

Beth Akeson's Response to a Voter Concerned about Peoria's Financial State.

Peoria has grown to have a physical footprint of almost 50 square miles with a population of 115,000 people. To put these numbers in perspective the city of Paris, France has a footprint of 40 square miles with a population of 2.2 million. Previous city councils and our current city council have made decisions based on the concept that we could grow the city into prosperity.

This strategy might have worked if we had done a better job of planning and managing the growth, but we have not and so we are faced with many hurdles. The major one being we have significantly fewer people living in the city paying city taxes than we did in 1970 and many more families are living below the poverty level.

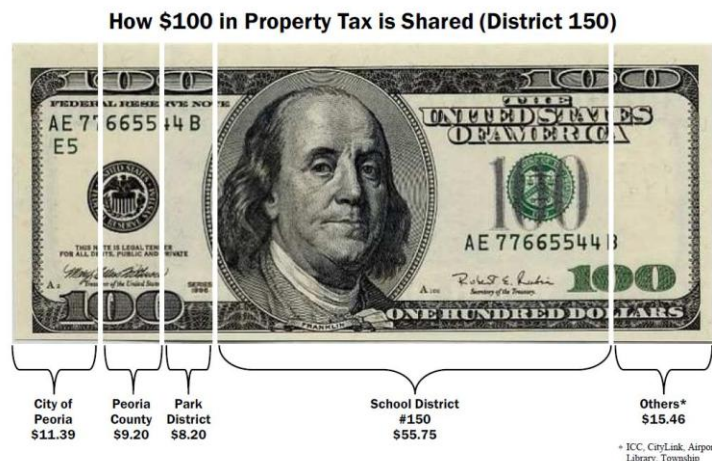
When cities believe any growth is good growth and do not factor in the long term cost of maintaining the resulting sprawl they find themselves facing obligations without the necessary revenue. The 2011 budget revenue projection is \$165.8 million and the projected expenses are \$179.3. We have a **structural deficit** of close to 14 million dollars. The city's long term debt is between 256-270 million dollars.

We have significant problems. We have been unable to properly maintain our infrastructure (the roads, sidewalks, curbs gutters, sewers ,street trees, etc) and provide the services we all expect (Police, Fire, Code Enforcement, Planning) because we have just physically gotten too big without the necessary population and commercial growth.

Additionally, the City Council's strategy for years has been to financially support big city projects believing they would stimulate an increase in population and commercial revenue. This has not panned out. We are now saddled with yearly debt service of 19.5 million dollars for the many obligation bonds-and to make matters worse some are tied to TIF districts-which delay the capture of higher taxes for well over twenty years. Next year the debt service is projected to be 24.5 million per year when the city bonds out for the proposed hotel project.

My observation is that leadership lost focus of what attracts people and business to a community. People want to live in a place with decent neighborhoods, good schools and a general feeling of safety. They want plentiful job opportunities and amenities for leisure activity-and they want it to be affordable.

So now to answer your question: Where do I stand on cutting spending and reducing property taxes? Here is a visual of your tax dollar:



The majority of the tax collected goes to District 150 or to the Dunlap school system depending on where you live. The city of Peoria gets 11.3 cents of every tax dollar. You can see where the rest of the money goes.

To quote a city official we are in “uncharted waters” and I can appreciate how difficult this year has been for the administration and staff. The current economic climate has inhibited business growth, individual incomes and property values. There are no guarantees that it will get better any time soon. Our city staffing numbers are at record lows and our city obligations are at record highs. Balancing the city budget will be more difficult in 2012 and beyond if we do not see an increase in revenues and a drastic curtailment of spending.

The structural deficit will not be resolved until the city secures a long term compromise with the various bargaining units regarding their employment contracts. Additionally, the city council’s willingness to incur more bond debt regardless of staff recommendation or realistic project performance must stop. We need to transition to program budgeting which would make departments more accountable, provide greater transparency and allow us to measure spending decisions against our goals.

I do not want to see taxes/fees/or fines increase. They will increase unless we immediately reduce spending, work to shrink our debt and in the long term focus on growing our city’s tax base. We can get this accomplished through diligent city planning, economic development and collaborative efforts with our amenity partners -schools, parks, libraries, civic center.

When elected, I will work strenuously to get Peoria’s financial house in order by working with my fellow council members on a long range strategy coupled with the necessary city policy.

Sincerely,
Beth Akeson
Peoria City Council At-Large Candidate 2011