



TO: The Honorable Mayor and City Council Members

FROM: Michael C. Van Milligen, City Manager

SUBJECT: Fiscal Year 2021 Budget Recommendation

DATE: February 11, 2020

It is my goal that the Fiscal Year 2021 budget recommendation will reflect the City Vision and Mission Statements and be responsive to the goals and priorities established by the Mayor and City Council. The Fiscal Year 2021 budget recommendation includes a property tax rate increase of 1.00%. This translates into the following:

	% Change	\$ Change
Property Tax Rate	+1.00%	+\$0.10
Average Residential Payment	+2.72%	+\$20.94
Average Commercial Payment	-0.53%	-\$16.89
Average Industrial Property	-0.03%	-\$1.39
Average Multi-Residential Property	+12.26%	+\$213.06

2034 VISION STATEMENT

Dubuque 2034 is a sustainable and resilient city and an inclusive and equitable community. Dubuque 2034 has preserved our Masterpiece on the Mississippi, has a strong diverse economy and expanding connectivity. Our residents experience healthy living and active lifestyles; have choices of quality, livable neighborhoods; have an abundance of fun things to do; and are engaged in the community.

CITY MISSION STATEMENT

Dubuque city government is progressive and financially sound with residents receiving value for their tax dollars and achieving goals through partnerships. Dubuque city government's mission is to deliver excellent municipal services that support urban living; contribute to an equitable, sustainable city; plan for the community's future; and facilitate access to critical human services

CITY OF DUBUQUE GOALS 2024

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|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| ♦ Robust Local Economy: Diverse Businesses and Jobs with Economic Prosperity | ♦ Sustainable Environment: Preserving and Enhancing Natural Resources |
| ♦ Vibrant Community: Healthy and Safe | ♦ Partnership for a Better Dubuque: Building Our Community that is Viable, Livable, and Equitable |
| ♦ Livable Neighborhoods and Housing: Great Place to Live | ♦ Diverse Arts, Culture, Parks, and Recreation Experiences and Activities |
| ♦ Financially Responsible, High-Performance City Organization: Sustainable, Equitable, and Effective Service Delivery | ♦ Connected Community: Equitable Transportation, Technology Infrastructure, and Mobility |

POLICY AGENDA items are issues that need direction or a policy decision by the City Council, or need a major funding decision by the City Council, or issues that need City Council leadership in the community or with other governmental bodies. The policy agenda is divided into top priorities and high priorities.

2019-2021 POLICY AGENDA

TOP PRIORITIES (in alphabetical order)

- **Dream Center: Facilities and Programs:** The Dubuque Dream Center is a community outreach center committed to mobilizing youth and families to build on Dr. King's Dream of transforming communities by embracing, empowering, and unifying those who live there. The Center provides structured academic programs, college and career preparation, and goal-setting where youth build relationships with caring adults, have a safe place to belong, and participate in value driven programs and activities.

Multiple City departments have existing relationships with the Dream Center. These include funding for "Dream Center School Connectors" through the FY20 Purchase of Services grant, Community Oriented Policing (COP) division assisting with mentoring and recreation activities, Leisure Services partnerships to make connections with current services and other organizations that will may be beneficial to them. The City provided a \$10,000 planning grant to prepare for ADA improvements to their building, which are recommended for funding in the FY21 budget proposal in addition to \$40,00 in operating support in FY21 and FY22. The Dream Center has some capitals needs and resources are being identified outside of the FY21 budget process as well.

- **Emerald Ash Borer Program:** In 2015, the City established the Emerald Ash Borer (EAB) Readiness Plan to be prepared to respond to the presence of the EAB, a destructive, highly invasive, non-native insect. The objective of this Plan is to minimize the destructive effects of EAB on the City's ash tree population. Approximately 24% of the 5,500 deciduous trees located within the planting lawns on City right-of-way were ash trees at the time the plan was developed. 450 ash trees existed on other City property including parks and greenspaces. Implementation of the plan includes monitoring, prevention and treatment options where appropriate, removal of trees, disposal of debris, and reforestation. Staff have developed a robust communication plan to educate residents and requested additional funding in FY 21 for contract removal of ash trees, stump grinding, tree replacement, and sidewalk replacement. The Street Tree and Landscaping Policy is being updated by the Legal Department as well. In the five year capital improvement budget there is \$2,243,327 identified for tree removal and replacement.
- **Human Resources Policies and Handbook Revision:** City staff have been working for some time to become a more equitable organization of choice. This work has been done while also striving to achieve the City Council goal of becoming a more High-Performing City Organization. To further the progress that has already been made, a team focused on becoming a more high-performing government and equitable organization of choice began meeting in October 2019 under the direction of the City Manager. The intent of this core team is to act as a central hub, coordinating and aligning teams across the organization that include many more employees, and are doing work in these areas. The team will review existing Administrative Policies in the "Employee Relations" Section and the "Personnel Manual", in addition to other policies and procedures in the first six months of 2020. This work will be supported by several human resources-related improvement packages recommended for funding in the City Managers Office and Human Resources operating budgets.
- **Imagine Dubuque: Implementation:** In September 2017 the Mayor and City Council adopted a new comprehensive plan, "Imagine Dubuque 2037: A Call to Action." The comprehensive plan serves as a guide for the community's physical, social, and economic development. It can only be considered successful through the input and implementation of the community at-large. Engaging the community in a conversation about the future of Dubuque was at the core of the Imagine Dubuque process. Comprehensive plans are policy guides. Unlike zoning or city codes, they are not regulatory in purpose or application. Information in the Comprehensive Plan is used in many facets of city life. Of greatest note is its role in informing City Council goal setting, which creates the annual budget priorities and land use decisions; the plan is not a substitute for the annual City Council goal setting process.

After adoption, early objectives included developing an implementation model that would lend itself to pooling the talents and resources of many partner organizations and building the partnership network needed to tackle the 110 recommendations outlined in Imagine Dubuque. The Collective Impact Model was selected as the best approach to achieving the vision outlined in the plan. This approach brings multiple individuals and groups (important actors) together to achieve a common agenda (Imagine Dubuque) to solve specific problems (110 plan recommendations). The City contracted with Teska Associates Inc to implement this

model. Connectors, coordinators and champions were identified to facilitate the ownership of project implementation, flow of information, and measurement of success.

The Fiscal Year 2021 recommended budget includes \$25,000 for the first year of a three-year contract for continued consultant assistance with implementation of the 2017 Imagine Dubuque Comprehensive Plan, a Top Priority on the City Council's 2019-2021 Policy Agenda.

- **Major Street Improvement Plan:** Project Priority and Funding: There is a backlog on streets needing to be reconstructed due to pavement condition and utility issues/concerns. Some of the utility concerns include old water and sanitary mains that need to be reconstructed, but limited funds due to debt limits and covenants. Street priority was developed and used to identify CIP requests for the FY21 budget. Based on funding availability, projects will be developed, bid and completed. Projects recommended for funding in FY21 include Chavanelle Rd, North Cascade Rd, Cedar Cross Rd, Seippel Rd, Rockdale Rd reconstructions; pavement rehabilitation; and pavement preservation joint sealing.
- **Parking Ramp Maintenance: Funding:** Maintenance and repairs extend the life of the City's parking ramps and reduce costs by repairing degraded areas prior to damage becoming serious. The Transportation Services department budgets to complete a certified engineering inspection of each parking ramp every five years on a rotating basis. This provides a necessary inspection of each of the ramps to assure the structural integrity of each facility and also provide a high level of safety for staff and customers of the ramps. Major repair maintenance programs are funded on an annual basis. The Transportation Services and Engineering departments are currently engaging firm(s) that specialize in parking ramp structures, and through the CIP process will invest in improvements at ramps in need.

HIGH PRIORITIES (in alphabetical order)

- **Brain Health Strategy and Action Plan:** Based on community feedback received through the Project HOPE initiative, the Community Foundation of Greater Dubuque facilitated a community needs assessment specific to mental health services in the fall of 2016. To address these needs a 34-member Brain Health Task Force was formed to focus on advocacy, assessment and services. County Board of Supervisors are determining tax levy for mental/brain health services along with awaiting selection of Access Center development consultant. Hillcrest has eliminated sub-acute beds at their facility due to financial concerns. This service is a critical component needed to support the proposed Access Center for Dubuque County. The Dubuque County Supervisors have agreed to provide funding for three months to allow Hillcrest to keep several crisis beds open. This time period will allow Hillcrest to assess their ability to move forward as a provider for an Access Center. In light of this, The Access Center development consultant selection was delayed and Access Center project is on hold during this time of transition.
- **Debt Reduction Plan: Re-Affirmation:** In August 2015, the Mayor and City Council adopted a debt reduction strategy which targeted retiring more debt each year than was issued by the City. The FY 2021 budget recommendation achieves that target.

- **Fountain of Youth: Funding:** The Fountain of Youth exists to assist individuals in escaping generational poverty. They offer REAL TALK, Getting in Tune, and Partners in Change programs. Through a FY20 Purchase of Services grant, the City provides funding for FOY's "Partners in Change" program. In addition, the City has offered technical assistance to the FOY for grantwriting, strategic planning, and is facilitating the ESPERE Workshop (The School of Forgiveness and Reconciliation) with FOY participants.

Funding recommendations in the FY21 budget include \$40,000 per year in operating support.

- **Four Mounds/HEART Program: Funding:** The City contracts with Four Mounds/HEART to complete construction work at City-owned properties. HEART students recently finished a property at 396 W Locust and are working on 2243 Central Avenue. Funding for the existing Four Mounds Heart Project is in the requested FY21 budget for \$10,000; additional funding is being provided for the Adult HEART program through labor and materials contracts underway. Community Development Block Grant (CDBG) funds are provided to Four Mounds to run their adventure day camp program as well.

Four Mounds has asked for assistance with capital needs at their property from the City. It is recommended that the City purchase 40 acres located near Four Mounds owned by the Four Mounds Foundation and provide fiscal support for renovations with funds identified outside of the budget process.

- **Street Maintenance Program: Increased Funding:** The City's Public Works department maintains and repairs approximately 282 centerline miles of city streets, curb and gutter, alleys, and sidewalks. These projects provide improvements for both the driving and walking public. Along with the pavement improvements which improve the drivability of the street, the ADA curb ramps are brought up to meet current standards and improves the walkability of neighborhood. These projects also improve the neighborhood aesthetics. The department aims to complete five centerline miles of asphalt overlays annually, in addition to ADA ramp improvements. Should the city continue to have a mild winter, some of the funds allocated for snow and ice control could be used to expand next year's street program.
- **Transit Vehicle Replacement Funding:** Vehicle reliability is essential in securing choice riders. Plans for bus replacement are based on a vehicle assessment score and year of eligibility for state and federal funding. Eligibility does not guarantee funding, only that vehicles are beyond an age or mileage where funding could be requested. As grant funding is unlikely because of the age of the City's fleet when compared to other Iowa cities, the CIP plans for the purchase of used vehicles using local funds over the next three years and new vehicles beginning in 2022. In a scenario where large grants become available for vehicle replacement prior to 2022, the City would be in a position to use these requested local funds as match. Minibuses transport individuals with disabilities who are unable to utilize the fixed-route service. For ADA compliance, The City must provide equally reliable service. Replacing these vehicles at the end of their useful life is essential to avoiding delays in service or inoperable wheelchair lifts.

MANAGEMENT AGENDA items are issues for which the City Council has set the overall direction and provided initial funding, may require further City Council action or funding, or are major

management projects that may take multiple years to implement. The management agenda is divided into top priorities and high priorities.

2019-2021 MANAGEMENT AGENDA

TOP PRIORITIES (in alphabetical order)

- **Bee Branch Creek Projects: Next Steps:** According to scientists at the National Oceanic and Atmospheric Administration's (NOAA) National Centers for Environmental Information, wet conditions from July 2018 through June 2019 resulted in a new 12-month precipitation record in the U.S., with an average of 37.86 inches (almost 8 inches above average). June was the third consecutive time in 2019 (April, May and June) that the past 12-month precipitation record was broken.

Locally, Dubuque normally receives 36 inches of rain annually but our weather has not been "normal" lately. According to the National Weather Service, Dubuque received nearly 53 inches of rain through late November in 2019. This marks the second consecutive year Dubuque received at least 50 inches of rain.

If you consider an 18-month comparison (May 2018 - October 2019), Dubuque received over 95 inches of rain making it the wettest 18-month period on record for Dubuque. Based on 30 years of measurements, Dubuque usually receives just under 60 inches during that 18-month period. That's nearly an extra year's worth of rain in 18 months!

Dubuque also experienced the second-wettest September on record in 2019 when 13.31 inches of precipitation fell over the city. That is second only to the record rainfall of 15.46 inches in September of 1965.

In June 2019, according to data from NOAA, Iowa set the record for rainfall and snow in a 12-month period since official records began in 1895. Relatedly, the Mississippi River spent a record 86 days above flood stage in Dubuque, from March 20 to June 13. The previous record was just 37 days and was set in 2001.

The Bee Branch Works! Climate change is impacting cities around the country and the world in different ways. Some cities are taking steps to be more resilient to these effects, including Dubuque.

Even though it is not yet completed, the Bee Branch Watershed Flood Mitigation Project is functioning as designed and is protecting Dubuque residents and businesses from flash flooding caused by heavy rainfall. The Bee Branch infrastructure improvements are providing incremental benefits. As each phase of construction is completed, Dubuque is seeing greater flash flood protection.

Despite record-setting rainfall, very few properties have experienced flood damage since the completion of the Bee Branch Creek Restoration in 2017. Previously, residents and businesses in the watershed would have experienced devastating flash flooding during this record setting year. The City would have received widespread reports of flooding and hundreds of basements filled with water but, due to improvements made throughout the watershed, there have been only minimal reports of damage.

The Bee Branch Creek Railroad Culverts Project is under construction and is a critical phase of the overall flood mitigation project. It involves using micro-tunneling methods to install six, 8-foot diameter culverts under the Canadian Pacific Railway tracks which are located between the two sections of the Bee Branch Creek. Adding this additional capacity will allow stormwater to drain more efficiently from the upper portion of the creek to the lower. Once completed, it will increase the flood mitigation system's capacity to protect the area from a 75-year rain event to a 500-year rain event.

The Bee Branch Watershed Flood Mitigation Project is a long-term investment and there is more work to be done but it is working and will continue to do so for generations to come. This \$232 million project became a reality because the Mayor and City Council listened to the needs of residents and businesses and chose to invest in the community.

Next steps for this project in FY 21 include the following: 1) Clean up/stabilize maintenance facility site, 2) Construct Lower Bee Branch Bike Trail, 3) Complete culvert project. Staff will prepare a site redevelopment/reuse plan for the Maintenance Facility Site for City Council Consideration by June 2020. Preliminary coordination with the Iowa Department of Transportation for the Lower Bee Branch Bike Trail, and preliminary design, have begun. Recent activity on the culvert includes completion of the tunnel boring, machining launch and retrieval pits. Work has started on the box culvert extension downstream of Garfield Ave. Tunneling work is expected to begin in April 2020.

- **CHANGE Program: True North Housing Initiative and Bee Branch Healthy Homes Resiliency Program:** The CHANGE Initiative is a campaign of neighborhood revitalization and an extension of sustainability to specifically address marginal properties, affordable housing, and homeownership. The intended outcomes of the program are increased flood protection; increased home ownership; deconcentration of low-income housing; reduction in number of households in poverty; reduction in number of blighted properties; stabilization and increase of property values; increase in quality, affordable housing stock; reduction in lead hazards; greater landlord and tenant responsibility; and an increase in first-time homeowners.

Residential property acquisition was transferred from Greater Dubuque Development Corporation to the Housing Department in early 2020. Construction on two of eight properties is almost complete, with additional construction slated to begin in March. The Bee Branch Healthy Homes Resiliency Program has completed approximately 200 units of the 275 targeted for completed, with work anticipated to continue in 2020.

- **Equitable Poverty Prevention: Action Plan:** Poverty remains a significant issue in Dubuque. According to the latest data, Dubuque's 16.3% poverty rate means that one out of every six residents live in poverty. In 2017, 8,933 of 54,940 residents had reported income levels below the poverty line. On average, Dubuque's 16.3% poverty rate is significantly higher than the average 12% poverty rate across the state of Iowa. Dubuque is ranked 6th below the poverty line at 16.3% out of 11 major cities in Iowa. In Dubuque, the population demographics consists of 84.3% (49,224) White residents, followed by 3.8% (2,232) African Americans, 1.9% (1,341) two or more races and 1.8% (1,059) Hispanics. When the citywide poverty data is disaggregated by race and ethnicity, the statistics tell a different story for Dubuque. Recent

numbers show 60.1% black residents live below the poverty line, which is significantly higher than the national average of 25.2%. Overall 1,341 of 2,232 black residents live below the poverty line and 3.8% of the total population of Dubuque is black. The 26.3% of Hispanic residents below the poverty line is dramatically higher than the national average of 22.2%. Of the 1,059 Hispanic residents, 279 live below the poverty line.

In September 2019, the City retained Public Works, LLC to complete an Equitable Poverty Prevention Action Plan. The Research phase and the Community Engagement phase both were completed as scheduled in September through December, 2019. The Community Engagement phase began in January, 2020.

