot". You'll see his impressive bio on the screen. We're attempting to get Mr. Kennedy involved in our project. Local media and social agencies are helping with the project, and I'm asking for your commitment to participate in the program as well. We all need to take ownership and be a part of making our community safer. Look for more information on the "Don't Shoot" project very soon.

In other city departments,

- ✓ The Peoria Fire Department was successful in receiving a SAFER grant for \$1.2 million dollars to maintain our current staffing levels and assure our citizens that we have the capabilities to respond within critical safety timelines
- ✓ Our ongoing relationship with AMT continues to benefit both the City and AMT. We will begin placing our 2<sup>nd</sup> ALS Engine Company in service this year thanks to that relationship. Our citizens are the beneficiaries of having ALS paramedics first on the scene of a medical emergency. AMT will train and assist nine more firefighters to achieve paramedic status and improve the fire department's advanced life support response. The strategic relationship that has developed over the years would not be possible without the support of AMT Executive Director Andrew Rand and the AMT Board.

In our Inspections Department,

- ✓ A strong effort will be made to increase accountability for landlords and tenants. In 2012, the city will begin to introduce new tools for landlords and tenants to improve Peoria neighborhoods. The city will present landlord training sessions with topics such as how to follow city ordinances, how to screen for good tenants, the importance of having a good lease, and how to properly follow a legal eviction process. In addition, the city has developed a recommended lease and handbook to assist landlords and to create a more universal lease model throughout the city.
- ✓ On the building side, building permit fees surpassed \$1 million dollars last year for the first time since 2008, a strong indication that our local economy is on the upswing and people are investing in Peoria. We are hopeful that trend will continue in 2012.

2011 was a busy year for our Public Works department too,

- ✓ It seems like years ago but Public Works did a great job handling the big snow event in early February 2010. Notable road projects include the completion of Northmoor Road between Knoxville and Sheridan, major improvements to the intersection of Glen and University, , Phase 1 engineering in the improvements to Washington Street, developing plans for Allen Road improvements, improving sidewalks and curb ramps in the Glen Oak and Harrison impact zones and much needed design work for road projects at Hickory Grove and Allen Road and the Alta-Radnor intersection, just to name a few.

I could go on at length but suffice to say, our city of Peoria employees have a lot on their plates and are doing a tremendous job and, similar to what you are doing on the private side, they're working more efficiently with less manpower to get their work done effectively and professionally.

Time is growing short so I'll give some rapid-fire considerations for all of us to think about as we leave today;

- ✓ Tough decisions and hard work have set the stage for us to realize success when the Peoria Riverfront Museum opens to the public later this year.
- ✓ Like so many things in our community, the Museum and Caterpillar Visitors Center would not be possible without the strong financial and corporate support from Caterpillar, Inc. I cannot imagine where this community would be if it weren't for the presence of Caterpillar. In addition to great jobs, they put big bucks back into our community. On behalf of our entire region, thank you to Doug Oberhelman and Team Caterpillar for the exceptional example of a good corporate citizen they make to the world by giving strong support to the communities where they do business.
- ✓ The Pere Marquette Marriott and Marriott Courtyard, another example of public-private partnerships –**WILL HAPPEN**. It's been challenging, but Gary Matthews deserves a lot of credit for bringing this project to downtown Peoria. It will finally allow us to capitalize on the investment we made in our Civic Center by upgrading convention facilities several years ago. This project is going to be the catalyst that revives our downtown.
- ✓ We all know the prestige Bradley University brings to Peoria. Bradley concluded their Campaign for a Bradley Renaissance, raising \$161 million, the largest fundraising effort in the University's history. Construction continues on the \$22 million dollar expansion and renovation at Westlake Hall. The \$50 million dollar Renaissance Coliseum on Main Street is nothing short of AWESOME! And the \$13 million dollar Main Street Commons opened to Bradley Students last year. Congratulations to President Glasser and her team at Bradley. The City Council is committed to assist Bradley's continued growth. We don't take the millions of dollars they pump into our community for granted. Our thoughts and prayers continue with President Glasser during her recovery.
- ✓ Congratulations to Dr. Sarah Rusch and UICOMP for opening the Cancer Research Building last month. Another strong example of successful Public-Private Partnerships. We are thankful and fortunate to have Dr. Jasti Rau and his team developing cures for cancer right here in Peoria. That still seems hard to believe so let me repeat it: Dr. Jasti Rau and his team are developing cures for cancer right here in Peoria. Have you thought about how well these Public-Private Partnerships are working in Peoria? The Museum, U of I Cancer Center and Pere Marriott would not be happening without the collaboration. It works.

