



## REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and Members of the City Council

From: Patrick Urich, City Manager

AGENDA DATE REQUESTED: November 17, 2011

ACTION REQUESTED: REQUEST TO PROVIDE ADDITIONAL INFORMATION AND SEEK DIRECTION REGARDING THE FY2012 CITY OF PEORIA BUDGET AND OTHER MATTERS.

BACKGROUND: The City Manager will provide additional information and seek direction from the City Council on the FY2012 City of Peoria Budget and Other Matters.

FINANCIAL IMPACT: N/A

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: N/A

IMPACT IF DENIED: N/A

ALTERNATIVES: Choose an alternate meeting date or fold budget discussion into a regular meeting.

EEO CERTIFICATION NUMBER: N/A

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Have an efficient government.

CITY CLERK  
PEORIA, ILL.  
2011 NOV 14 P 3:11  
*Myra G. Johnson*

### REQUIRED SIGNATURES

Department Director

*Patrick Urich*  
\_\_\_\_\_  
City Manager

Finance Director

\_\_\_\_\_  
(Certification of Availability of Funds)

Corporation Counsel

*Patrick Urich*  
\_\_\_\_\_

City Manager



## Memorandum

**To:** Mayor Jim Ardis  
Members of the Peoria City Council

**From:** Patrick Urich, City Manager

**Date:** November 17, 2011

**Re:** Report Backs from November 10 and November 15 City Council Meetings

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This report represents the final information that has been requested by the City Council regarding the FY2012 budget (exclusive of any questions related to residential waste hauling). The report will cover the following topics:

#	Topic	Date Requested	Council Member
1	Questions regarding the training budget for Public Works.	November 10	Irving
2	Suggestion regarding usage of the Gateway Building.	November 10	Spears
3	Suggestion regarding landscaping at major commercial centers.	November 10	Spears
4	Total expenses and revenue associated with parking enforcement.	November 15	Spain
5	Options for restoring the Neighborhood Development Specialist and/or covering neighborhood services in other ways.	November 15	Spain Van Auken
6	Possibility of Peoria County Sheriff handling Crime Stoppers.	November 15	Ardis
7	Information on landlord accountability and rental registration.	November 15	Spain

Additionally, staff has included a report on potential revenue that would be generated by a 2% package liquor tax and an updated chart of electricity costs from 2008 – 2011 (YTD).

## **1. Questions regarding the training budget for Public Works.**

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In 2011, the approved Public Works departmental budget included a combined \$22,458 for training. In the preliminary 2012 budget, that amount was \$28,984. The largest contributor to change was in the Streets Division, where an increase in training was needed to meet the OSHA and NIMS efforts for the Department.

It is important to note that Public Works, like all departments, entered their preliminary budget information for all line items – including training – before the reduction in staff was proposed. The City Manager asked the Director of Public Works to review the department's training needs based on the most recent staffing plan. The director believes, based on new staffing levels, that there could be an additional \$7,500 reduction in training.

While each department will need to review training needs (and other employee-dependent cost centers) in light of staffing changes, the budget will remain the same. First, the loss of employees may require a *greater* amount of training to close a knowledge gap. As identified by the Human Resources Director, the key to proper succession planning is identification of critical skill gaps and a plan to remediate those gaps. Second, as staff and Council move through the next year with less staff, different expectations, and reduced or altered services, some flexibility needs to be retained to address unexpected occurrences.

A question was also raised about the Public Work Director's training account being over budget for 2011. It is the established City policy that directors are responsible for managing the department's budget and not necessarily each line item. When preparing budgets in September of one year, it is impossible to predict what might be need by September of the following year. While this individual line item is over budget, the department as a whole is under budget.

## **2. Suggestion regarding usage of the Gateway Building.**

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Councilman Spears had suggested that the Gateway Building could be utilized as a location to sell items produced by local artists and craftsmen. Utilizing the facility in this way could generate revenue from booth rental and sales tax. Staff feels that this could be an excellent use of the building, but needs to be properly coordinated. The building and its grounds already have programming scheduled for this next year, including related events such as the Peoria Art Guild's annual Art Fair and other festivals that include the sale of such items. Additionally, the ballroom and meeting rooms have scheduled events, and given the recently announced closing of the Hotel Pere Marquette, the building may be more booked than normal.

The use of the Gateway Building to serve as a venue for local artists should also be coordinated with other riverfront planning so as to maximize success. For example, the Peoria Riverfront Association's outdoor farmers' market (held each Saturday morning in the summer) includes local arts and crafts. Businesses along Water Street have also created weekly events that feature local artists. The Central Illinois Artists Association (CIAO) has also organized a monthly art show in downtown Peoria.

The City contracts with the Peoria Park District to manage the Gateway Building and riverfront activities. As part of that contract, the "Riverfront Programming and Policy Advisory Committee" was formed to help guide the planning of activities. With Council concurrence, the City Manager will charge this organization with investigating possibilities for better and expanded use of the Gateway Building that would take into account the larger needs of the Riverfront.