- **Industrial Park Development:** The Imagine Dubuque Comprehensive Plan calls for sufficient opportunities for industrial development sites within the community; promotes the retention and expansion of existing, and attraction of new, industrial development opportunities in suitable locations; and encourages annexation of land suitable for industrial usage if necessary.

The Comprehensive Plan also calls for reducing unemployment, achieving economic stability, and increasing the standard of living for all citizens. In order to reach this goal, the Comprehensive Plan lists objectives of evaluating potential commercial sites, based on the city's future land use map.

Acquisition of additional industrial park land is consistent with the Mayor and City Council 5-year goals, which includes Planned and Managed Growth, and Sustainability. Included by the City Council in the Management Agenda is industrial park expansion, including acquisition and infrastructure. This acquisition will add approximately 161 acres to the industrial park.

The City of Dubuque has had tremendous success with economic development receiving multiple national recognitions for job creation. This is in no small part to the City's decision in the mid 1990's to acquire and develop over 900 acres of property to provide a 20-year supply of industrial park land. This proposed expansion of the Dubuque Industrial Center Economic Development District would further the City's goals for economic development. Efforts in FY23 and FY24 will focus on development of the McFadden Farm and Cottingham Road Water Main Expansion.

- **Leisure Services Facilities Deferred Maintenance Assessment:** The Leisure Services Department, through the Park Division and Recreation Division, provides quality services to the entire community with diverse recreational programs for all ages and an integrated, efficient, and safe system of parks, trails, and recreational facilities. The department also plans, develops, and maintains the formal public landscaping and natural areas in and around the City, demonstrating an appreciation for the environment. However, the department lacks a parks & recreation plan that identifies deferred maintenance and facilities needs, as well as the changing needs and desires of the community. Staff have researched similar projects throughout the Midwest region. A funding recommendation for the assessment is included in the FY22 capital budget.

- **Multi-Tiered Housing Inspection Program:** The Housing & Community Development Department performs routine rental property inspections and responds to housing complaints as required by Iowa Code. In 2018, the department recommended changes to the inspection cycle to restore the five-year cycle for every rental unit in Dubuque. The changes allow large, professionally managed apartment complexes designated as tier one (1), that pass inspection on a random sample of 20% of the units, to self-inspect and self-certify the remaining 80%. Allowing self-inspection and certification allows inspection staff to devote additional time and resources to properties most in need of attention. Those properties in need of additional attention typically require several trips to the property and often entail court intervention to achieve compliance. These properties will be designated tier three (3) and will be on a shortened inspection cycle until they have achieved compliance for a period of not less than two (2) years.

To date there have been over thirty properties designated as tier three and four property owners/agents designated as "Priority Category". Collectively there are over 700 units that will be subject to more frequent inspections due to the Tier 3 or Priority Category designations. Landlords (rental property owners/agents) receiving three or more municipal infractions within a 12-month period or designated as priority. Owners/agents designated in this category have any or all rental units they own or manage inspected more frequently and inspectors follow-up on violations until all are addressed. Additionally, they are ineligible for rental licenses while this designation is in place.

- **Park Development Projects for Non-TIF (Tax-Increment Financing), Donated Park Sites: Funding:** The City accepted Westbrook subdivision parkland in 2011 and began the park planning process to engage the neighbors in the planning the park in 2012 as money was in the budget for planning and construction of the park. The park construction funds were then removed from the budget and have been proposed in the five year CIP since then but never funded to allow construction. The City accepted Pebble Cove subdivision parkland in 2008 and North Fork Trail Subdivision parkland in 2009. All three of the land areas for the parks were donated. Funds for planning and construction have been requested and some funds for each are included in the five-year CIP. These three parks are in non-TIF areas of the city. TIF subdivision parks can be funded from the TIF they are in.
- **Traffic Signal Synchronization/STREETS (Smart Traffic Routing with Efficient and Effective Traffic Signals): Funding:** Dubuque's Smart Traffic Routing with Efficient and Effective Traffic Signals (STREETS) project, a collaboration between the East Central Intergovernmental Association (ECIA), City of Dubuque, and Iowa DOT, was awarded Accelerated Innovation Deployment (AID) Demonstration funds in 2019. The goal of Dubuque's STREETS project is to develop an automatic system that will use traffic-control strategies to enable dynamic traffic routing on 10 Dubuque traffic corridors to maximize existing roadway capacities in the Dubuque metro area. The total project cost is estimated at \$5 million and will be funded through a combination of funds from various agencies. The STREETS project will use Dubuque's existing system to reduce congestion and improve safety in the metro area by dynamically rerouting traffic on roads with extra capacities. This system, the first of its kind in the nation, will give the City's operators the ability to help drivers to reduce their commuting time by better utilizing existing road capacity. This project will also help identify future projects that will improve safety and reduce congestion in the Dubuque metro area. It intends to allow staff to monitor traffic operations and intervene as

necessary but does not require constant or significant manual operations. The project is expected to reduce equipment costs at individual intersections by providing signal timings through a centralized Adaptive (Dynamic) Traffic Control System. Local funding support is included in the STREETS Traffic Control Project located in the FY21 capital budget.

HIGH PRIORITIES (in alphabetical order)

- **Citywide Departmental Work Order System Implementation:** In FY19- 20 the City began the discovery phase of a citywide enterprise work order system. Designed with the goal of an integrated system for non-emergency service needs and request, the outcome of this project is designing a data gathering and incident tracking process resulting in a system that not only provides outputs of “how much/how many” but also assists in answering the question “are we making a difference” and “how can we make better informed operational and strategic decisions based on that information.” A pilot project is in process for Public Works, Engineering and WRRRC around tracking issues and work orders in the Bee Branch Creek area. The pilot addresses issues that typically cross departmental boundaries providing a replicable model as we move forward citywide toward a more data driven approach to this system.
- **Dubuque Riverfront Master Plan (Corps of Engineers):** The United States Army Corps of Engineers’ (USACE) Section 22 Planning Assistance to States program allows for the USACE to provide assistance in the preparation of comprehensive water resources plans to a State or city. At the request of a governmental agency, the USACE “may provide certain technical assistance related to the management of State water resources, including the provision and integration of hydrologic, economic, or environmental data and analysis.” The technical assistance must be in support of the State’s water resources management and related land resources development plans or other water resources management related documents, such as “State hazard mitigation, preparedness, response, and recovery plans and plans associated with changing hydrologic conditions, climate change, long-term sustainability, and resilience.” The non-Federal share of the costs, which can be “in-kind,” must be at least 50 percent of the total cost. The assistance cannot include the preparation of site-specific designs or construction. In October of 2018, the City sent a letter to the USACE expressing the City’s interest in developing a plan for the riverfront with possible foci on dredging Peosta Channel, construction of a larger boat docking facility, environmental enhancements at Maus Park and Lake, and other recreational and environmental studies along the Dubuque waterfront. In November of 2018, the City received a proposed agreement from the USACE. Per the terms of the agreement, the USACE will develop a comprehensive plan, a Dubuque Riverfront Master Plan, that will:
 1. Create a hydrologic computer model of the Bee Branch watershed, the Ice Harbor watershed, and the Maus Lake watershed that reflects the rainfall and runoff that can be expected under current conditions. In addition, the models will project future runoff conditions based on future climate projections.
 2. Assess Mississippi River level trends as compared to river levels expected when the John C. Culver Floodwall/Levee system was design and constructed circa 1970. In recent years, the Mississippi has risen above flood stage more frequently than what would have been predicted previously.

3. Increase ecosystem education and outreach within the Dubuque region which could promote ecotourism economic growth and enhance environmental stewardship in the study area.
4. Identify the proper identification and placement of native species that could stimulate restoration of a natural regional ecosystem.
5. Promote recreational development measures that will encourage ecotourism within the City of Dubuque - recreational strategies which align with the City's ecosystem restoration objectives and could encourage economic and environmental development.
6. Increase non-motorized boating in water resources within the Dubuque area. Investigate the use of dredged material, which cannot be used for either ecosystem restoration purposes or recreational enhancement measures, for other various infrastructure enhancements.

The City entered into the agreement in December of 2018. Per the agreement, the total project cost is \$196,300. The City's 50% local match would consist of \$69,800 of in-kind City activity and \$28,350 in payments to the USACE.

- **Innovation & Entrepreneurial Strategy:** An entrepreneurial culture is necessary to create the type of business diversity that promotes innovation, retains talent in the community, and insulates the economy from outside economic impacts. City staff work with numerous public, private, and non-profit partners to assist budding entrepreneurs in their journey. An asset map is currently being created, with a committee of partners committed to taking next steps to direct entrepreneurs to their needed resources and to fill any identified gaps.
- **School Resource Officer: Implementation:** Another Police Officer position was recommended to be added in Fiscal Year 2020. This started a three year process to add three Police Officer positions to strengthen the School Resource Officer program partnership with the Dubuque Community School District bringing the number of School Resource Officers to 8 and bringing the Police Department to an authorized strength of 113 sworn officers. Once the expansion is completed, there will be a dedicated SRO at each DCSD middle school and high school. The expansion plan also called for elevating a corporal position to the rank of Lieutenant and to assign all supervisory SRO duties to this person. Both the first expansion SRO and the lieutenant have been selected and will transition in early 2020.
- **Southwest Arterial Business Development:** Upon completion of the Southwest Arterial, and in alignment with the Imagine Dubuque land use plan an annexation strategy, the City will partner with Greater Dubuque Development Corporation to attract commercial interest to the area for mixed-use development, and work with interested parties. In the coming year, attention will focus utility development to support that growth in the near future.
- **Water and Resource Recovery Center: Nutrient Trading:** In 2007, the Dubuque Soil and Water Conservation District (SWCD) initiated the Catfish Creek Watershed project, which began as a small 9,000 acre project focused on utilizing urban and agricultural conservation

practices to reduce sediment runoff to a treasured local cold water trout stream. After experiencing success with both conservation project implementation and a new county-wide stormwater policy; the District, County and City continued working with NRCS and other local stakeholders to expand the project to cover the entire 46,000 acre, HUC 10 watershed. In 2018, the City of Dubuque was successfully awarded a \$326,712.00 NRCS grant to continue this work. Measurable outcomes will be the development of an online publicly accessible database detailing pollutant load contributions/deductions, structural and non-structural conservation project implementation and mapping, and a locally funded cover crop program. The ACPF approach is grounded in "precision conservation"; the idea of not only selecting the right conservation practice, but also putting it where it will be most effective. Dubuque County, the City of Dubuque and the Dubuque SWCD intend to work together to create a long-term sustainable policy that not only expands the use of cover crops and no-till systems, but also ensures long-term permanent adoption of these practices. These models will be used in conjunction with the Iowa Nutrient Tracking Tool (NTT) which will be the recognized model the Iowa Department of Natural Resources (IDNR) will accept to receive "credit" towards nutrient reduction.

In October of 2015, the Iowa League of Cities received \$715,000 in a three-year Conservation Innovation Grant (CIG) for the purposes of developing a nutrient trading model for the State of Iowa. Dubuque and Storm Lake were partners in the grant and both cities used the implementation of conservation projects as cost share matches for the grant. The next step in this process would be to codify the registry in the State Code of Iowa and to develop "regulatory certainty" for Publicly Owned Treatment Works (POTW) for future permits in which nutrient reduction standards are included. This would allow for POTW's to use conservation projects installed in the watershed as a method of nutrient reduction in addition to treatment plant upgrades for nitrogen and phosphorus removal. This would most likely take place between the IDNR and the POTW through a Memorandum of Understanding (MoU).

The Sand County Foundation of Wisconsin recently received grant funding from the Walton Foundation to explore and expand the work of Wisconsin's Adaptive Management Approach, which uses an MoU to achieve nutrient reduction goals, into Iowa and Illinois. Bartlett Durand, an attorney working with the Sand County Foundation has met with City staff and is eager to work with Dubuque, using the Walton Foundation grant, to ensure that the City's best interests are met when developing an MoU with the State for nutrient trading.

Creating an Equitable Community of Choice



Creating an Equitable Community of Choice

A High-Performance Organization (and Community) that is Data-Driven and Outcome-Focused built on the four pillars of:

Resiliency

Sustainability

Equity

Compassion

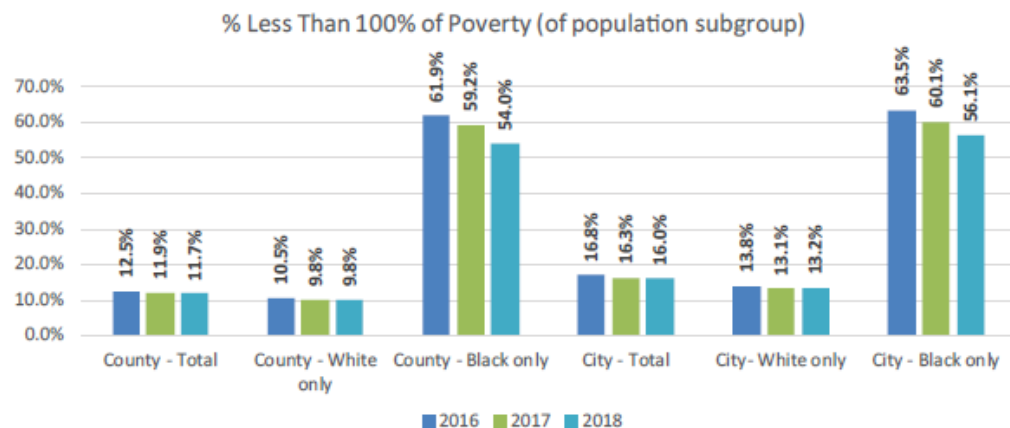
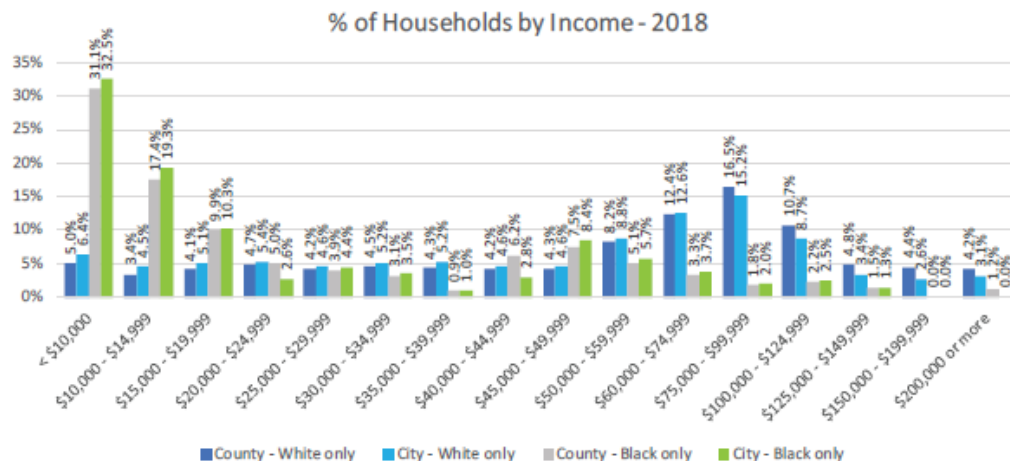
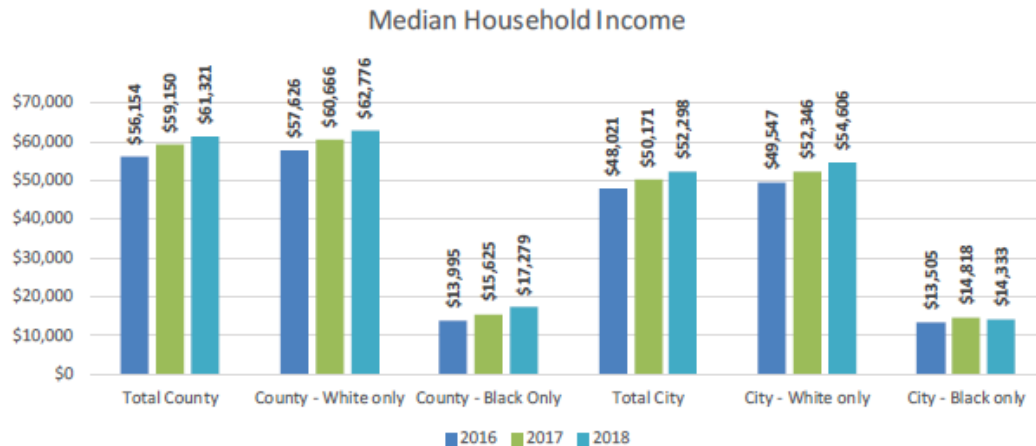
Through **Planning,
Partnerships,
& People**

www.cityofdubuque.org

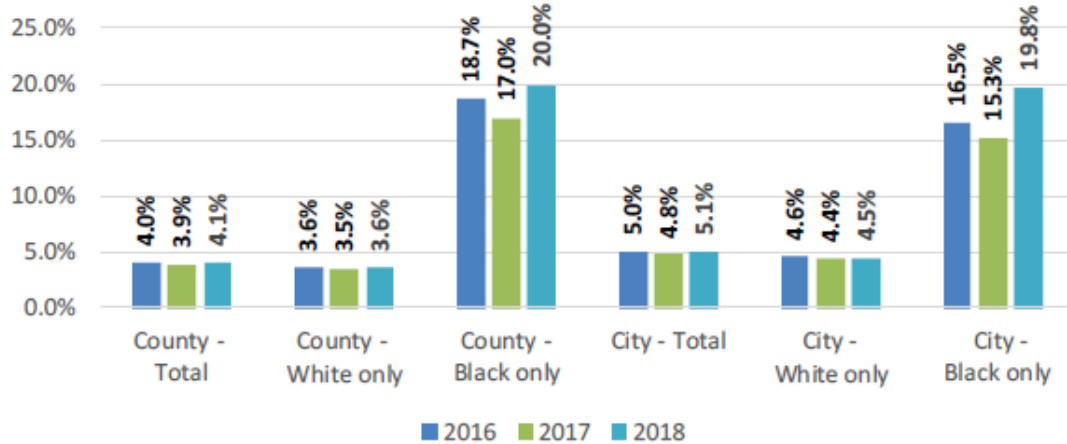
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In order to create an Equitable Community of Choice for all members of our community, we must look at key performance indicators of community well-being and success, and disaggregate them to ensure that all groups are experiencing the same positive outcomes. This budget makes recommendations that attempt to address the disparities identified below.

