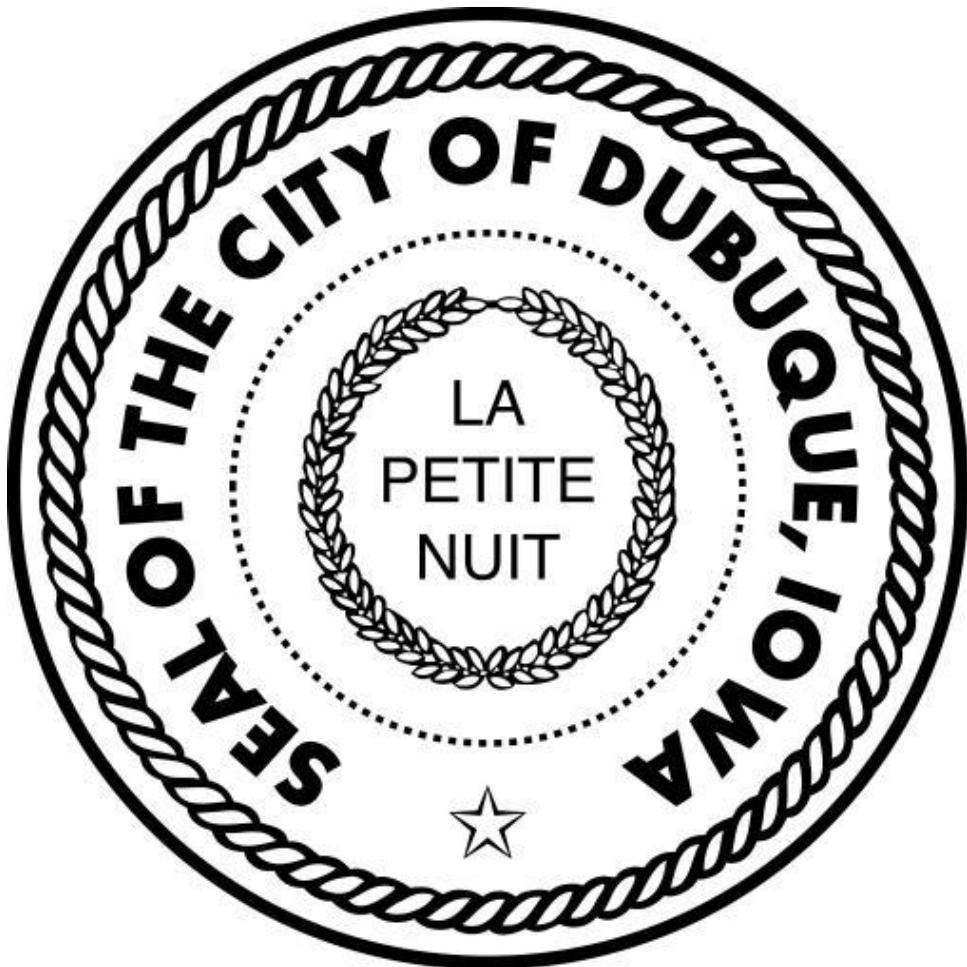


2015 State of the City Address



Mayor Roy D. Buol

Wednesday, April 8, 2015

State of the City 2015

(Please note that a multimedia presentation accompanied these remarks. To view a video of the event, please visit www.cityofdubuque.org/SOTC. To request a DVD copy, call the City of Dubuque Cable TV Division at 563-589-4181.)

- Good afternoon and thank you for joining me for the annual State of the City Address!
- Thank you, Chelsea. And thanks to our Chamber Leadership...Molly Grover, Barry Gentry, their staff, and the Young Professionals of Dubuque for the opportunity to host this annual event during your monthly luncheon in our stunning Hotel Julien!
- The Young Professionals or YPs are united around professional development, networking, and community involvement. And, as we know well, relationships are a powerful retention tool for our community. Established in 2006, the Young Professionals organization has likely grown faster than any organization in the City...beginning with approximately 60 members...and now at over 1,400.
- I also want to recognize a second Chamber program....Leadership Dubuque... which offers hundreds of individuals the opportunity to cultivate community knowledge and develop personal leadership skills. The ultimate goal of this group is to become actively involved in leadership roles in our community and helping to shape its future.
- Engaging our young people, our future leaders, in developing the strategies that will guide our City's future direction is a collective goal...and I hope today's address will reinforce that message.
- Over the past several years, this Hotel Julien has played an important role in the renaissance of downtown Dubuque and tourism. It's one of many success stories, with many more in progress.