Additionally, Mayor Ardis mentioned that the opening of the nearby Peoria Riverfront Museum and Caterpillar Experience may increase interest in the Gateway Building. The facility has technically been for sale for the past few years, but staff will place increased emphasis on marketing and will investigate the use of a local real estate agent.

### 3. Suggestion regarding landscaping at major commercial centers.

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Councilman Spears asked if the City could create a program that incentivized major commercial centers in Peoria to improve the landscaping around their properties. Greater visual appeal may increase traffic and sales, and result in greater sales taxes for the City.

Councilman Spears' initial suggestion was to create an incentive based around property taxes. Under this scenario, commercial property owners would be rebated 2% of the property taxes that are collected on behalf of the City. Staff investigated the property taxes paid in 2011 (based on 2010 assessment) for a number of shopping areas. The table below shows the City portion of those taxes as well as what 2% would equal:

Shopping Center	City Property Tax 2010	Rebate at 2%
Campustown	\$13,803	\$276
Evergreen Square	\$71,203	\$1,424
Glen Hollow	\$90,833	\$1,817
Metro Center	\$34,227	\$685
Northpoint	\$31,634	\$633
Northwoods Mall	\$167,119	\$3,342
Sheridan Village	\$54,877	\$1,098
Shoppes at Grand Prairie	\$180,791	\$3,616
Sterling Bazaar	\$35,267	\$705
Wardcliff Shopping Center	\$8,757	\$175
West Lake Shopping Center	\$10,196	\$204
<b>Total</b>	<b>\$698,707</b>	<b>\$13,975</b>

For some of these centers, a 2% rebate may be too small to provide for a proper incentive. Another option would be to create a pool of funds utilizing unspent Façade Improvement Program budgets. This could be used as matching funds (potentially 50-50) to reduce cost to property owners. Project maximums could be scaled based on the size of the property.

Since this project does not directly tie into the FY2012 budget and landscaping work is not often performed over the winter months, staff can investigate this further in December 2011 and January 2012, bringing forward a recommendation to Council by the end of February 2012. Staff will need to determine which properties would qualify for the program, individual project budget maximums, and other program elements.

#### **4. Total expenses and revenue associated with parking enforcement.**

The following analysis demonstrates the cost versus revenue on an annual basis for parking enforcement activities in the Police Department (estimated for the year 2011).

##### Operational Costs

The City currently employs five Parking Enforcement Officers. The combined salary and benefits for all five positions in 2011 is \$348,580. Also considered must be the other non-personnel costs associated with the operation, including: Vehicle expense (depreciation/gas/maintenance); Uniforms, Radios. The analysis also includes a separate number for the cost of supervision based upon the percentage of time that the combination Traffic Unit/Parking Enforcement sergeant commits to the program (1/2 time). This cost for the sergeant position however does not represent a true potential savings if the Parking Enforcement were eliminated since the Traffic Unit alone would still require the assignment of the sergeant. This analysis does not include any expenses related to the collection or adjudication of cases/fines. The total approximate cost for the program is:

Salaries/benefits (5 P.E. officers)	\$ 348,580
Vehicle/Gas/Maint. Costs	\$ 22,500 (4,500 x 5)
Uniforms/Equipment/Supplies	\$ 5,500 (1,100 x 5)
<b>Total Cost w/o Sergeant Cost</b>	<b>\$ 376,580</b>

<u>Salary/benefits (50% 1.0 Sergeant)</u>	<u>\$ 73,458</u>
<b>Total Cost including Sergeant Cost</b>	<b>\$ 450,038</b>

##### Revenues

To calculate approximate total revenue for 2011, the total actual revenue year-to-date was pro-rated for the remainder of the year. The analysis also discounted this total revenue by the percentage of the total number of parking citations issued by Parking Enforcement Officers (79%).

Total of all parking revenue citywide	\$434,969
<u>% of all citations issued by P.E.</u>	<u>79%</u>
<b>Total P.E. Officer Revenue</b>	<b>\$343,625</b>

##### Summary

The Parking Enforcement program within the Police Department operates at an estimated deficit of \$32,955. If all Parking Enforcement positions were eliminated, the overall savings to the City would be just under \$33,000 per year. If the cost of supervision is included in the calculation, the deficit would be about \$106,000, but as noted above, the assigned sergeant would still be needed for the Traffic Unit and Special Events.

##### **Cost vs. Revenue w/o Supervision Expense:**

Total P.E. Officer Revenue	\$ 343,625
<u>Total Cost</u>	<u>\$ 376,580</u>
<b>Operational Deficit</b>	<b>\$ 32,955</b>

##### **Cost vs. Revenue Incl. Supervision Expense:**

Total P.E. Officer Revenue	\$ 343,625
<u>Total Cost</u>	<u>\$ 451,580</u>
<b>Operational Deficit</b>	<b>\$ 107,955</b>

As was discussed with Council on November 15, parking enforcement is not simply a revenue issue. Proper parking enforcement helps ensure that individuals with disabilities have proper parking opportunities; increase safety by preventing people from parking in fire lanes, in front of fire hydrants,