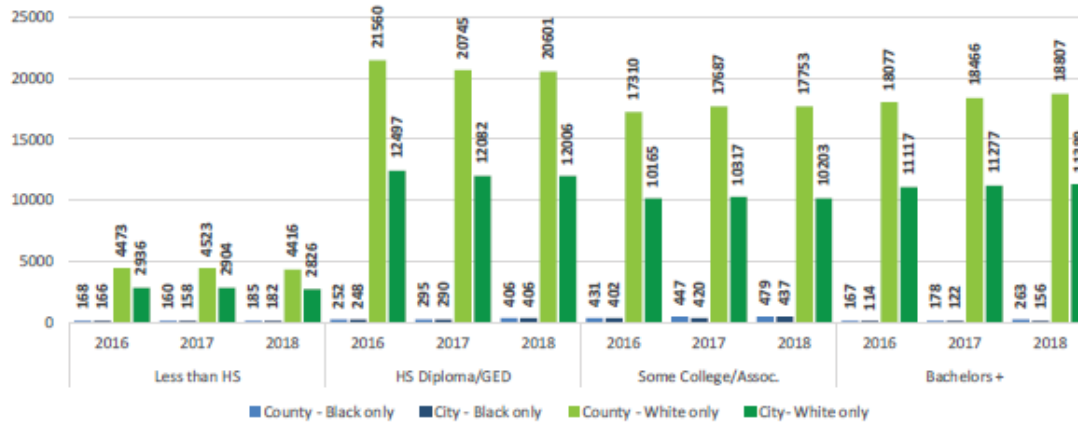
Data represented from the ACS 5-year estimates. Margin of error is higher among smaller population groups.



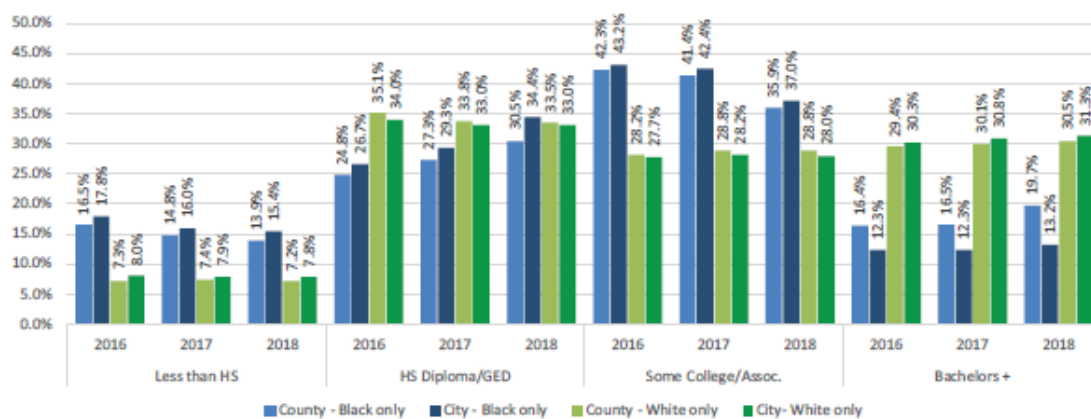
Unemployment Rate (ACS)

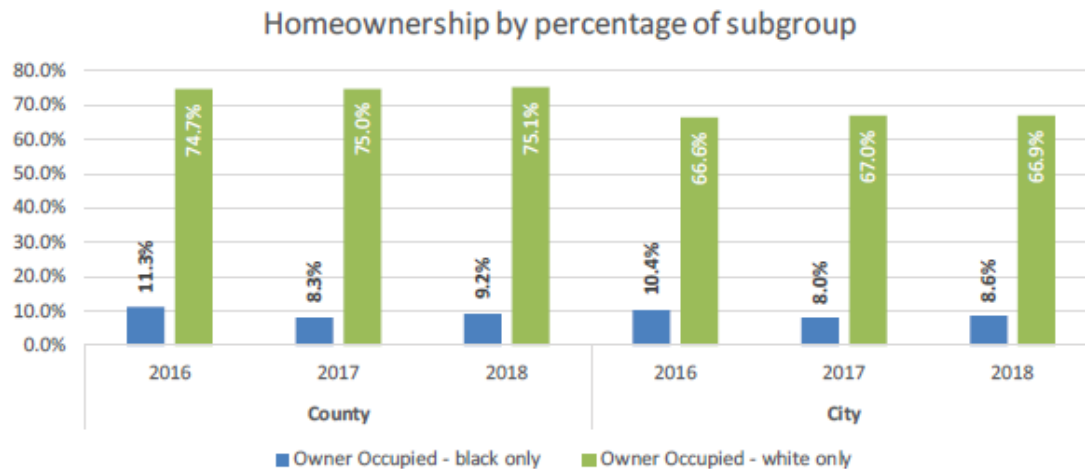


Educational Attainment, Ages 25+, Totals



Educational Attainment, 25+, as a percentage of population subgroup





A Budget Focused on Public Safety

With only a few regions in the country with under 2% unemployment, the City of Dubuque has reached an important milestone in recovery from the 1980's highest unemployment rate in the country. With this unemployment milestone has come a tipping point in the history of Dubuque, and the goal to become an Equitable Community of Choice. How does the City grow the workforce, continue to support local business expansions, attract new businesses and prevent poverty? When a tipping point is reached the goal is to take action that continues to move in the positive direction.

If the City Council approves the recommendation, it will support continued investment in people, businesses and organizations that are making a difference in our community, and continued investment in the infrastructure that must exist for Dubuque to continue to thrive.

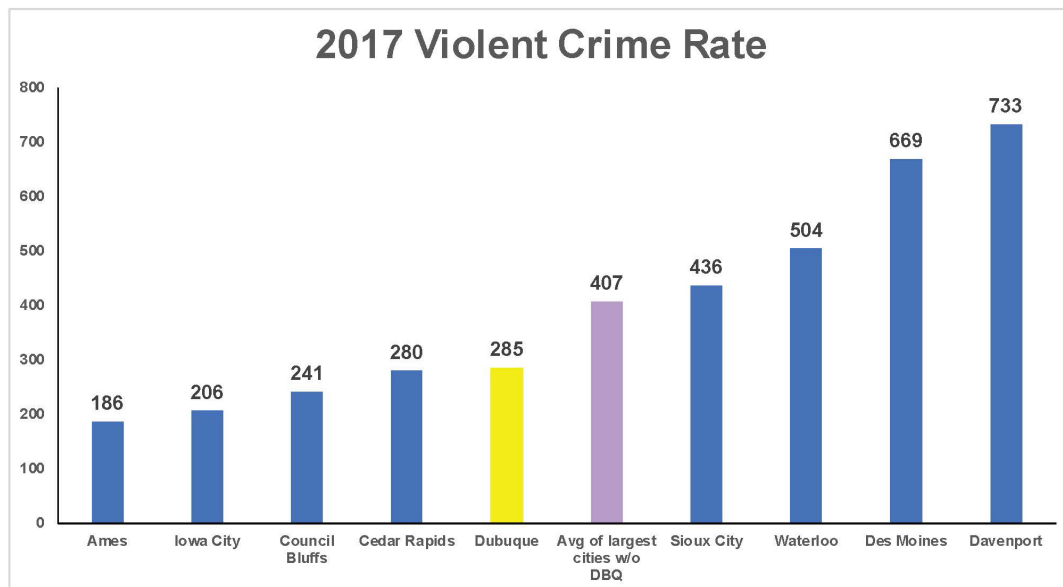
"Part I" Crimes for Calendar Years 2012-2019

Compiled by the Dubuque Police Department

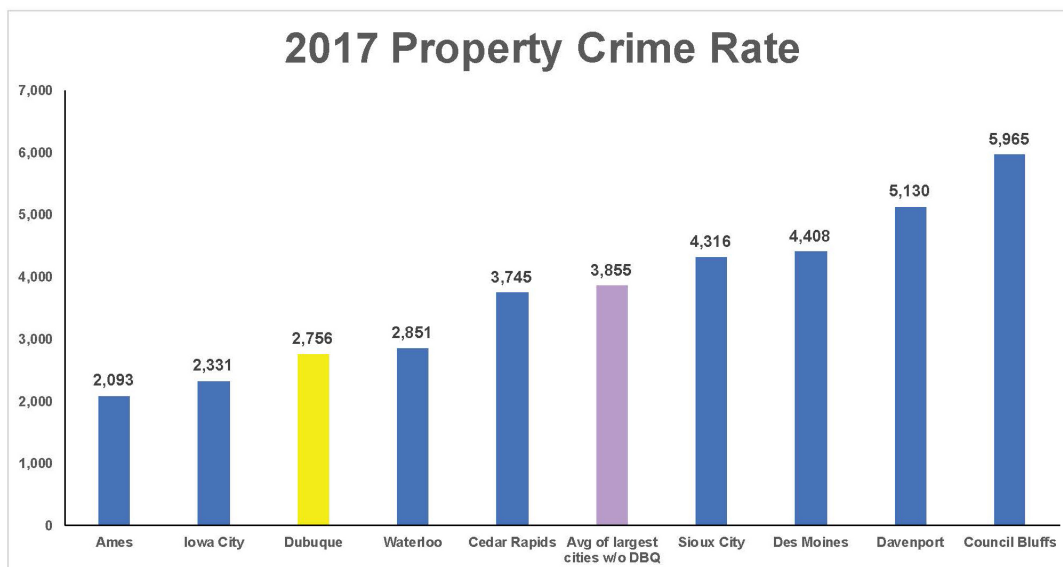
Performance Measures	CY12	CY13	CY14*	CY15	CY16	CY17	CY18	CY19	Avg.	CY19% Over/Under CY18
No. of Crimes Against Persons	186	208	220	265	243	203	190	190	213	0.0%
Murder	2	0	0	5	1	2	1	0	1	-100.0%
Sexual Assault	43	38	61	80	98	90	75	91	72	21.3%
Robbery	21	32	20	27	26	16	29	14	23	-51.7%
Aggravated Assault	120	138	139	153	118	95	85	85	933	0.0%
No. of Crimes Against Property	1,992	1,791	1,662	1,953	1,875	1,667	1,543	1,319	1,725	-14.5%
Burglary	583	431	416	548	420	331	299	205	404	-31.4%
Burglary to Motor Vehicle	298	231	168	106	144	157	145	88	167	-39.3%
Theft	1,080	1,103	1,035	1,245	1,235	1,116	1,036	945	1,099	-8.8%
Theft of Motor Vehicle	31	26	43	54	76	63	63	81	55	28.6%
Total	2,178	1,999	1,882	2,218	2,118	1,870	1,733	1,509	1,938	-12.9%

* Switch to new public safety software August 2014

Peak Year



In 2017, Dubuque had the fifth lowest violent crime rate (285 per 100,000 population) as compared to the 8 largest, stand-alone Iowa cities. The average of the other 7 cities (407) is 43% higher than Dubuque. The highest-ranked city (Davenport) is 157% higher.



In 2017, Dubuque had the third lowest property crime rate as compared to the other 8 largest, stand-alone cities in the state of Iowa (2,756 per 100,000 population). The average of the other 7 cities (3,855) is 29% higher than Dubuque. The highest-ranked city (Council Bluffs) is 116% higher.

Traffic/Security Camera System

In 2019, the City has installed 22 new cameras, along with 4.29 miles of conduit and many miles of fiber that will allow for future camera installation. In addition to the new cameras, another 56 cameras were replaced because of newer technology or camera failure. These newer cameras have a higher resolution and Wide Dynamic Range feature which allows them to see better in all light conditions. Today, there are 648 Traffic/Security cameras recorded through the Traffic Operations

Center in City Hall. The remaining 556 cameras are recorded at various servers throughout the City. The recommended budget has funding for additional cameras in the amount of \$398,049 from FY 2021 through FY 2025. Additional funding is also allocated to the network of fiber optics that supports the camera system; Traffic Signal Fiber Optics, Fiber Infrastructure Management System, and Fiber Optic Conduit Miscellaneous (\$680,000).

A key emphasis in this budget is on public safety, with more public safety personnel (Police and Fire), two new positions to support the ever expanding traffic and security camera system, transition of another part-time Animal Control Officer to full-time, another position in Housing and Community Development monitoring vacant and abandoned properties, supporting the Dubuque Dream Center, Fountain of Youth and the Four Mounds Heart Program as they invest in some of our most vulnerable residents and expanding City recreation programs (especially related to the arts). Outside of the general fund there will be further progress on the prevention of stormwater flooding, expansion of the City water and sanitary sewer system to promote 2 water quality, and changes to the refuse collection system to help clean up the streets and alleys with the implementation of a City-wide automated garbage cart collection system.

However, creating an Equitable Community of Choice means more than investing in public safety and the budget recommendation will accomplish that goal. There will be a full-time position in the Library Youth Services activity to focus on service to teens, pet friendly amenities throughout the City, support of low income residents to access programs, water and sanitary sewer extensions to protect water quality, and important improvements to the City ambulance fleet.

In November 2019, the number of people working in Dubuque County reached 62,300, the highest on record and an increase of 6.9% (4,000) over the 2012 benchmark used by the Greater Dubuque Development Corporation (GDGC). GDGC is projecting that with the current trajectory, if Dubuque can maintain their positive momentum, there could be as many as 67,759 people working here by 2029. The November 2019 unemployment rate in Dubuque County is 2.2% (and has reached as low as 1.9% twice in 2019). This is down from 5.4% in January 2014. Median Household Income (MHI) in Dubuque County was at \$48,573 as of December 31, 2010, and was at \$61,231 as of December 31, 2018, a 26.1% increase. Nationally there are over 7 million open positions with only 5 million people looking for work.

Letter to State Legislators

A crisis is occurring in the State of Iowa before our very eyes. The crisis is both partially caused by and masked by the State of Iowa low unemployment rate of 2.4%.

What is the crisis? In spite of some pockets of modest prosperity the State of Iowa, and states similar to Iowa, are struggling.

This issue was highlighted in an April 4, 2018 article in the Wall Street Journal, "Iowa's Employment Problem: Too Many Jobs, Not Enough People." (Attachment #1) A few lines in that article stand out, "If every employed person in the Midwest was placed in an open job, there would still be more than 180,000 unfilled positions, according to the most recent Labor Department Data. The 12-state region is the only area of the country where job openings outnumber out of work job seekers." And, "The Midwest has seen an outflow of people. A net 1.3 million people living in the Midwest in 2010 had left by the middle of last year, according to census data."

The State of Iowa needs to be an Equitable State of Choice to retain and attract a skilled workforce so existing employers can grow, so Iowa entrepreneurs can start new businesses and so that Iowa can attract new companies to call Iowa home.

We know that Iowa is a great place to live with a high quality of life, a good education system, modest cost of living and low crime rates, but what the numbers are telling us is that is not enough. We have all heard the definition of insanity is to keep doing things the same way and expect to get different results. I know this is not how you operate.

The international economy is at a turning point as is the economy of the United States and the State of Iowa. We are entering the 4th industrial revolution where the importance of an updated infrastructure is paramount to success and the most important part of that infrastructure is going to be a skilled and adequate workforce.

In a March 8, 2018 publication in the International Journal of Financial Research, "The Fourth Industrial Revolution: Opportunities and Challenges," it is pointed out that, "In the future, talent, more than capital, will represent the critical factors of production."

Iowa is competing on a world stage. In doing this, Iowa must fight above its weight class. Iowa only has eleven cities with a population greater than 50,000 people. With 3.1 million people, Iowa is only the 30th largest state in the United States. Iowa needs more and better tools to compete successfully for jobs and workers, and needs to use these tools more aggressively.

Communities across the Midwest are having difficulties adjusting to the changing economy:

City	1970 Population	2010 Population	% Change
Gary, IN	175,415	80,294	-54.2%
South Bend, IN	125,580	75,065	-40.2%
Flint, MI	193,317	102,434	-47.0%
Detroit, MI	1,511,482	713,777	-52.8%
Akron, OH	275,425	199,110	-27.8%
Cincinnati, OH	452,524	296,943	-34.4%
Cleveland, OH	750,903	396,815	-47.2%
Dayton, OH	243,601	141,527	-41.9%
Toledo, OH	383,818	287,208	-25.2%
Youngstown, OH	139,788	66,982	-52.1%

Information recently released by the State of Iowa Legislative Services Agency shows the change in population in counties across Iowa 2010-2017. It is a frightening trend that must serve as a wake-up call for all Iowans. If we want our children and grandchildren to be able to stay in Iowa and be successful, we must all work to make Iowa a place of choice, not only for businesses but also the workforce they will need to thrive. We should be considering how to improve economic development and community rehabilitation tools to create more growth in jobs and population and to make the incentives more competitive.