- Investments in our downtown and riverfront area were the result of collaboration and partnerships at the local, state, and federal level around the well-known America's River Project.
- The Port of Dubuque ultimately took on a new face and energy with nearly a half billion dollars of public & private investments made in mixed use developments that, today, provide quality employment for hundreds and hundreds of our citizens.
- Going forward, plans for the South Port, a 33 acre site, are under consideration due to the recent Environmental Protection Agency grant of \$200,000 that will assist the City in planning for a “new downtown neighborhood” which...over many years of hard work...will offer expanded Mississippi River Walk access, along with a variety of uses such as commercial, retail, recreational and residential.
- Interest and investment continues today throughout Upper and Lower Main Street and into our Historic Millwork District where Dubuque took on a national profile as an example of how smart cities create resiliency!
- And Dubuque is smart...being recognized by the “Intelligent Community Forum” as one of its 21 smartest cities for 2015...in the world...for our planning efforts to build a prosperous economy, solve social problems and enrich local culture.
- What were the essential decisions over the past two decades that put us on the path to a vibrant renaissance?
- For City government, it involves a commitment to community engagement and a comprehensive budget process to answer the question “What do we want our community to look like, to be like, in 20 years?”
- I believe the progress of the past twenty plus years has demonstrated that Dubuque is one of the best managed cities in America. City management

requires strategic foresight, along with a fiscally responsible, long-term philosophy to keep our city competitive.

- An important aspect of City management is the strategic and principled use of debt. Dubuque's debt, while significant, is the direct result of thoughtfully-planned, long-term investments in community infrastructure...arguably the greatest topic of concern around the nation!
- Although infrastructure is not the most exciting topic to talk about...without it, our daily lives would be very different.
- In Dubuque, we chose NOT to pass along failing infrastructure to the next generation...we chose NOT to leave our Millennials and the iGeneration with an ominous economic and social burden.
- Common sense, along with the financial experts, tells us that the debt assumed in today's economy with its low interest rates is significantly more conservative and prudent than delaying the inevitable... and leaving to "chance" a major failure or disaster, or living with poor air quality, poor water quality, poor streets and highways.
- Debt focused on creating community resilience is "smart."
- Let's be really clear... most of our City's debt is tied to fundamentally necessary infrastructure projects including the Water Resource & Recovery Center which is our wastewater treatment facility; Stormwater Management, most of which is committed to the Bee Branch Watershed Flood Mitigation Project; and Water-related improvements including distribution, updates and expansions.
- The Water Resource & Recovery Center underwent a nearly \$70 million upgrade, completed in 2013. It features methane production and capture, and co-generation to produce electricity and create heat for the operation of the facility.

- Within just a few years, the Center is expected to be electrically self-sufficient and importantly, to save a quarter million dollars in annual energy expenses!
- The Bee Branch Watershed is a 6.5 square mile area of Dubuque where over half of our citizens either live or work.
- Over 100 years ago, the community buried the creek that served that area in an underground culvert, which has proven over time to have inadequate capacity. This area, and its inhabitants, repeatedly experienced significant flooding and needed a long-term solution.
- We considered our options. One was to bury five additional large pipes underground, requiring removal of hundreds of North End homes and businesses, but at two times the cost of the project ultimately decided upon by citizens in the affected area.
- Many information sessions with the area's citizens and businesses ultimately resulted in the decision to "daylight" the Bee Branch Creek.
- This project also will provide floodwater protection to the City's water treatment plant and, over the next 100 years, will PREVENT an estimated \$582 million in damages to private and public property...allowing the area's historic neighborhoods and businesses to be protected and preserved.
- With six presidential disaster declarations in the Bee Branch Watershed since 1999, just consider for a moment how many sleepless nights and repeated heartbreaks this project will prevent for thousands of our citizens...
- Our City's debt program includes additional infrastructure investments throughout our community which are equally necessary to our quality of life.
- High-tech traffic control systems are providing for safe, efficient traffic flow, allowing emergency vehicles to move quickly through intersections to their destination, and ensuring safe pedestrian crossings.

