2020 COVID-19 Budget Restructuring

SCENARIOS REVIEW, FURTHER GUIDANCE FROM COUNCIL, AND A TIMELINE OF ACTION

MAY 12, 2020
Year-on-year change in diners  Source: OpenTable

Texas  New York  Georgia  Florida  California  United States

https://www.calculatedriskblog.com/
Hotel Occupancy Rate by Week of Year (4 week moving average)

- Blue is Median Occupancy Rate ('00 - '18)
- 2009
- Median (2000-2018)
- 2020
- 2019

Source: STR, HotelNewsNow.com

http://www.calculatedriskblog.com/
## Hotel, Restaurant, Amusement Growth Through April

<table>
<thead>
<tr>
<th>April</th>
<th>2019</th>
<th>2020 YTD</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>$4.3 M</td>
<td>$1.6 M</td>
<td>-62%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>$26.0 M</td>
<td>$18.8 M</td>
<td>-28%</td>
</tr>
<tr>
<td>Amusement</td>
<td>$3.8 M</td>
<td>$2.6 M</td>
<td>-33%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year to Date</th>
<th>2019</th>
<th>2019 YTD</th>
<th>2020 YTD</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>$39.9 M</td>
<td>$12.5 M</td>
<td>$9.3 M</td>
<td>-26%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>$302.1 M</td>
<td>$102.8 M</td>
<td>$91.5 M</td>
<td>-11%</td>
</tr>
<tr>
<td>Amusement</td>
<td>$49.8 M</td>
<td>$18.4 M</td>
<td>$14.7 M</td>
<td>-20%</td>
</tr>
</tbody>
</table>
In Illinois, as of April 19 2020, there were 763K initial and continued unemployment claims.

https://tracker.opportunityinsights.org/
In **Peoria County**, as of May 03 2020, the number of hourly employees in small businesses decreased by **65%** compared to early January 2020.

https://tracker.opportunityinsights.org/
In **Peoria County**, as of April 25 2020, total small business revenue decreased by **37.7%** compared to early January 2020.

https://tracker.opportunityinsights.org/
Significant shortfalls still anticipated across most areas of revenue

- Property: -5%
- Home Rule Sales: -39%
- Hotel Tax: -64%
- Restaurant Tax: -54%
- Sewer/Stormwater: -25%
- Licenses, Permits, Fees: -20%
- State Sales: -39%
- Income: -33%
- Corporate Income: -33%
The scenarios are still very far apart in the anticipated revenue gap

If Peoria’s recovery looks more like the U/W or L shaped models, the City will need to cover an additional $175M to $250M in Revenue shortfalls through 2025.
We will benefit from quick action

WITHOUT ACTION WE PROJECT THAT THE CITY WILL BE BROKE BEFORE THE END OF THE YEAR.

COUNTER MEASURES TAKE TIME: CAPITAL CONTRACTS SPEND MONEY EVERY DAY THEY ARE NOT FORMALLY SHUT DOWN, BORROWING TAKES A FEW MONTHS TO DEVELOP, SELECT, APPROVE AND IMPLEMENT AND THE FULL EFFECT OF LAYOFFS TAKE AROUND FOUR MONTHS TO BEGIN TO SAVE.
Levers of Response

- Revenue
- Borrowing & Savings
- Operations
- Capital
Staff provided 4 scenarios of Operational Cuts for Council to Consider:

$0 / $5 Million / $10 Million / $15 Million

Staff seeks the guidance and direction of Council. Once the direction is given, staff can prepare an adjusted spending plan that takes that guidance, and other Council suggestions into consideration.
Quarterly Reviews will focus on new areas as we progress through the crisis to recovery.