Iowa Percent Change in Population by County 2010-2017
State of Iowa +3.2% (+99,356)

There are 99 counties in the state of Iowa. Only 23 showed any growth at all over a 7-year period from 2010 to 2017. If you only consider counties that had at least 1% growth and have a population of 25,000 or more, only 11 of the 99 counties met these criteria and four of them are in the Des Moines/Ames corridor. In fact, the Des Moines/ Ames corridor accounted for 81,808 (82%) of the 99,356 of the state-wide population growth.

Even some of the counties that include some of Iowa's larger cities showed very little growth or an actual decline.

COUNTY	% Population Change: 2010-2017
Woodbury (Sioux City)	+0.1%
Muscatine (Muscatine)	+0.3%
Pottawattamie (Council Bluffs)	+0.0%
Jasper (Newton)	+0.4%
Wapello (Ottumwa)	-1.7%
Cerro Gordo (Mason City)	-2.5%
Webster (Fort Dodge)	-3.4%
Clinton (Clinton)	-4.2%

Looking at micropolitan areas in the State of Iowa, the news on population change (2010-2015) is not any better:

Percent Change in Population: 2010-2015	Micropolitan Statistical Area	% Change
	Fairfield	4.2%
	Spirit Lake	2.7%
	Boone	1.3%
	Storm Lake	1.2%
	Muscatine	0.6%
	Marshalltown	0.2%
	Newton	0.0%
	Oskaloosa	-0.3%
	Spencer	-1%
	Ottumwa	-1%
	Burlington	-1.3%
	Mason City	-2.2%
	Fort Dodge	-2.5%
	Fort Madison-Keokuk	-2.7%
	Clinton	-2.7%

The picture is just as discouraging when you look at the Estimated Population Migration from 2010 to 2017 (Attachment #4). This measurement represents the number of people who have moved to these counties vs. the number of people who have left. The State of Iowa experienced a net inflow of only 24,342 people during this 7-year period.

If you only consider counties that had a net positive change of at least 1,000 people, only 9 (9%) of the 99 counties met that criteria, with 4 of those in the Des Moines/Ames Corridor.

Additional information from the Legislative Services Agency shows the change in population and employment by County from 2010-2017 (Attachment #5). The news is not good:

- 23 of the 99 counties have seen declines in both population and employment.
- 25 of the 99 counties have seen declines in employment for a total of lost jobs of 8,047.
- Clinton County lost the most jobs at 1,835 (8%), but 10 counties lost more than 250 jobs.
- Hamilton County lost 12.9% (874) of their jobs, Cherokee County 12.8% (695) and the average job loss of the 25 counties was 4.8%.
- 10 of the counties lost more than 5% of their jobs.

A 2018 report released by the Iowa Business Council, which represents many of the state's largest employers, should be a great cause of concern for the State of Iowa. When compared with how Iowa ranks among all 50 states in key metrics comparing the year 2000 with 2017, it is clear that Iowa needs to do more to support economic development, job growth, and workforce development:

	2000 Ranking	2017 Ranking
Median Household Income	21	26
Gross State Product	29	30
8 th Grade Reading Proficiency	11	17
8 th Grade Math Proficiency	12	14
Education Attainment High School	9	11

Education Attainment Bachelor Degree	22	34
Gallup-Healthways Well-Being Index	7	19

We need to focus on how we can all work together to grow Iowa and to make our communities a place of choice where our children and grandchildren want to stay and new people want to come as we deal with the biggest problem identified by business and industry and that is the availability of a skilled workforce. We need to focus on quality of life issues, on job creation, on job training, on our children's education and on the future. To do that we need tools at the local level and we need healthy, engaged and active partners. Those partners need to support strategic initiatives around mental health, childcare, quality affordable housing, job training, workforce development, job creation and do all this looking through an equity lens.

When it comes to job creation and economic development, Dubuque is a leader in the Midwest and in the State of Iowa.

"Would the last person to leave Dubuque please turn off the lights?" Residents used this dark humor to help deal with Dubuque's dire unemployment rate which hit 23% in January 1982. High school and college graduates left for more prosperous cities and states, taking their talent with them, with Dubuque losing almost 10% of its population in the 1980's.

Dubuque has built 1,468 acres of industrial parks, now home to 55 businesses, including 47 local businesses that needed a place to expand.

The City of Dubuque has committed \$86 million in Tax Increment Financing incentives for businesses since 1990 in the industrial parks and in downtown Dubuque. This has leveraged \$490 million in private investment by these businesses. With the use of TIF, businesses in Dubuque have retained 3,988 existing jobs and created 6,428 new jobs. To date, 78 projects have benefitted from the use of Tax Increment Financing.

Dubuque's responsible use of this only meaningful local economic incentive has created a nationally-recognized transformation. The Dubuque metropolitan statistical area (MSA) total employment for June 2018 was 60,500, a 61% increase since 1983 when total employment was 37,600. In October 2018, the Dubuque MSA's unemployment rate was 1.7%. Dubuque County's Median Household Income (MHI) rose from \$48,012 in 2009 to \$56,154 in 2016, a 14% increase. In this same period, the national MHI increased by only 2.5%. Dubuque has been ranked by Forbes, Kiplinger, the U.S. Conference of Mayors, the National Civic League, and the Milken Institute as one of the best cities in the United States to live and work.

Fortunately from 2010-2017, Dubuque County showed a growth of 3.3%, achieving a population of 97,041.

Information recently released by the State of Iowa Legislative Services Agency shows the performance of Main Street Iowa communities from Fiscal Year 1987 - Fiscal Year 2018. Of the Urban Main Street communities over 50,000 population, Dubuque has leveraged \$716,853,589 in private and public dollars invested in acquisition and rehabilitation. This amount is the highest amount of any city and represents 37% of the \$1,912,278,450 grand total for the State of Iowa.

Downtown historic redevelopment in Dubuque has added well over 2,100 permanent jobs in buildings that had been underutilized or were deteriorating or vacant for decades. Dubuque developers have completed 35 projects to date using the Iowa Historic Tax Credit Program. Just

over \$42.5 million in Iowa HTCP funding has leveraged over \$143 million in private investment. Dubuque currently has 19 more projects in the works, with an estimated \$18.5 million in Iowa HTCP funding, which is expected to leverage approximately \$56 million in private investment.

Dubuque's responsible use of historic tax credits is nationally-recognized as noted in the Fall 2018 Preservation Magazine produced by the National Trust for Historic Preservation, in *Finding Dubuque: An Iowa City Rediscovered Its Sense of Place* by Lisa Selin Davis:

"Never, in 15 years of writing about historic preservation, had I heard so many people utter the words "historic tax credits" with such passion and reverence...The tour helped me understand the unusually deep and detailed public-private partnerships that are making Dubuque a model of economic development and community revitalization.

As impressive as these buildings are, just as impressive is the preservation fever that has taken hold of the city. Preservation projects are creating ripple effects-bringing in new blood, welcoming long-lost Dubuquers home, and encouraging people from all over the city to participate in the salvation of historic Dubuque.

Anyone can restore a building. But Dubuque residents, together, are restoring a community."

A recent review of Dubuque by Moody's Analytics says, "Dubuque's economy is expanding at a solid rate. Job growth last year was the strongest since 2015, and this year payroll employment is up slightly more than in the same period in 2018. Goods industries are leading the charge, but private services have assumed a greater role with payrolls breaking out of a multiyear holding pattern to an all-time high. At just over 2%, the jobless rate is near its low for the cycle and series dating back to 1990. Strong demand for labor has lifted average hourly earnings to a three-year high. Higher wages are attracting job seekers, with labor force participation up more than 3 percentage points from its cycle low to its highest since 2010. The increase in workers is enabling firms to expand at a faster clip even though the job market is exceptionally tight.

Greater Dubuque Development Corporation 2019 Community Perception Survey

One of the many benefits that will result from the True North expanded partnership with the community is the "Greater Dubuque Development Corporation 2019 Community Perception Survey" conducted in September 2019. This is the third year of the survey.

While I believe this poll indicates there is much work to be done, I also believe the results are notable:

- Only 11% disagreed with the statement, "Dubuque is a Safe Place to Live."
- Only 7% disagreed with the statement, "Dubuque is a Good Place to Live."
- Only 7% disagreed with the statement, "Dubuque is a Good Place to Work."
- Only 15% said, "Dubuque is Headed in the Wrong Direction."
- From across the city, 18% disagreed with the statement, "I Feel Safe in the North End." This is an improvement from the 27% in 2017 and 25% in 2018.
- From across the city, 36% disagreed with the statement, "I Feel Safe in the Downtown."
- Only 11% disagreed with the statement, "Diversity is Beneficial in Our Community."

GDDC Business Retention and Expansion Interviews

The results of the GDDC Business Retention and Expansion interviews (300) of regional corporate chief executive officers through June 30, 2019, show 71.4% with increased sales, 56.3% reporting increased market share, and 40% reporting plans to expand.



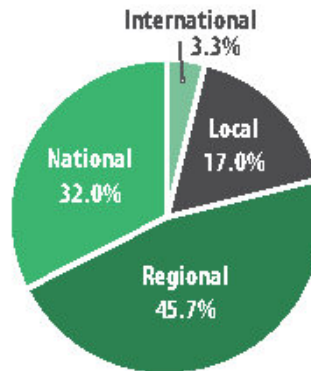
INFOACTION Action DASHBOARD ^{FY} 18-19

What CEOs, business owners, and top managers have told us

Company Visits

July 01, 2018 TO June 30, 2019

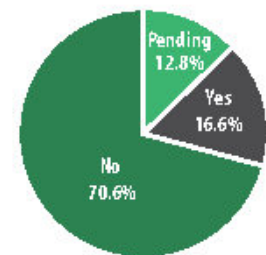
300 TOTAL VISITS



PRIMARY MARKET

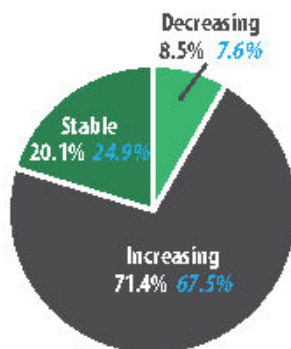
Company Plans

40%
HAVE PLANS TO
EXPAND

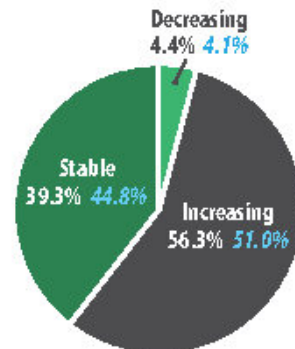


MANAGEMENT CHANGES

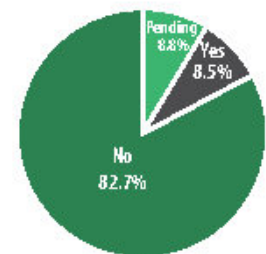
Sales & Market Share *FY17-18 in Italics*



SALES



MARKET SHARE



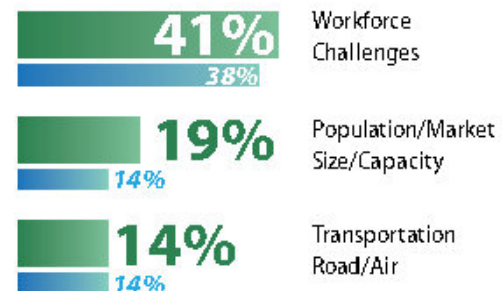
OWNERSHIP CHANGES

Community Strengths & Weaknesses *FY17-18 in Italics*

TOP 3 STRENGTHS



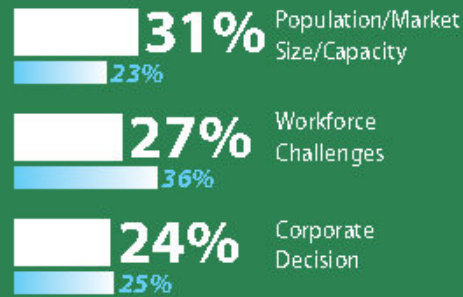
TOP 3 WEAKNESSES



Barriers to Growth *FY17-18 Initiatives*

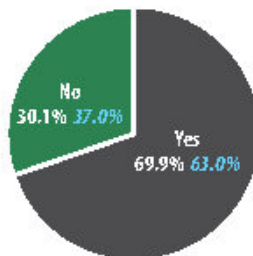


Reasons to Expand Elsewhere *FY17-18 Initiatives*

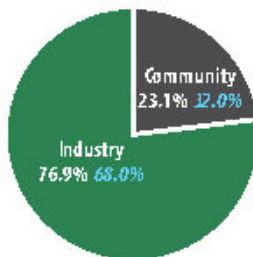


Workforce Assessment

FY17-18 Initiatives



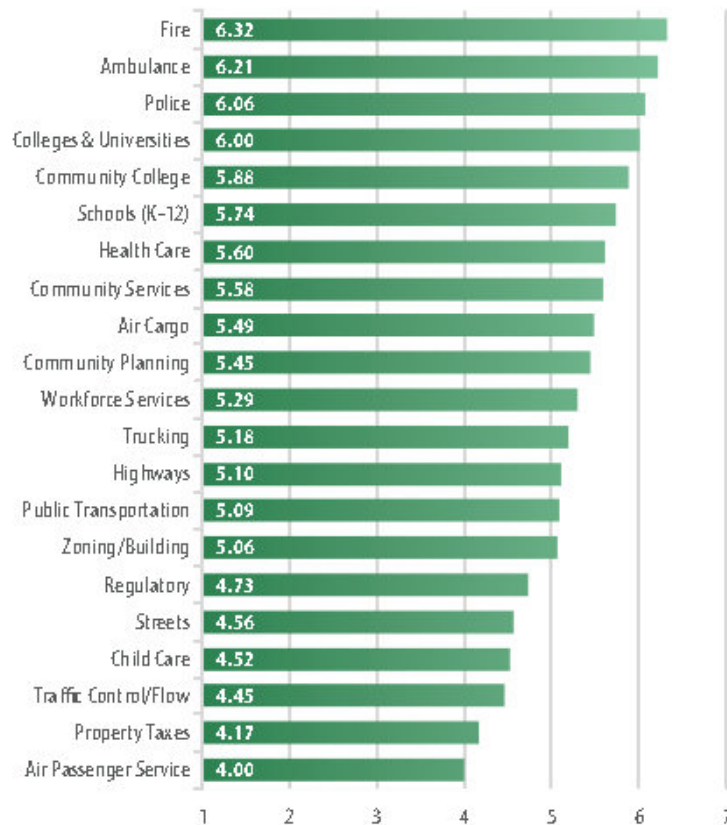
RECRUITMENT CHALLENGES?



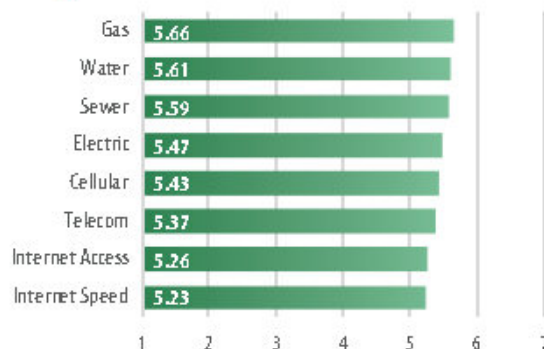
IF YES, IT IS COMMUNITY OR INDUSTRY?