- A robust fiber optic and wireless network keeps our communications up and running during both normal operations and potential crises.
- The City of Dubuque continues to become smarter and more resilient through the use of technology for information, innovation, communication and transportation.
- For as long as I have served on the City Council, completion of the Southwest Arterial has remained the City's #1 transportation priority.
- It is absolutely critical to all current and future Dubuque businesses that the SW Arterial be constructed as an alternate direct route for efficient commercial traffic.
- With a newly completed agreement with the Iowa Department of Transportation, we will see semi traffic driving on the new SW Arterial by the end of 2019, creating a safer, more efficient route for traffic and removing heavy truck traffic from our downtown and residential neighborhoods.
- Moreover, this project has the potential to generate 80 million dollars in property taxes...1.7 billion dollars in economic output, and 650 million dollars in labor income as development occurs in this growth corridor!!
- What about public transit? Using technology and tapping into data has already helped us to develop more efficient JULE public transit routes within Dubuque as well as to offer more nighttime and weekend social and employment options to both the transit-dependent or transit by choice.
- The continuing route restructuring is a function of the Smarter Sustainable Dubuque transportation study being completed in partnership with the IBM Watson Research Center and funded by the Iowa Department of Transportation and the Federal Transit Administration.

- Additionally, our community provides a well-received and important quality- of-life measure through the organization known as “DuRide.”
- DuRide is a local non-profit service that provides a safe and personalized transportation option for seniors who are either unable... or simply do not want to drive any longer.
- Staffed by qualified volunteers, DuRide is a safe and economical way for seniors to maintain their independence and still stay connected with family, friends, appointments and community events.
- Through our Smarter, Sustainable Dubuque Initiative, in partnership with the IBM Watson Research Center, we are expanding efforts to include discards, health and wellness, and additional transit efforts.
- What about clean air? In early 2014, the City was accepted into the Environmental Protection Agency’s PM2 program to reduce our area’s fine particulate air pollution in order to stay in compliance with national standards.
- Our plans to maintain clean air and be smarter about how we use resources is about promoting a healthy living environment for you, your families, and future families...the hallmark of a resilient community.
- The City Council, through your feedback, is responsible for developing a collective vision that drives planning, focuses resources, ensures quality essential services, cultivates partnerships, and invites investment. And... we are responsible for laying the path to achieve the vision.
- Because of the engaged citizens who stepped forward to be our partners, your City government was able to help develop NEIGHBORHOODS that look like this...
- A DOWNTOWN that looks like this...
- A WEST END that has grown to this

- I recall back in 2000, when the City Council heard from citizens about the importance of parks to their family's quality of life.
- We made the decision to invest in city parks to provide environmental, aesthetic and recreation benefits for our citizens, from our youngest to our most senior.
- Since then, parks have proven to enhance property values, attract homebuyers and serve as a magnet for young professionals and retirees alike.
- Today we have nearly 50 city parks and over 95% of our residents are within a quarter mile walk from a park or green space. This far exceeds the national standard and is one more testament to the vision of being a resilient community.
- Also, as a result of citizens taking time to join us in the City's long-term planning process, we live in a community that now offers a 53-mile plus trail system that continues to expand annually.
- Your City also offers over 400 year-round activities ranging from horseshoes to hip hop, from cricket to color runs, from gardening to cooking. There are affordable and free programs for all ages, and programs designed for persons with special needs.
- Every year there are a variety of ways in which citizens can get involved, learn about and give input on initiatives. There are many project-based meetings in neighborhoods, as well as public information meetings, public hearings at City Council meetings and much more.
- Your City government today is more accessible, more engaged, and more responsive to citizens through a variety of venues and mediums than ever before in our City's history.