- ✓ As I mentioned at the start, one of our sponsors today, RLI, is growing too. RLI is announcing a \$14 million dollar multi-year renovation project to make improvements to their Peoria office campus. Founded in 1965, RLI currently has 360 employees in Peoria and 863 employees nationwide. RLI's investment in this project reaffirms their commitment to provide their employees with a world-class working environment, strengthen their local roots and contribute to the economic vitality of Peoria. This \$14 million dollar expansion will create over 100 local design and construction jobs throughout the course of the planning and building renovation process. Thanks again RLI. We're glad you're in Peoria!
- ✓ It would be difficult to complete all of these capital projects without the highly skilled tradespeople we have in the region. Thanks to their hard work we have quality construction by trained professionals and their contribution makes this community better and stronger.
- ✓ Continue to support the hard-work being done by Supt. Grenita Lathan under the direction of the D150 Board. They have a difficult job and need all of our support to be successful. Have you thought about volunteering in one of our schools? They could use your help.
- ✓ On the topic of education, I've been working with a group of Mayors in similar sized communities as Peoria to form an Urban Mayor's Caucus. We're going to work together to influence legislation to help us improve our urban public school districts. More information about the Mayor's Caucus will be coming out soon.
- ✓ Look for more good things coming from the Quest Charter Schools. Their expansion into Columbia is good for the Charter initiative, good for that neighborhood and good for Peoria education opportunities. Choice works. A big thanks to Peoria County for their financial support of the expansion.
- ✓ Speaking of Educational Opportunities, I hope you will consider supporting – or continuing to support – the Peoria Promise Initiative. Peoria Promise has sent over 1,000 students to college at ICC in just 4 years. This has been possible due to the generosity shown by this community who believe in the power of education. Some of those generous donors are shown on this slide. Remember, Peoria Promise is not a need-based scholarship. Its focus is **economic development** by encouraging more people to live in the city limits so they're able to participate in the program. 80% of ICC graduates stay in this area to live and work upon graduation. Thank you to Dr. Erwin and his team for all of their support. I am excited to announce that the Peoria Promise board is working hard to expand the program in the very near future. The plan would allow Peoria kids that attend private schools to participate in this outstanding education program. Peoria Promise relies 100% on private donations to provide scholarships, which necessitates more fund-raising, but the board is committed to making it happen. I hope you will help us make the expansion possible.
- ✓ Look for more exciting growth at OSF's main campus as the Jumptrading Simulation and Education Center begins coming out of the ground this spring. In addition to adding a state-of-the-art Simulation and education lab to their campus, this \$50 million dollar project will spin off much needed funds to help us revitalize the East Village Growth Cell TIF.
- ✓ I noted Carl Cannon and his ELITE group earlier, but if you haven't been to Trewyn School or heard about what his group is doing there, take some time to learn about it. Or better yet, visit the school in person. It's making a huge difference in the quality of education our kids are



getting, and Carl is hoping to expand his model to other schools in District 150. We are very fortunate to have Carl Cannon and his army in Peoria. Thank you Carl.

- ✓ Spring will be here before you know it, please consider participating in our local litter initiatives. Chairperson Diana Hall and her team are anxious to continue their beautification of our city.

Regardless of whether you live here, work here, play here or all of the above, in some way Peoria's success is critical in your everyday life. Everyone leads extremely busy lives, but **please** place a priority on sharing your time and talents in our community this year. There are so many ways you can volunteer to make Peoria better and more prosperous.

Please give some thought to doing everything you can to make Peoria the finest city in its class in the whole country. Thanks again to everyone for attending today. I hope 2012 brings health, safety and prosperity to you all and I ask God's blessings on us all. Have a great day.