Community Services Index

Scale: 1 is poor, 7 is excellent



Utility Services Index



GDDC Human Resources Professionals Action Interviews



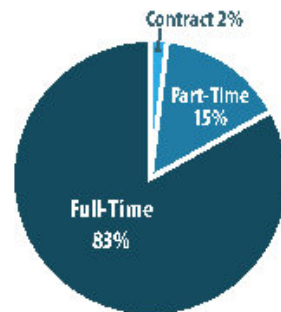
HR ACTION *Action* DASHBOARD

FY 18-19

What Human Resources Professionals have told us

Company Visits July 01, 2018 TO June 30, 2019

70 TOTAL VISITS

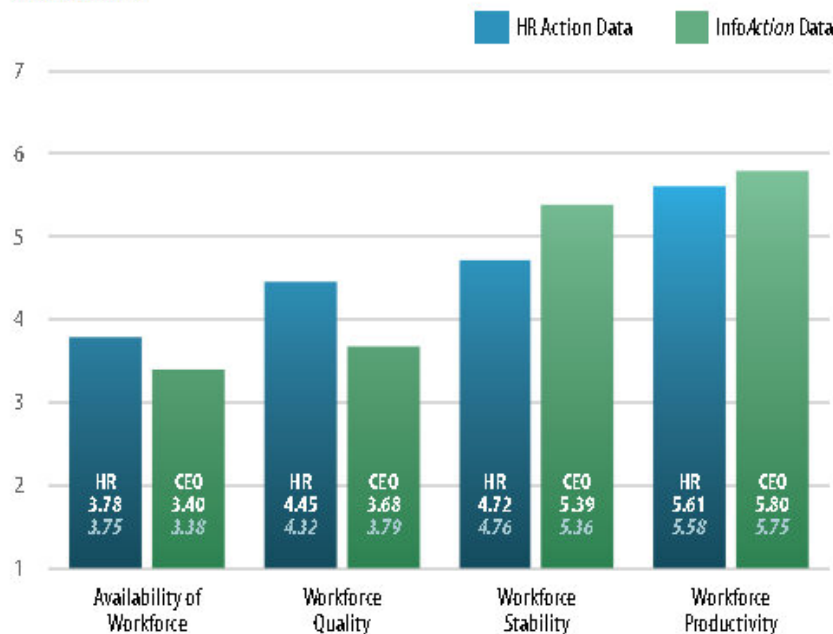
22,972
TOTAL EMPLOYEES

TOTAL EMPLOYEES REPRESENTED

Personnel Rankings

FY16-17 in Italic

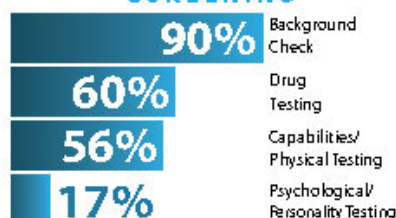
Scales of 1 to 7: 1 is Low, 7 is High



PERSONAL BARRIERS TO EMPLOYMENT



PRE-EMPLOYMENT SCREENING



Recruitment

89% Use AccessDubuqueJobs

87% Use job board other than/in addition to ADJ.com

67% Attend Career Fairs

63% Offer referral incentive

59% Host Interns

50% Use LinkedIn

50% Place newspaper ads

39% Use Recruitment Agency

37% Use other resources

34% Offer Flex Scheduling as recruitment tool

30% Use Industry-associated job boards

21% Use Local Job Service (such as IowaWorks)

19% Apply for H1B visas or hire foreign labor

17% Use an outdoor sign

MOST EFFECTIVE:

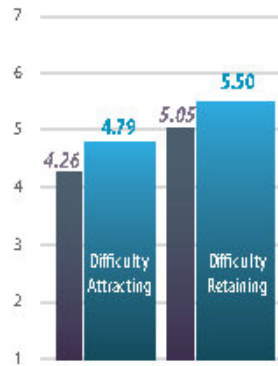
- 1: AccessDubuqueJobs
- 2: Other online job board
- 3: Employee Referral

UNIQUE POPULATIONS



TALENT ATTRACTION FROM OUTSIDE THE AREA

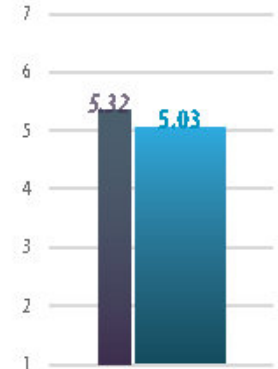
FY17-18 in Italics



EMPLOYEE ENGAGEMENT

The commitment the employee has to the success of the organization and its goals

FY17-18 in Italics



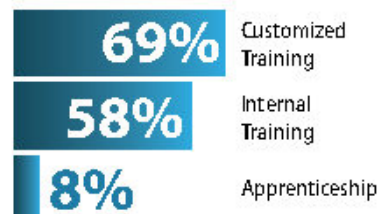
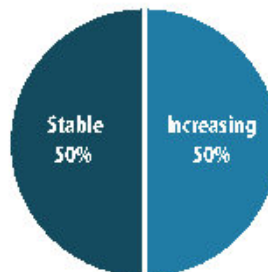
Training

TOP SKILLS GAP WITH NEW HIRES

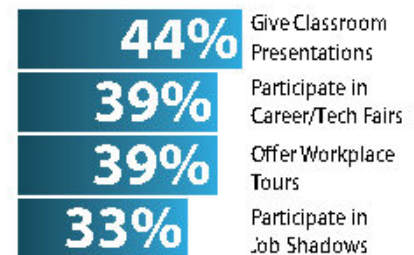


INTERNSHIPS
385+ **83%** USING **INTERNS**
INTERNS **6.1** **QUALITY**
HOSTED **OF INTERNS**

COMPANY INVESTMENT IN EMPLOYEE TRAINING

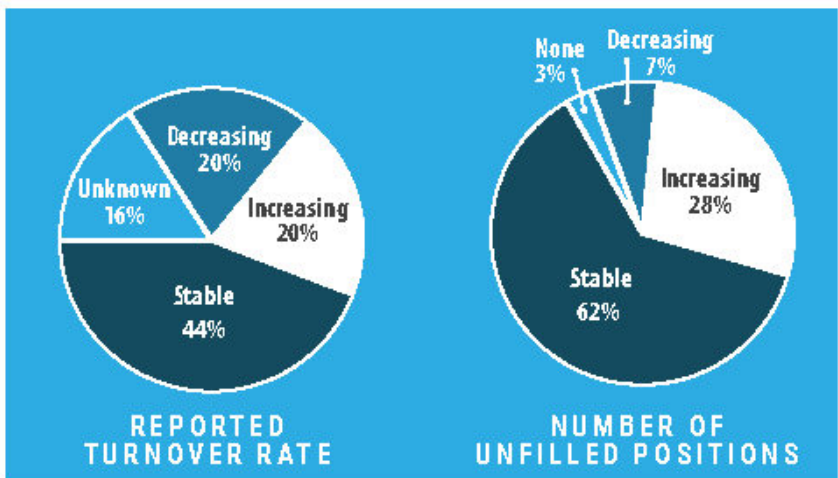


PARTNERSHIP WITH K-12 EDUCATION



TOP HR GOALS FOR NEXT 12 MONTHS

- 1: Improving Company Culture/ Employee Engagement
- 2: Recruitment
- 3: Retention
- 4: Succession Planning
- 5: Training



Wages & Benefits FY17-18 in Italics

62% **69%**
 Believe **WAGES** are
 At Market

25% **13%**
 Believe **WAGES** are
 Above Market

59% **50%**
 Believe **BENEFITS** are
 At Market

38% **46%**
 Believe **BENEFITS** are
 Above Market

Type of Benefit	% of Employees Offering Benefit	Type of Benefit	% of Employees Offering Benefit
Vacation - paid	100%	Employee Referral Incentive	61%
Healthcare	97%	Bonus Program	63%
Retirement match	97%	Flex-time Schedule	53%
Sick Leave - Paid	87%	Product Discounts	36%
Parking	90%	Work from Home	29%
Family Leave	91%	Free Meals/Discount	19%
Career Development	69%	Other	n/a
Part-time (Less than FT)	53%	Volunteer Time	37%
Health & Wellness Program	66%	Spot Bonuses	29%
Tuition Reimbursement	61%	Child Care	n/a

Greater Dubuque Region Skills Gap Analysis Fall 2019

Labor Market Overview (continued)

Employment Growth		
Region	'09-'19 Chg	'19-'29 Chg
Dubuque MSA	13.2%	8.9%
Dubuque Region	8.8%	7.1%
State	8.5%	6.9%
Nation	15.4%	8.0%

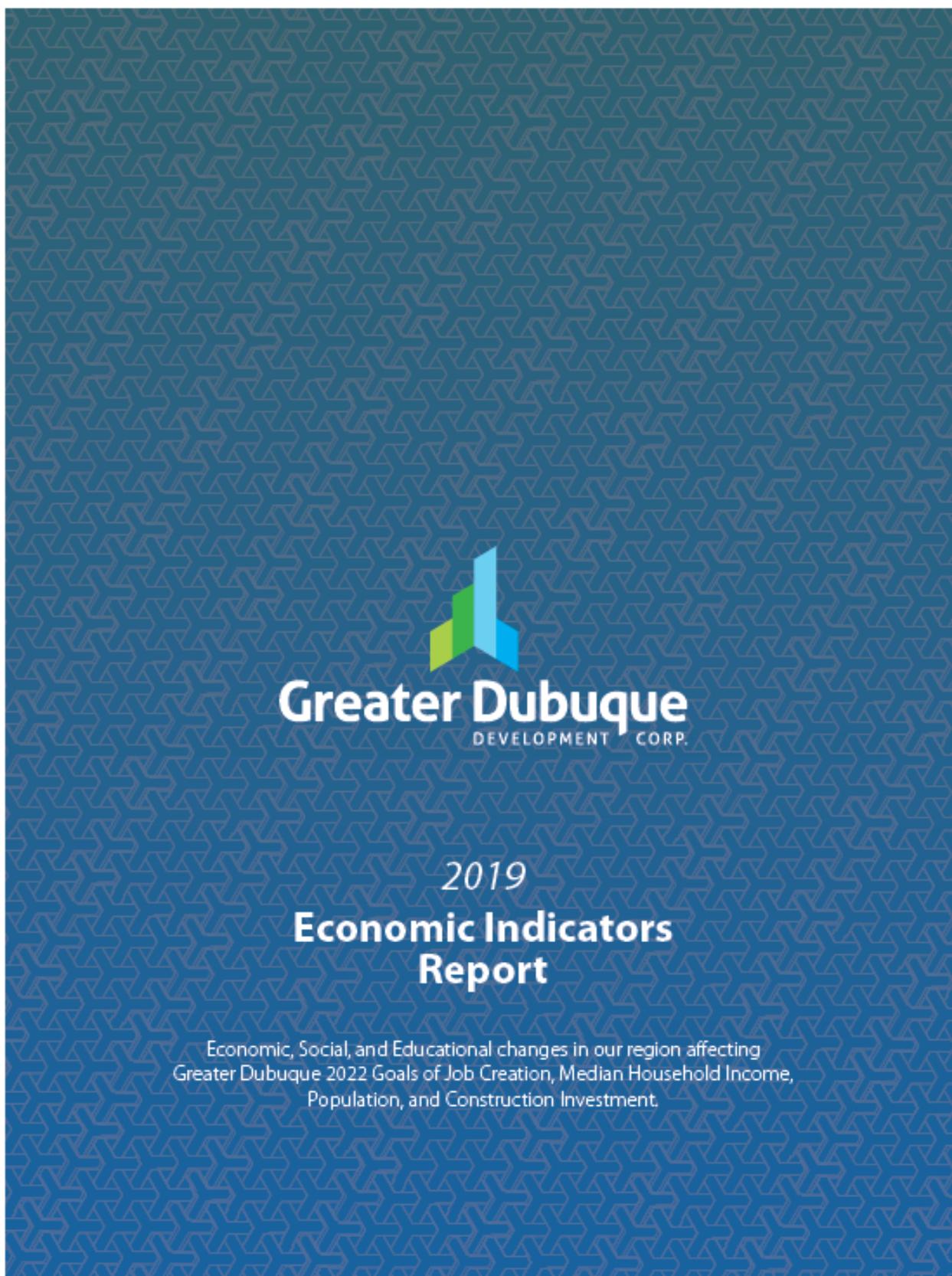
Working Age Growth		
Region	'09-'19 Chg	'19-'29 Chg
Dubuque MSA	4.2%	-4.8%
Dubuque Region	-0.3%	-6.5%
State	3.7%	-3.2%
Nation	6.5%	-1.2%

- Employment in the Dubuque MSA is projected to grow (8.9%) above the projections for the region (7.1%), State of Iowa (6.9%) and the Nation (8.0%).
- While the working age population (age 15 to 69) is projected to decline nationally (-1.2%), greater declines are projected in Iowa (-3.2%), the Dubuque MSA (-4.8%), and the region (-6.5%).
- The region's unemployment rate remains low and below the national unemployment rate.
- The Dubuque MSA's median hourly earnings per worker of \$16.78 is (4.2%) increase over 2018 Median Hourly Earnings. The earnings are less (-6.5%) than the National median.
- Of the 8 MSAs in the tri-state area, Dubuque ranks 6th in Median Hourly Wage.
 Rochester \$20.23 Cedar Rapids \$19.15 Iowa City \$19.03 Davenport \$17.61
 Dubuque \$17.73 Waterloo \$16.80 LaCrosse \$17.61 Platteville \$16.61

MSA Median Wage Change

Area	2014	2015	2016	2017	2018	1yr Chg	5yr Chg	Rank
Rochester	\$18.26	\$18.45	\$19.20	\$20.03	\$20.23	4%	5%	1
Cedar Rapids	\$17.50	\$17.65	\$18.04	\$18.48	\$19.15	2%	3%	2
Iowa City	\$17.55	\$17.53	\$17.71	\$18.38	\$19.03	1%	1%	3
Quad Cities	\$15.61	\$16.00	\$16.59	\$17.07	\$17.61	4%	6%	4
La Crosse	\$16.05	\$15.88	\$16.31	\$16.92	\$17.61	3%	2%	5
Dubuque	\$15.45	\$15.71	\$16.02	\$16.82	\$17.37	2%	4%	6
Waterloo	\$15.56	\$15.78	\$16.16	\$16.30	\$16.80	2%	4%	7
Platteville	\$14.58	\$14.84	\$15.40	\$15.83	\$16.61	4%	6%	8

GDDC 2019 Economic Indicators Report



GREATER DUBUQUE 2022

GOALS BREAKDOWN

TO BE ACHIEVED BY JUNE 30, 2022:

Job Creation 64,000	Median Household Income \$60,000	Population 100,000	Investment \$800,000,000
-------------------------------	--------------------------------------------	------------------------------	------------------------------------

Quarterly & Annual Action Dashboards*
(InfoAction & HR Action Reporting, primarily quantitative)

Education/ Occupational Data	Median Household Income	Population	Investment
<ul style="list-style-type: none"> • Number of Businesses • Top & Fastest-growing Occupations • Top & Fastest-growing Industries • Skills Gap Analysis* • Higher Education Enrollments & Completions • Certified K-12 Enrollment • K-12 Reading & Math Proficiency 	<ul style="list-style-type: none"> • Salary Trends • % Paying More Than 35% on Mortgage/Rent • % K-12 Students Eligible for Free/Reduced Lunch • Poverty Indicators • SNAP Recipients • Average Household Income for In- and Out-migration • Data for Dubuque's True North Census Tracts 1 & 5 	<ul style="list-style-type: none"> • Migration Flow • Cost of Living Composite • Retail - Total Taxable Sales • Vehicle Ownership 	<ul style="list-style-type: none"> • Housing Units • Median Property Value • Mortgage Status • Rental Vacancy Rate • Median Rent • Home & Property Sales

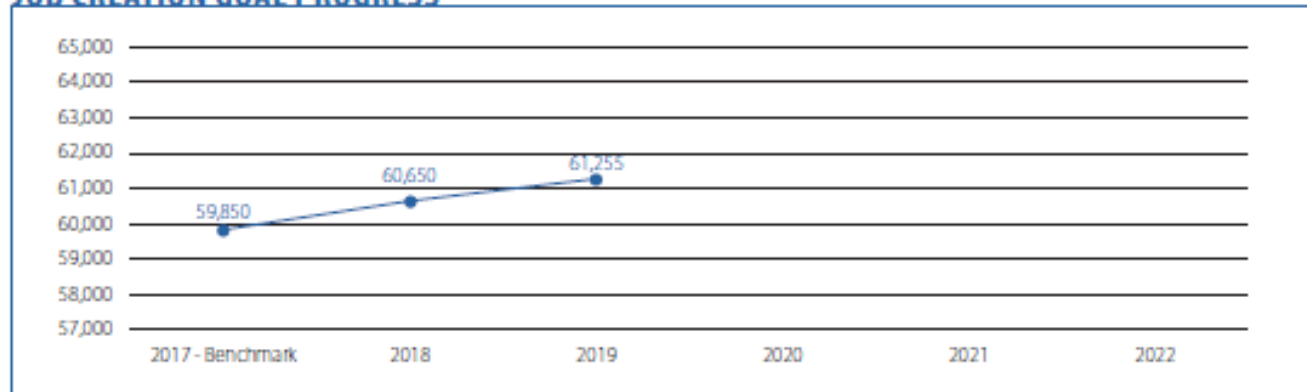
*Available reports can be found at www.greaterdubuque.org/data

Note: The Dubuque Metropolitan Statistical Area (MSA) and Dubuque County are the same area for analysis.