- Whether “digital or direct,” we encourage taking some time to get connected with your elected representatives and dependable City Staff for factual information on city initiatives and services.
- 2014 saw a myriad of both accomplishments and challenges...
- On the upside, we remain one of the most sustainable, resilient cities in America. We are one of the best Midwest cities for jobs and increasing wages...and we are focused on becoming a more culturally diverse community.
- We are independently and consistently ranked high for business climate and post-recession job growth...and in fall 2014, Dubuque was ranked among the top ten cities for tech workers.
- Along with the good news is the reality that not everyone is sharing in the success of our community.
- Despite having one of the lowest unemployment rates and a wide range of job opportunities available, we still have people who are unemployed or underemployed.
- Despite our status as one of the most affordable cities in the nation, there are those in our community who are homeless and hungry.
- Despite being home to a high-quality school system and some of the best colleges and universities, we still need to better prepare our youth to stay competitive.
- The key to developing resiliency as a City is that we recognize our shortcomings...we research them...we continue to collaborate with our partners and community leaders to tackle them... and we have never, ever lost sight of the need to reach out to those on the fringe of society.
- The City of Dubuque has implemented programs that offer citizens a “hand up, not a hand out.”

- Our City also has a strong community foundation that helps generous citizens invest in our community, and in 2014, the Community Foundation of Greater Dubuque granted nearly \$5 million dollars to non- profits...more than any other organization in Northeast Iowa.
- The Foundation is a partner with the City in a program called Project HOPE – which stands for “Helping Our People Excel.” This year, the United Way of Dubuque Area Tri-States has joined with us to help improve services, and identify gaps.
- The City, the Dubuque Community School District and the Foundation are partnering to highlight local educational challenges.
- Through the Dubuque Campaign for Grade Level Reading, a coalition of local leaders is being built to help all children read proficiently by third grade.
- The Foundation also is a partner in advancing justice and social equity in our community through the Inclusive Dubuque initiative. There are now 40 plus mission partners who are active and dedicated to helping Dubuque be that place where people from all cultures and ethnicities are valued and contribute to our City’s vitality and resiliency.
- And, the economic reality of Inclusive Dubuque is this...to provide the skilled and educated workforce of the future, we need to become a more culturally competent and welcoming community.
- To attract businesses seeking a talented workforce, Dubuque also needs to offer the amenities that are attractive and interesting to talented young people, including cool places to live!
- It was about a decade ago when our citizens, community leaders, and City came together around an idea to create a new downtown neighborhood.

- The Historic Millwork District, first envisioned in 2004 as part of the City's downtown master plan, was then, in 2006, selected as one of the citizens' Envision 2010 top 10 projects.
- Finally, in 2008, the Millwork District Master Plan was adopted...and, today, in partnership with private developers has become a vibrant, "cool" district, providing citizens with quality, downtown housing close to jobs, shopping, and entertainment as well as transit choices.
- Today we see investment all around the District. In just seven short years, the District offers nearly 200 residential units and features variety of retail, office, commercial and non-profit tenants.
- And today, District residents and visitors are enjoying an increasing variety of retail, dining and entertainment options!
- Dubuque's Intermodal Transportation Campus, on schedule for completion by the end of summer, also has been designed with the future in mind and will incorporate both current and future modes of transportation, including bus, pedestrian, vehicular and rail.
- The Transportation Campus will provide connections deemed important to the success of existing investments in the Port of Dubuque and Millwork District... as well as to leverage additional investments tied to the long term goals of the City's downtown area.
- I mentioned challenges and realities earlier...and the fact is, part of becoming a resilient City is the ability for City government to remain flexible when faced with fiscal challenges.
- Our track record shows that we have faced challenges, and survived them...including the very bleakest period of the 1980s.

