

Living Within Our Means

As we move into the budget season, there is a lot in the news about how local governments have weathered the economic downturn. Many Valley cities have been forced to lay off workers, mandate furlough days for employees, and cut city services to make up for the loss of revenue. There are a number of factors that have led to these decisions in other cities, but with good financial planning and conservative fiscal policies, the city of Peoria has survived the recession well. We are beginning to realize the benefits of the good decisions that have been made.

The main goal of City Council and staff during these tough times was to preserve key services and minimize the impact to Peoria residents. I am happy to report that we have done both. When we realized the the economy was taking a turn for the worst, our city staff sat down to revise revenue projections and make mid-year budget cuts that would allow the city to minimize the need for using reserve funds. From that point, we have continued to monitor revenues and make good financial decisions for Peoria.

Through a series of early retirements and evaluating open positions, we were able to reduce the number of staff members to a manageable level without laying off one employee or requiring furlough days for those employees who remained with Peoria. Additionally, we were able to defer raising water and wastewater rates for two years, in order to minimize the impact to residents and businesses in Peoria.

Our staff has been instrumental in securing federal funding through grants and close out funds for a number of important projects. Our ability to secure these funds was based largely on having projects ready to begin and matching funds available. In FY2012, our grants funding amounted to \$1.8 million, and we are on track to receive similar numbers in FY2013.

However, there are some things out of our control. The State is still dealing with large budget problems, and we expect that their need to balance a budget will have some negative effects on state shared revenue. We continue to work with our legislators to find solutions which will not place the burden on local governments.

With the dedication of an outstanding city staff, we have continued smart budgeting without sacrificing the services that our residents desire. We are cautiously optimistic that our economy is on the mend, so when the economy does rebound, the city of Peoria will be ready and able to meet the needs of developers and businesses looking to locate here.