JOB CREATION

GOAL: 64,000 in Dubuque Metropolitan Statistical Area (MSA)/Dubuque County

JOB CREATION GOAL PROGRESS



NUMBER OF BUSINESSES

2017: 2,797 2016: 2,759 2015: 2,762 2014: 2,779

Number of Employees	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+	Total
Businesses within the Dubuque MSA (2014)	1,350	560	391	283	98	63	24	6	4	2,779
Businesses within the Dubuque MSA (2015)	1,350	517	412	286	99	62	24	11	1	2,762
Businesses within the Dubuque MSA (2016)	1,324	511	422	302	95	69	27	6	3	2,759
Businesses within the Dubuque MSA (2017)	1,358	544	397	298	97	67	29	4	3	2,797

96 Small Businesses: 68% of all establishments have 9 employees or less

OVERALL TREND: UNCHANGED (2010 Census: 2,738 businesses)

Dubuque MSA/Dubuque County

Source: U.S. Census Bureau, 2017 County Business Patterns Survey

TOP 10 INDUSTRIES BY VOLUME OF JOBS 2014 & 2019

INDUSTRY	2014 JOBS	2019 JOBS	# CHANGE	% CHANGE
Manufacturing	9,151	9,956	805	9%
Health Care and Social Assistance	8,218	9,121	903	11%
Retail Trade	6,900	6,751	(149)	(2%)
Government	5,073	5,165	92	2%
Finance and Insurance	3,596	4,841	1,245	35%
Accommodation and Food Services	4,380	4,437	57	1%
Wholesale Trade	3,406	3,149	(257)	(8%)
Educational Services	3,065	2,857	(208)	(7%)
Other Services (except Public Administration)	2,880	2,760	(120)	(4%)
Construction	2,473	2,624	151	6%

Dubuque MSA/Dubuque County

Source: EMSI (QCEW Employees, Non-QCEW Employees, & Self-employed)

FASTEST GROWING INDUSTRIES BY % JOB INCREASE 2014 & 2019

INDUSTRY	2014 JOBS	2019 JOBS	# CHANGE	% CHANGE
Transportation and Warehousing	1,864	2,533	669	36%
Finance and Insurance	3,596	4,841	1,245	35%
Management of Companies and Enterprises	616	767	151	25%
Information	893	1,085	192	22%
Agriculture, Forestry, Fishing and Hunting	260	296	36	14%
Health Care and Social Assistance	8,218	9,121	903	11%
Manufacturing	9,151	9,956	805	9%
Real Estate and Rental and Leasing	455	487	32	7%
Construction	2,473	2,624	151	6%
Government	5,073	5,165	92	2%

Dubuque MSA/Dubuque County

Source: EMSI (QCEW Employees, Non-QCEW Employees, & Self-employed)

TOP 10 JOBS BY VOLUME 2014 & 2019

OCCUPATION	2014	2019
Retail Salespersons	2,301	2,200
Customer Service Representatives	1,373	1,590
Combined Food Preparation and Serving Workers, Including Fast Food	1,444	1,559
Registered Nurses	1,317	1,500
Office Clerks, General	1,418	1,345
Cashiers	1,292	1,258
Heavy and Tractor-Trailer Truck Drivers	933	1,099
Assemblers and Fabricators, All Other, Including Team Assemblers	945	973
General and Operations Managers	854	919
Personal Care Aides	594	909

Dubuque MSA/Dubuque County

Source: EMSI (QCEW Employees, Non-QCEW Employees, & Self-employed)

FASTEST GROWING OCCUPATIONS BY % INCREASE 2014 & 2019

OCCUPATION	# CHANGE	% CHANGE
Insurance Underwriters	65	97%
Insurance Claims and Policy Processing Clerks	145	85%
First-Line Supervisors of Personal Service Workers	42	53%
Personal Care Aides	315	53%
Mechanical Engineers	176	43%
Education Administrators, Postsecondary	84	37%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	88	35%
Insurance Sales Agents	141	34%
Fitness Trainers and Aerobics Instructors	60	34%
Industrial Truck and Tractor Operators	128	33%

Dubuque MSA/Dubuque County

Source: EMSI (QCEW Employees, Non-QCEW Employees, & Self-employed)

HIGHER EDUCATION GRADUATES

2011	2016	2017	2018
4,881	5,663	5,444	5,663

Source: EMSI (IPEDS)

HIGHER EDUCATION ENROLLMENT

	Undergraduate & Graduate	Continuing Education, Adult Education, Certificate/Licensure	Massage & Cosmetology	Total
2014-2015	30,456	33,462	301	64,309
2016-2017	29,424	26,208	362	55,994
2017-2018*	28,624	29,005	316	57,945

*Previous data included ALL major completions, including second majors. 2017-2018 and subsequent reporting will only include first majors to eliminate duplication.

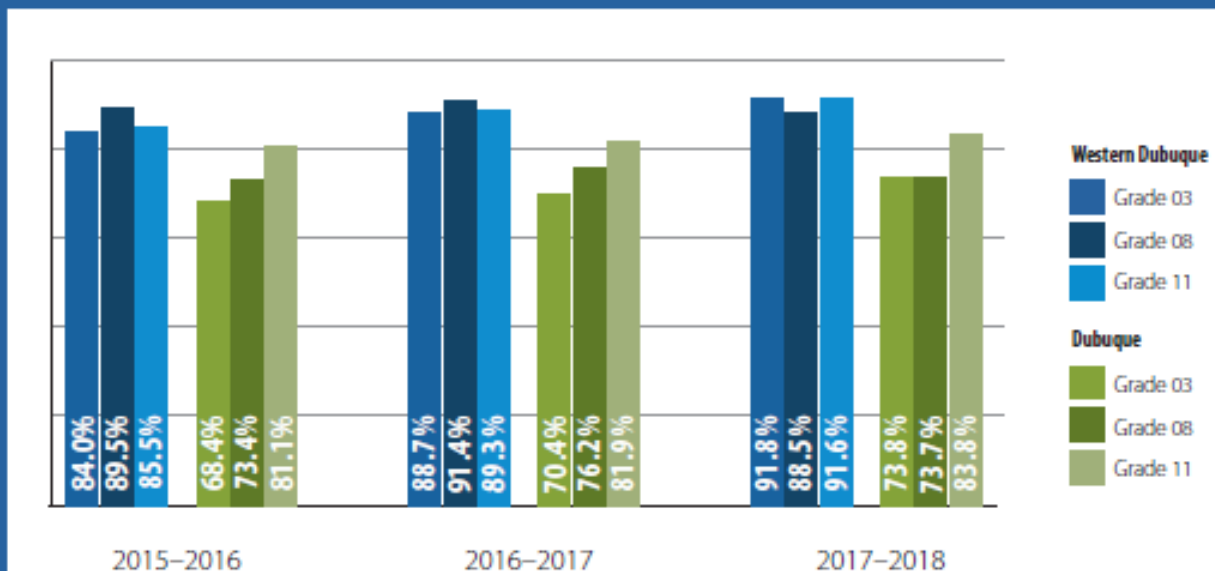
Source: EMSI (IPEDS)

K-12 DUBUQUE AND WEST DUBUQUE CERTIFIED ENROLLMENT

	Dubuque	Western Dubuque	Holy Family/Dubuque Lutheran	Private Schools in West Dubuque
2016-2017	10,555	3,149	1,614	1,362
2017-2018	10,506	3,099	1,582	1,365
2018-2019	10,430	3,094	1,563	1,281

Source: State of Iowa Department of Education

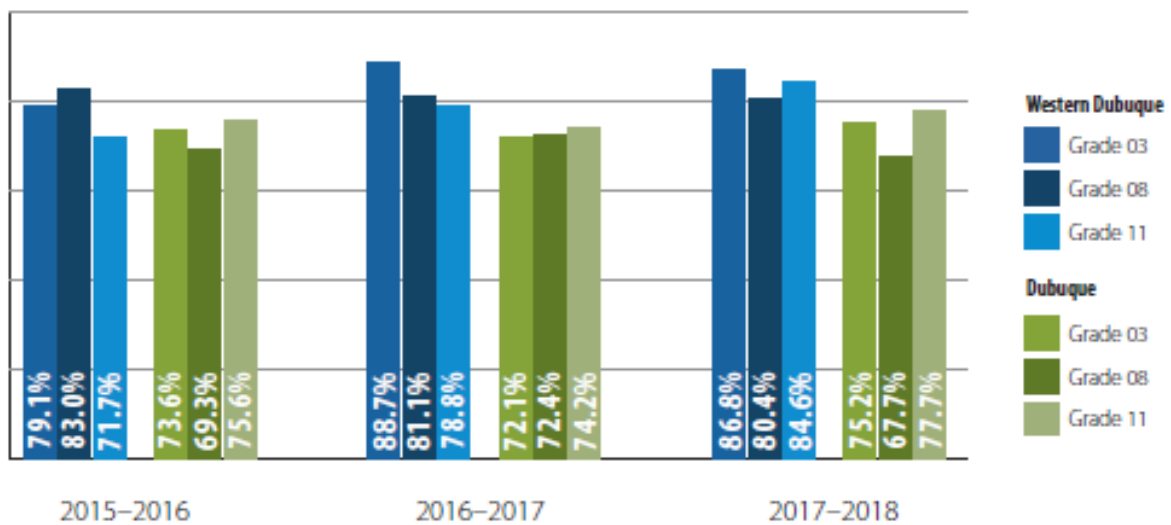
MATH PROFICIENCY



The 2018-2019 proficiency data release has been delayed by the State of Iowa and was not available for this report. A revised report will be available once the data is released.

Source: State of Iowa Department of Education

READING PROFICIENCY



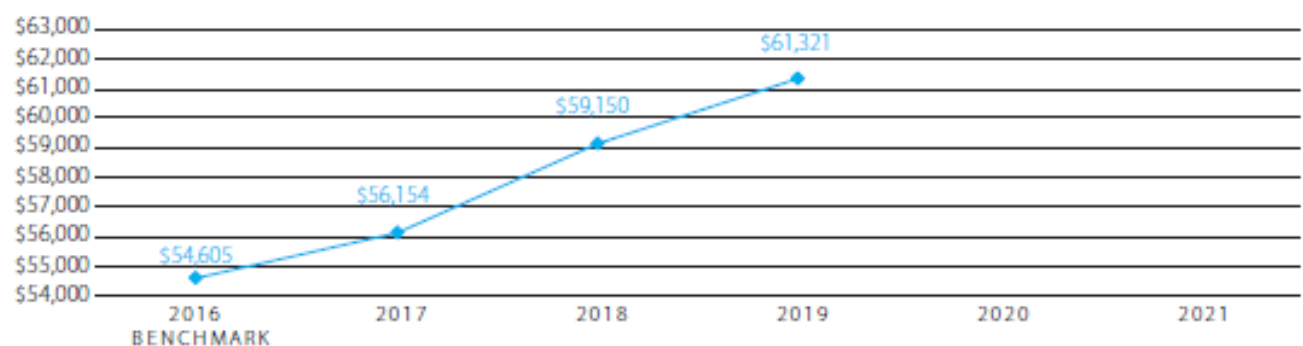
The 2018-2019 proficiency data release has been delayed by the State of Iowa and was not available for this report. A revised report will be available once the data is released.

Source: State of Iowa Department of Education

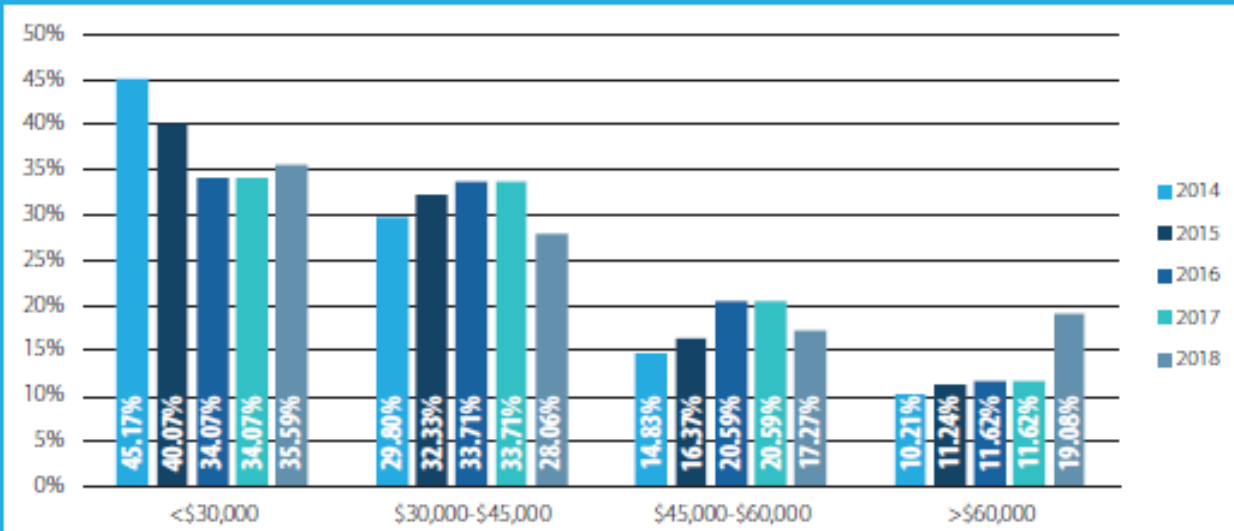
MEDIAN HOUSEHOLD INCOME

GOAL: \$60,000

MEDIAN HOUSEHOLD INCOME GOAL PROGRESS



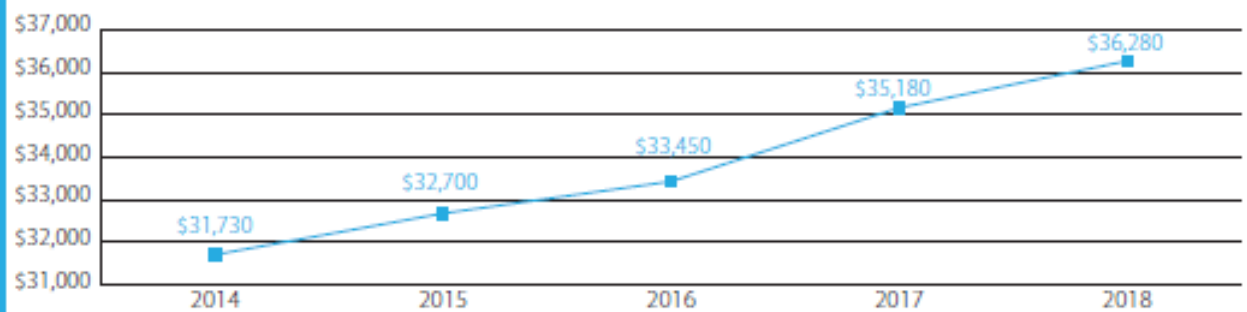
SALARY TREND 2014–2018: % OF JOBS IN MARKET BY WAGE LEVEL



Dubuque MSA/Dubuque County

Source: Bureau of Labor Statistics, Occupational Employment Statistics

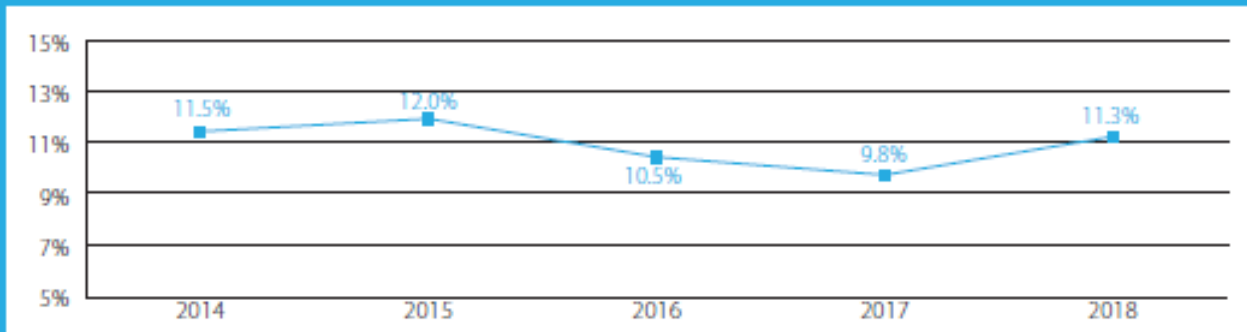
MEDIAN ANNUAL SALARY 2014–2018



Dubuque MSA/Dubuque County

Source: Bureau of Labor Statistics, Occupational Employment Statistics

POVERTY RATE 2014–2018



Dubuque MSA/Dubuque County

Source: U.S. Census Bureau, Small Area Income and Poverty Estimates

POVERTY BY OTHER INDICATORS

	TOTAL NUMBER IN SUBSET		% BELOW POVERTY LEVEL		MARGIN OF ERROR	
	2017	2018	2017	2018	2017	2018
AGE						
Below 18	21,883	21,788	15.8%	14.8%	+/- 2.1%	+/- 2.1%
18 to 34 years	19,882	19,924	17.9%	16.9%	+/- 1.9%	+/- 2.0%
35 to 64 years	35,848	35,571	7.4%	7.9%	+/- 0.8%	+/- 0.9%
65 years and older	15,143	15,655	9.2%	9.5%	+/- 1.6%	+/- 1.7%
RACE & HISPANIC ORIGIN*						
White/Caucasian alone	86,810	86,694	9.8%	9.8%	+/- 0.9%	+/- 0.9%
Black/African American alone	2,437	2,966	59.2%	54.0%	+/- 9.9%	+/- 12.4%
Asian alone	1,200	1,130	17.0%	12.5%	+/- 8.2%	+/- 8.5%
Two or more races	1,477	1,216	40.8%	21.5%	+/- 11.4%	+/- 8.7%
Hispanic or Latino origin (of any race)	1,987	2,113	32.0%	27.7%	+/- 11.3%	+/- 11.7%
OTHER						
Less than high school graduate	4,584	4,596	23.5%	21.5%	+/- 4.1%	+/- 5.1%
Employed, civilian labor force 16 years+	49,714	51,429	6.4%	7.4%	+/- 0.7%	+/- 0.7%
Female Householder Families with Children	2,278	2,337	47.2%	43.3%	+/- 7.3%	+/- 6.7%

* Smaller populations have a higher margin of error

Source: American Community Survey 2014-2018 5-year estimates

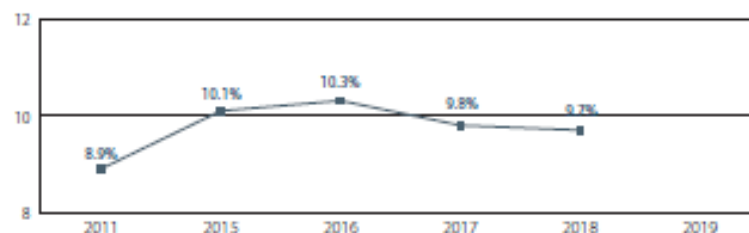
FREE AND REDUCED LUNCH PROGRAM PERCENTAGE