- The recent fiscal year 2016 budget process brought new and different challenges to light that required careful contemplation, analysis and deliberation.
- In early February, City Manager Mike Van Milligen presented to the City Council...and thru television, internet, individual presentations, and in print... provided to our citizens...a comprehensive budget presentation detailing both the City's accomplishments and challenges.
- This information included a clear road map of expense reductions, staff cuts and fee increases to maintain a sound fiscal future.
- I encourage everyone to take a copy of the City Focus Magazine located on your tables for later review. This publication documents outcomes tied to the City Council's goals and priorities. It is a factual report about RESULTS.
- The current reality is this...while Dubuque weathered the national economic recession better than many communities around the nation, we have, nevertheless, experienced declining revenues from once stable sources.
- Recent budget realities made us, as a Council and Staff, step back to consider...How do we continue to serve the best interests of the community...How do we remain true to our vision and on the path to becoming a resilient City?
- As said earlier, and financial experts have advised ... smart, resilient cities don't slam on the breaks...they pause, recalculate... and then move ahead.
- The City Manager's recommendations and revisions to respond to the budget challenges... and the Council's deliberations resulted in the adoption and submission by March 15th of a balanced budget, as required by State law.

- The City of Dubuque operates as a modified zero-based budget, so every year we start at zero and every City department needs to provide justification to support continuing activities.
- And like every City USA, we have our challenges. While not the first time, this budget process was particularly grueling. We faced eight significant issues, seven of which were not in the City's control, YET they negatively impacted the bottom line and would need to be imbedded in our planning process going forward.
- At your tables is a thorough summary prepared by City Manager Mike Van Milligen which lays out the revenue issues and how the city is restructuring operations to mitigate this impact.
- What we did NOT do is slash critical services, programs or initiatives that have been the hallmark of our community's security, vitality, and transformation.
- And note that Public Safety in Dubuque represents almost half of the taxpayer-supported General Fund.
- Within the City organization, almost 26 FTE positions were either eliminated or frozen; we froze most employee continuing education and travel; there will be no pay raise for non-bargaining employees; there is a 10% reduction in our purchase of service contracts; and some capital projects were either delayed or canceled.
- In the short term, the City might face a credit rating downgrade based primarily on a change by Moody's in the way that state-wide pension obligations are attributed to cities around the country.
- At the same time, the City's reserves are at 14% of the operating budget and are targeted to move to 20% over time which will serve to increase our credit rating and decrease costs of city debt, bolstering our community's resiliency.

- As City Manager Mike Van Milligen has shared with organizations throughout the City, the fiscal year 2016 budget was balanced through a combination of substantial reductions and moderate fee adjustments.
- And, despite the impact of reduced revenues, the net adjustments helped to keep the property tax rate at the same rate for the third year in a row and at 24% below the rate of 1987.
- While residential property will see a small property tax increase, with state property tax reform, commercial properties will see a 7.5% decrease in property taxes and industrial properties will see a 7% decrease.
- The FY 2016 budget does represent sacrifice...with some adjustments to services which may or may not be returned to full status in the future. Yet, the budget remains definitive, prudent, and forward thinking.
- Strategic foresight, planning and investment matter...and they deliver results:
- For the first time in its 170 year history, Dubuque County's economy counted more than 62,000 jobs;
- According to the latest report from Iowa Workforce Development, Dubuque County added 1,000 new jobs in the last 12 months! Moreover, in the past 5 years, 5,200 jobs were added.
- According to area CEOs, a large number of businesses...44%...plan to expand or re-invest with new jobs, deployment of capital, new machinery & equipment, and added space.
- A solid majority of businesses...60%...report increasing sales, including strong performances from companies in Dubuque's key sectors...with market share gains cited by 52% of our businesses.