District	Year	Total Enrollment	Free Lunch	Reduced Lunch	% eligible for Free/Reduced Lunch
Dubuque	2015-16	10,419	3,244	604	36.93%
Dubuque	2016-17	10,360	3,152	532	35.56%
Dubuque	2017-18	10,293	3,219	584	36.95%
Dubuque	2018-19	10,175	3,743	715	43.8%
Western Dubuque	2015-16	3,178	713	276	31.1%
Western Dubuque	2016-17	3,297	742	295	31.45%
Western Dubuque	2017-18	3,276	697	323	31.14%
Western Dubuque	2018-19	3,285	732	313	31.8%

Source: State of Iowa Department of Education

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) PARTICIPANTS

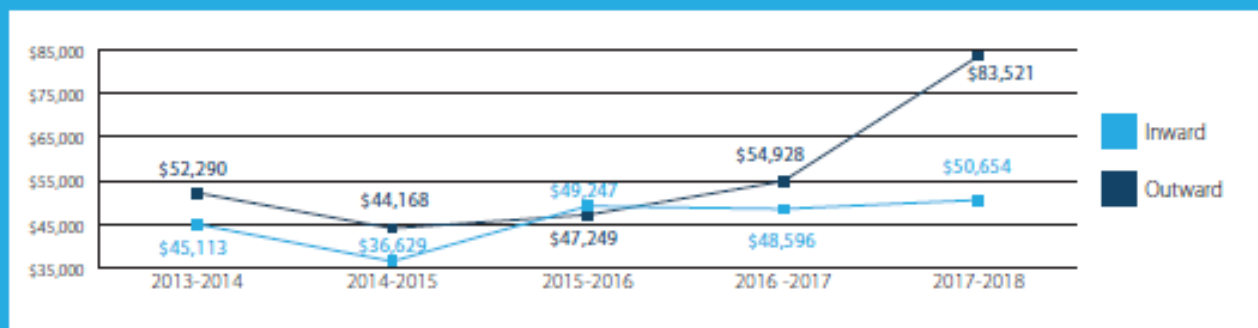
Percent of Households on cash public assistance or SNAP

2011: 3,312
of 36,984 Total Households2018: 3,707
of 38,330 Total Households

Dubuque MSA/Dubuque County

Source: American Community Survey 2014-2018 5-year Estimates

AVERAGE HOUSEHOLD INCOME OF RESIDENTS MOVING IN OR OUT



Dubuque MSA/Dubuque County

Source: Internal Revenue Service

PERCENT OF INCOME TOWARDS HOUSING

% with Mortgage and Owner Costs At or Exceeding 35% of Income	13.6%
% with Gross Rent At or Exceeding 35% of Income	37.1%

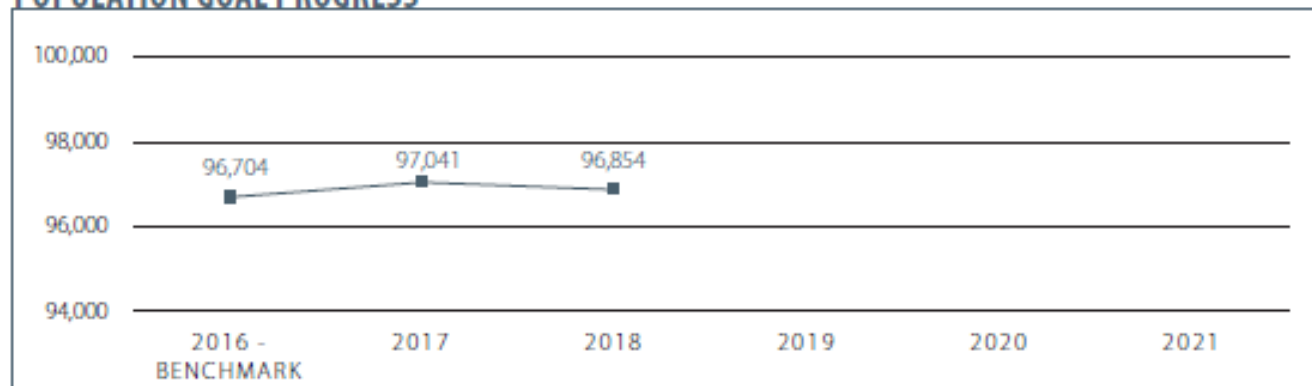
Dubuque MSA/Dubuque County

Source: American Community Survey 2014-2018 5-year Estimates

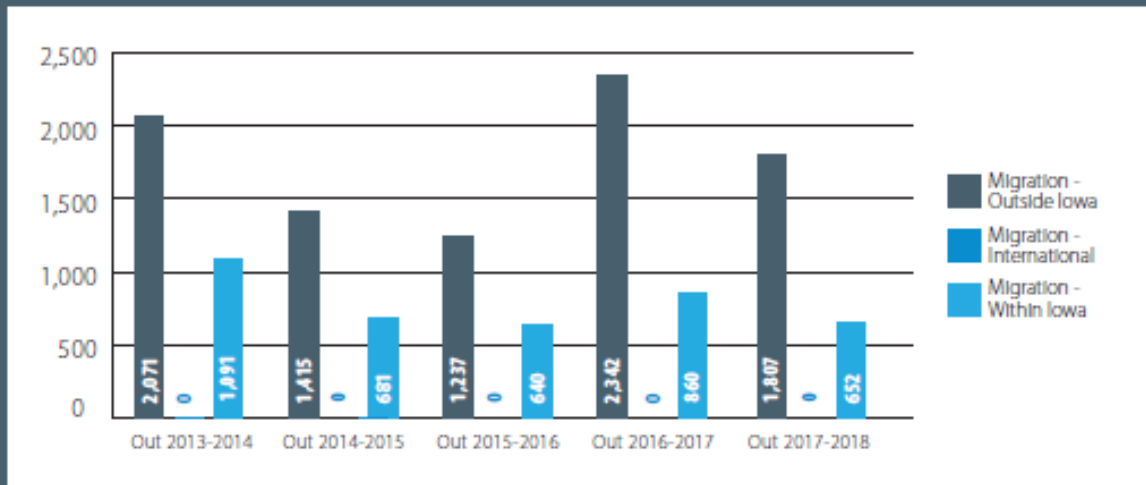
POPULATION

GOAL: 100,000

POPULATION GOAL PROGRESS



DUBUQUE COUNTY OUTFLOW (ESTIMATED FROM TAX RETURNS)

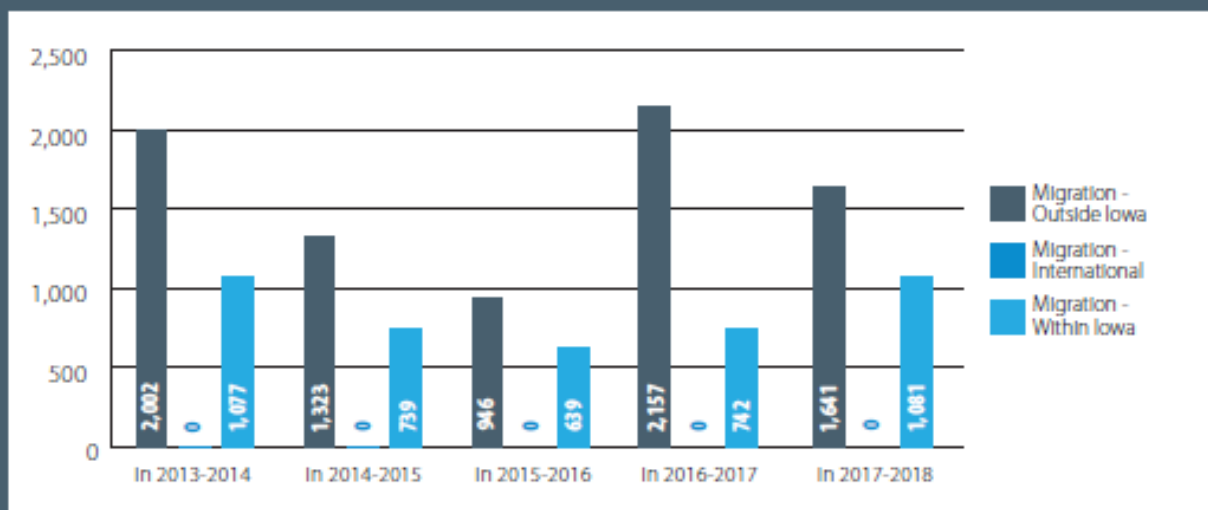


TOP OUTFLOW LOCATIONS

NUMBER OF RETURNS	COUNTY	STATE
100	Grant County	WI
90	Cook County	IL
89	Jo Daviess County	IL
86	Linn County	IA
83	Jackson County	IA
70	Delaware County	IA
61	Scott County	IA
60	Dane County	WI
51	Johnson County	IA
44	Polk County	IA

Source: Internal Revenue Service

DUBUQUE COUNTY INFLOW (ESTIMATED FROM TAX RETURNS)

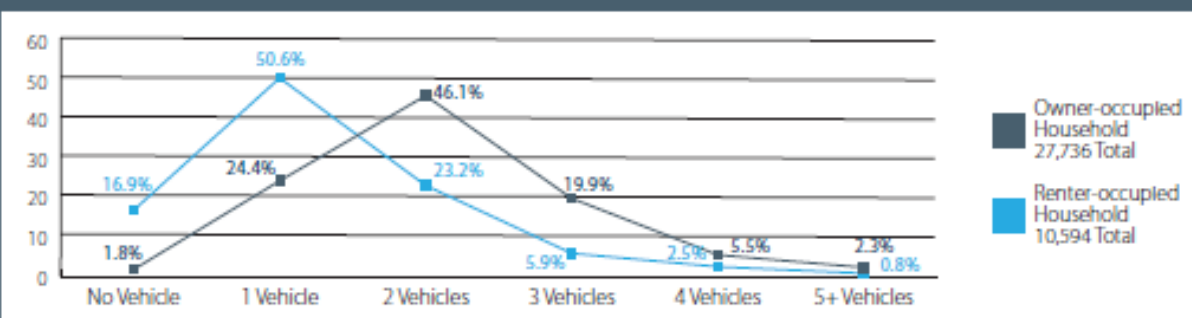


TOP INFLOW LOCATIONS

NUMBER OF RETURNS	COUNTY	STATE
104	Grant County	WI
103	Jo Daviess County	IL
91	Jackson County	IA
89	Cook County	IL
72	Linn County	IA
60	Delaware County	IA
43	Black Hawk County	IA
41	Scott County	IA
39	Jones County	IA
34	Johnson County	IA

Source: Internal Revenue Service

VEHICLE AVAILABLE BY HOUSEHOLD



Dubuque MSA/Dubuque County

Source: American Community Survey 2014-2018 5-year Estimates

COST OF LIVING COMPOSITE

This index measures the relative price levels for consumer goods and services. The average of all participating areas equals 100 and each index is read as a percentage of the average for all places.

	2016 INDEX (%WEIGHT)	2017 INDEX (%WEIGHT)	2018 INDEX (%WEIGHT)
Composite (100%)	89.3%	89.2%	90.8%
Grocery	98.3%	96.8%	101.1%
Housing	67.3%	69.4%	72.3%
Utilities	91.1%	88.4%	100.8%
Transportation	88.9%	100.4%	96.8%
Health	91.6%	92.7%	89.3%
Miscellaneous	102.5%	99.1%	98.4%

Dubuque MSA/Dubuque County

Source: Council for Community & Economic Research, 2018 Annual Averages

RETAIL—TOTAL TAXABLE SALES

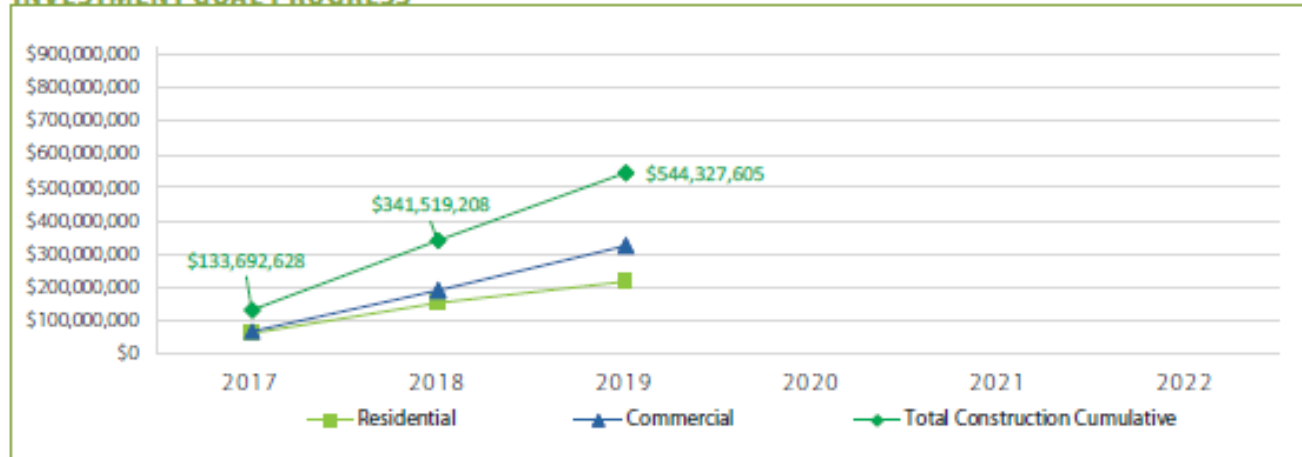
	FY2017	FY2018	% Change
Real total taxable sales	\$1,349,779,034	\$1,323,052,623	-2.0%
Number of reporting firms (annualized)	2,724	2,713	0.4%
Population	96,896	96,932	0.0%
Average sales per capita	\$13,930	\$13,649	-2.0%
Average sales per firm	\$495,468	\$487,761	-1.6%

Source: Iowa State University, Retail Trade Analysis FY 2018

INVESTMENT

GOAL: \$800,000,000

INVESTMENT GOAL PROGRESS



HOUSING DATA

	2017	2018
Total Housing Units	40,818	41,065
Median Property Value of Owner-Occupied Units	\$157,200	\$160,900
Mortgage Status of Owner-Occupied Units	61.0% Mortgage 39.0% No Mortgage	60.8% Mortgage 39.2% No Mortgage
Rental Vacancy Rate	6.5%	6.6%
Median Rent	\$742	\$763

Source: American Community Survey 2014-2018 5-year Estimates

HOME & PROPERTY SALES

Residential Home Sales - Dubuque Area: **965** (2019), 4% Decrease over 2018
 Commercial/Industrial Sales - Dubuque Area: **21** (2019), 12% Decrease over 2018

Source: East Central Iowa Association of REALTORS 2019 Data

DUBUQUE'S TRUE NORTH CENSUS TRACTS 1&5

The Dubuque's True North area includes Census Tract 1, Block Groups 1 & 3 and Census Tract 5, Block Groups 1, 2, 3, & 4. Data in this chart is unavailable at the Block Group level. Census Tract 1, Block Group 2 is the only block group included in this data that is not in the Dubuque's True North area.