- In late January, 202 people, by no fault of their own, were informed that their jobs were eliminated due to the industry's global cuts. Just 48 hours later, two (2) expansion projects for Dubuque were announced by Cottingham & Butler, and Hirshbach, expanding our tax base and adding new jobs.
- This year's projects are geographically and economically diverse...
- Kunkel & Associates and Rockfarm are both doing major expansions in the Dubuque Technology Park.
- Tri-State Quality Metals just opened a brand-new facility in the Dubuque Industrial Center South.
- Spahn & Rose recently opened their new downtown 150,000+ square foot warehouse and retail space.
- And, John Deere Dubuque Works continues to grow and add jobs.
- Also creating a vibrant, resilient economy are the amenities our community offers AFTER WORK.
- A new Arts Master Plan will guide our City on how to direct resources and ensure that the arts and culture scene in Dubuque will ALWAYS be an integral part of our life quality.
- The arts are a 47 million dollar annual economic engine being supported by existing infrastructure and venues in our community that not only give people an opportunity to make a living... but importantly, contribute to an enviable quality of life!
- As a result, tourism has consistently grown and now boasts of 1.7 million visitors a year. The economic impact of tourism in Dubuque County is over \$319 million a year.

- Our hotel/motel industry is, for the first time ever, now producing tax revenue of over \$2 million dollars, 50% of which goes to promote our community and is managed by the convention and visitors bureau.
- The arts also connect cultures. And in order to compete with other locales for tomorrow's workforce...to keep young people, jobs and companies here, we need to embrace the "richness of distinctiveness."
- The Dubuque Area Convention and Visitors Bureau is actively supporting local arts, cultural, and recreational events that bring awareness and branding to Dubuque.
- Through their efforts, travel-related expenditures in Dubuque County have increased by over 70% over the past decade.
- Strategic marketing campaigns for our array of cultural attractions are putting Dubuque on the map!
- One reality causing national anxiety, and particularly in Iowa, is the workforce void that will occur through the impending retirement of the Baby Boomer generation.
- And, what we do know is communities that are able to show strategic foresight to resolve this dilemma will be the ones with the competitive economic edge going forward.
- Our research shows communities that create the right environment, one with the right assets and amenities, will in fact attract skilled, knowledge workers...and, importantly, keep them.
- That will not only fill existing workforce needs, but will attract businesses seeking that talented workforce.

- In total, our City's story is about a Vision that is tied to Economic, Environmental AND Social Outcomes. A vision that is about being Smart and Resilient.
- I want to acknowledge our hundreds of partners at the local, county, state, regional and federal levels who continue to work with us to make Dubuque's long term vision a reality.
- I know that given what we have achieved in the past year, even in the face of fiscal challenges, we can still do better for more people. Dubuque is, indeed, a distinctive City, but we can become even better when we ensure our successes are shared with all our residents.
- Today's reality is that communities face a variety of unstable environments...characterized by forces and rapid shifts that leaders cannot always predict or control.
- What we have accomplished together is a measurable quality of life...What we are planning for is resilience and becoming that place of "choice...."
- Author Jim Collins, in his latest book, "Great by Choice" speaks to that fact and how some communities can achieve greatness while others fail in similar environments. That greatness happens by 'choice' and not by 'chance.'
- The message is, prepare with intensity, all the time, so that when conditions turn against you, you can draw from a deep reservoir of strength. And when conditions turn in your favor, you can strike hard!
- Our formula for success has remained the same for the past two plus decades. It always comes down to planning, partnerships, and people...and from what I have learned over the years from Mayors and Councils around the nation, no City is doing that better than Dubuque.
- I want to thank my esteemed City Council colleagues, City Manager Mike Van Milligen and City Staff...as well as volunteers on Boards and

Commissions, for standing tall and working wise whether in good times or in the face of adversity.

- I am honored to serve as Dubuque's Mayor, and to report today that the State of our City is sound...and resilient...for resilience is about preparation, flexibility, and strength... and the end goal of resilience is to THRIVE.
- I thank each of you for being here today. I'd like to take just a moment now to address our young leaders.
- You are honing skills and expertise in the fields of banking, technology, manufacturing, marketing, customer service, education, planning, medicine, public safety and much more.
- You are important to the identification and implementation of effective economic strategies.
- And...you are the generation that will be primary to promoting and creating an environment conducive to our City's future successes.
- You are the next generation...be that next GREATEST generation, and be it for Dubuque!