	COUNTY		TRACTS 1 & 5	
	2017	2018	2017	2018
Employment (Civilian Labor Force)	66.1%	65.3%	61.4%	60.8%
Commuting to work by walking or public transportation	4.7%	4.4%	17.8%	14.0%
Median Household Income	\$59,150	\$61,321	\$30,299	\$32,507
Poverty Level	11.9%	11.7%	33.4%	31.2%
SNAP Participation for past 12 months (households)	9.8%	9.7%	30.3%	30.3%

Source: American Community Survey 2014-2018 5-year Estimates

SOURCES

& UPDATE CYCLES

Source	Used for	When Updated
U.S. Census Estimates	# of businesses	Annually (April)
EMSI - QCEW, non-QCEW, self-employed	Job growth, top jobs by industry	Quarterly
EMSI - IPEDS	Higher education graduates and enrollment	Annually
State of Iowa Department of Education	Math & Reading proficiency, Free/Reduced lunch	Annually
Bureau of Labor Statistics	Salary trends	Annually
Internal Revenue Service	Income of inward/outward migration, Outflow & Inflow data	Annually (November)
American Community Survey	Housing Data, Poverty, Income	Annually (December)
Iowa State University	Retail data	Annually (March)
East Central Iowa Association of REALTORS	Housing Data	Annually (January)

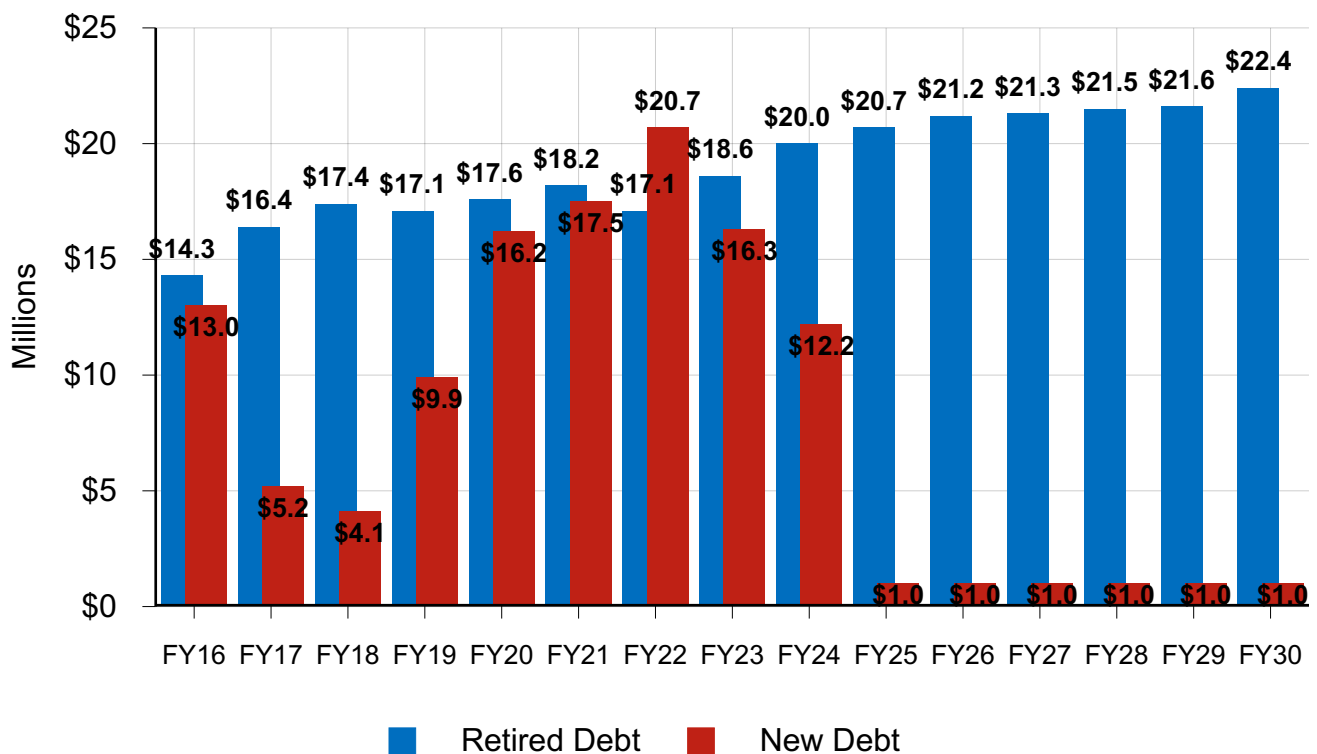
Fiscal Year 2021 Budget Recommendation

The goal of the Fiscal Year 2021 budget recommendation is to maintain the momentum of our community. The budget has been built around the vision, mission, goals, priorities and direction provided by the Mayor and City Council at the August 2019 goal setting session, with input from the community. A series of six public hearings will now be held by the Mayor and City Council before adopting a final budget on March 26, 2020. The Fiscal Year 2021 budget year begins on July 1, 2020.

While in August 2015 the Mayor and City Council directed staff to start reducing the amount of City debt, previous investments are still paying dividends. With the current City strategy of more pay as you go investments and the acceptance that some debt will be issued each year, with a goal to retire more debt each year than is issued, the City will continue to be able to leverage past investment and create new opportunities to improve quality of life for residents, create jobs and maintain infrastructure.

In Fiscal year 2021 City staff has been able to meet that goal of retiring more debt than is being issued in every year for the sixth consecutive year. However, in Fiscal Year 2022 due to the issuance of debt for the new downtown parking ramp being moved up from FY 2025 to FY 2022, it is anticipated the City will not meet that goal, returning to meeting the goal in FY 2023 and beyond.

Retired Debt Versus New Debt (In Millions)



While accomplishing the Mayor and City Council priorities, the goal is to minimize the costs for the residents and businesses.

Property Taxes

The Fiscal Year 2021 recommended City property tax rate of \$10.43 per thousand is a 1.00% increase from Fiscal Year 2020, which follows a 2.43% decrease from Fiscal Year 2019, and a 2.79% decrease from Fiscal Year 2018.

The average homeowner would see a 2.72% (\$20.94) increase in their property tax payment for the City portion of their property tax bill. The average commercial property would see a 0.53% (\$16.89) decrease, the average industrial property a 0.03% (\$1.39) decrease, and the average multi-residential property a 12.26% (\$213.06) increase.

Fiscal Year 2021 follows Fiscal Year 2020 where the average homeowner saw no change in their property tax payment for the city portion of their property tax bill, the average commercial property saw a 3.58% (\$117.52) decrease, the average industrial property saw a 3.21% (\$156.15) decrease, and the average multi-residential property saw a 7.07% (\$132.29) decrease.

The following chart shows the impact on the average homeowner with the commercial and industrial backfill phased out over five-years and with the backfill remaining at 100%:

	Reduced Backfill			100% Backfill		
Fiscal Year	City Tax	% Change	\$ Change	City Tax	% Change	\$ Change
2012	\$791.11	2.72%	\$20.94	\$791.11	2.72%	\$20.94
2022	\$816.97	3.27%	\$25.86	\$812.13	2.66%	\$21.02
2023	\$845.01	3.43%	\$28.04	\$840.25	3.46%	\$28.12
2024	\$884.47	4.67%	\$39.46	\$879.77	4.70%	\$39.52
205	\$925.44	4.63%	\$40.97	\$920.83	4.67%	\$41.06

City Property Tax Rate Comparison for Eleven Largest Iowa Cities

Rank	City	Tax Rate
11	Des Moines	\$18.3798
10	Council Bluffs	\$18.2629
9	Waterloo	\$17.5480
8	Davenport	\$16.7800
7	Sioux City	\$16.0707
6	Iowa City	\$15.8331
5	Cedar Rapids	\$15.4362
4	West Des Moines	\$11.7980
3	Ankeny	\$11.4140
2	Dubuque (FY 2021)	\$10.4346
1	Ames	\$10.0256
	AVERAGE w/o Dubuque	\$15.15

*Includes the transit tax levy adopted by the Des Moines Area Regional Transit Authority for comparability.

Dubuque has the **SECOND LOWEST** property tax rate as compared to the eleven largest cities in the state. The highest rate (Des Moines) is 76.14% higher than Dubuque's rate, and the average is 45.24% higher than Dubuque.

At the end of the Fiscal Year 2020 budget cycle for all cities, the highest ranked city was 77% higher than Dubuque and the average was 47% higher than Dubuque, so there is a significant possibility that in Fiscal Year 2021 Dubuque will not only maintain its position as second lowest property tax rate but also improve its relative position to the other large cities in Iowa.

**Property Taxes per Capita
Comparison for Eleven Largest Iowa Cities**

Rank	City	Taxes Per Capita
11	West Des Moines	\$1,269.20
10	Iowa City	\$993.15
9	Ankeny	\$900.76
8	Cedar Rapids	\$881.00
7	Council Bluffs	\$924.59
6	Des Moines	\$833.62
5	Davenport	\$840.11
4	Sioux City	\$671.69
3	Waterloo	\$681.77
2	Ames	\$542.07
1	Dubuque (FY 21)	\$539.94
	AVERAGE w/o Dubuque	\$853.79

Dubuque has the **LOWEST** taxes per capita as compared to the eleven largest cities in the state. The highest (West Des Moines) is 135.06% higher than Dubuque's taxes per capita, and the average is 58.13% higher than Dubuque.

The projected Fiscal Year 2021 property tax asking of \$26,952,048 is a \$655,967 (2.49%) increase from Fiscal Year 2020. The total Fiscal Year 2021 budget recommendation (\$199,808,524) is 4.33% more than the current budget year (Fiscal Year 2020). The Fiscal Year 2021 operating budget recommendation is \$140,061,277 and the Fiscal Year 2021 Capital Improvement Program budget recommendation is \$59,747,247.

After the local option sales tax was passed by referendum in 1988 with 50% of revenue going to property tax relief, the average property tax classification over that 30 years has seen the following results:

	Prior to Sales Tax FY 1988	FY 2021	\$ Difference	% Difference
Property Tax Rate	\$ 14.5819	\$ 10.4346	-\$4.1473	-28.44%
Average Residential Payment	\$ 512.38	\$ 791.11	+\$278.73	+54.40%
Average Commercial Payment	\$ 2,490.61	\$3,143.82	+\$653.21	+26.23%
Average Industrial Property	\$ 6,975.00	\$4,712.37	-\$2,262.63	-32.44%
Average Multi-Residential Property (FY17)	\$ 2,472.99	\$1,950.98	-\$522.01	-21.11%

Position Eliminations, New Positions and Unfrozen Positions

The Fiscal Year 2021 budget increases the full-time equivalents by 11.50 FTE, decreases part-time equivalents by 2.83 FTE, and increases seasonal equivalents by 0.32 FTE, **resulting in a net increase of 8.35 full-time equivalents**. The following chart summarizes the personnel changes adopted in Fiscal Year 2021:

Department	Position	Type	FY 2021 Cost (Savings) Includes Benefits	FTE
City Clerk	Limited Term Clerical Assistant	Seasonal	\$ (13,657)	-0.50
City Clerk	Intern	Seasonal	\$ (8,331)	-0.31
Engineering	Camera Systems Technician	Full-Time	\$ 66,774	1.00
Engineering	Environmental Engineer	Full-Time	\$ 127,576	1.00
Engineering	Engineering Technician	Full-Time	\$ (93,866)	-1.00
Engineering	Intern	Seasonal	\$ (8,692)	-0.25
Finance	Budget Manager	Full-Time	\$ (107,438)	-1.00
Finance	Budget/Financial Analyst	Full-Time	\$ 86,714	1.00
Finance	Budget/Financial analyst	Full-Time	\$ 86,714	1.00
Finance	Finance Intern	Seasonal	\$ 16,384	0.51
Finance	Confidential Account Clerk	Full-Time	\$ 69,157	1.00
Finance	Confidential Account Clerk	Part-Time	\$ (43,072)	-0.75
Fire	Firefighter	Full-Time	\$ 88,645	1.00
Health Services	Animal Control Officer	Full-Time	\$ 83,350	1.00
Health Services	Animal Control Officer	Part-Time	\$ (51,119)	-0.72
Housing	Assistant Housing Director	Full-Time	\$ 110,316	1.00
Housing	Grant Administrator	Full-Time	\$ (91,851)	-1.00
Housing	Resiliency Coordinator	Full-Time	\$ 105,279	1.00
Housing	Nuisance Specialist	Full-Time	\$ 72,885	1.00
Housing	Inspector I	Full-Time	\$ (84,275)	-1.00
Housing	Inspector II	Full-Time	\$ 95,841	1.00
Housing	Inspector I	Seasonal	\$ (21,182)	-0.30
Library	Library Aide	Full-Time	\$ 71,800	1.00
Parks	Laborer II	Seasonal	\$ 14,785	0.53
Police	School Resource Officer	Full-Time	\$ 103,158	1.00
Public Information Office	Communications Assistant	Full-Time	\$ 39,140	0.50
Public Information Office	Communications Specialist	Part-Time	\$ (21,904)	-0.38
Public Works	Traffic Signal Technician II	Full-Time	\$ 78,502	1.00
Public Works	Secretary	Full-Time	\$ 71,258	1.00
Public Works	Clerical Assistant	Part-Time	\$ (21,461)	-0.68
Water	Water Distribution Maintenance Worker	Part-Time	\$ 29,545	0.50
Water	Water Meter Service Worker	Part-Time	\$ (60,331)	-0.80
	FY 2021 Total		\$ 790,644	8.35

Looking at the FY 2021 recommended budget, the current budget year (Fiscal Year 2020) and previous budget years (Fiscal Year 2019 and 2018), 55.24 FTE positions have been eliminated:

Department	Positions Eliminated	Type	FY 2017 Savings (Includes Benefits)	FY 2018 Savings (Includes Benefits)	FY 2019 Savings (Includes Benefits)	FY 2020 Savings (Includes Benefits)	FY 2021 Savings (Includes Benefits)	FTE
Budget	Budget Director	FT				\$ 154,947		-1.00
Building	Building Inspector II	PT		\$ 66,112				-0.75
Building	Building Inspector II	FT			\$ 86,938			-1.00
City Clerk	Clerical Assistant	Seas					\$ 13,657	-0.50
City Clerk	Intern	Seas					\$ 8,331	-0.31
CMO	Management Intern (ICMA)	PT				\$ 31,605		-0.60
ED	Arts Coordinator	PT		\$ 28,836				-0.50
ED	Project Coordinator	FT				\$ 81,322		-1.00
Engineering	Limited Term Engineering Tech	FT		\$ 75,126	\$ 4,900			-1.00
Engineering	Engineering Tech	FT					\$ 93,866	-1.00
Engineering	Environmental Engineer	FT		\$ 125,359				-1.00
Engineering	I&I Inspectors	FT		\$ 146,953				-2.00
Engineering	Confidential Account Clerk	PT		\$ 5,274				-0.12
Engineering	Engineering Aide NA	Seas		\$ 58,584				-1.50
Engineering	Engineering Assistant	Seas		\$ 25,808			\$ 8,692	-0.80
Engineering	Confidential Account Clerk	PT				\$ 56,353		-1.25
Engineering	I&I Inspector	PT				\$ 1,196		-0.02
Finance	Finance Director	FT				\$ 125,074		-1.00
Finance	Assistant Finance Dir.	FT				\$ 110,888		-1.00
Finance	Payroll Specialist	PT				\$ 46,659		-0.70
Finance	Budget Manager	FT					\$ 107,438	-1.00
Finance	Confidential Account Clerk	PT					\$ 43,072	-0.75
Health Services	Animal Control Officer	PT				\$ 50,695	\$ 51,119	-1.44
Housing	Assisted Housing Supervisor	FT		\$ 87,011				-1.00
Housing	Lead Paint Supervisor	FT			\$ 59,464			-0.62
Housing	Lead Paint Inspector	FT			\$ 99,050			-1.24
Housing	Lead Paint Assistant	FT			\$ 45,191			-0.62
Housing	Resiliency Coordinator	FT				\$ 81,312		-0.75
Housing	Grant Administrator	FT					\$ 91,851	-1.00
Housing	Inspector I	FT					\$ 84,275	-1.00
Housing	Inspector I	Seas					\$ 21,182	-0.30
Legal	Assistant City Attorney	FT		\$ 153,256				-1.00
Parking	Laborer	FT		\$ 75,243	\$ 75,140			-2.00
Parking	Parking Meter Service Worker	FT	\$ 71,104	\$ 72,526				-1.00

Department	Positions Eliminated	Type	FY 2017 Savings (Includes Benefits)	FY 2018 Savings (Includes Benefits)	FY 2019 Savings (Includes Benefits)	FY 2020 Savings (Includes Benefits)	FY 2021 Savings (Includes Benefits)	FTE
Parking	Laborer	PT	\$ 37,331	\$ 38,078				-0.50
Parking	Ramp Cashier	PT	\$ 1,844	\$ 1,881				-0.05
Parking	Parking Supervisor	FT			\$ 95,113			-1.00
Parking	Confidential Account Clerk	FT			\$ 59,170			-1.00
Parking	Parking System Technician	FT			\$ 78,903			-1.00
Parking	Customer Service Representative	PT			\$ 23,602			-0.55
Parks	Park Ranger	FT	\$ 76,249	\$ 77,774				-1.00
Parks	Custodian	PT	\$ 4,696	\$ 4,790				-0.10
Parks	Laborer	Seas			\$ 14,019			-0.52
Police	Corporal	FT			\$ 112,511			-1.00
Public Information	Communications Specialist	PT				\$ 26,130	\$ 21,904	-0.75
Public Works	Laborer	Seas			\$ 36,105			-1.31
Public Works	Clerical Assistant	PT					\$ 21,461	-0.68
Recreation	Custodian	PT	\$ 4,696	\$ 4,790				-0.10
Recreation	Snack Bar Manager	Seas				\$ 2,017		-0.07
Recreation	Concession Worker	Seas				\$ 409		-0.02
Recreation	Dock Worker	Seas				\$ 2,185		-0.09
Recreation	Cashier	Seas				\$ 3,398		-0.14
Transit	Confidential Account Clerk	FT		\$ 62,509				-1.00
Transit	Dispatcher	PT		\$ 29,571	\$ 48,966			-1.46
Transit	Service Worker	PT		\$ 41,468				-0.70
Transit	Bus Operator	PT			\$ 6,639			-0.12
Transit	Assistant Operations Supervisor	PT			\$ 54,368			-0.75
Transit	Customer Service Representative	PT			\$ 23,603			-0.55
Transit	Marketing Intern	Seas			\$ 15,537			-0.50
Transp. Svcs	Bus Operators	PT				\$ 143,419		-3.05
W&RRC	Lab Intern	Seas		\$ 4,974				-0.16
W&RRC	Assistant Manager	FT			\$ 86,873			-1.00
W&RRC	Plant Operator Grade II	FT			\$ 79,663			-1.00
W&RRC	Plant Operator Grade IV	FT			\$ 85,473			-1.00
Water	Plant Manager	FT			\$ 125,708			-1.00
Water	Plant Operator	FT			\$ 74,959			-1.00
Water	Water Meter Service Worker	PT					\$ 60,331	-0.80
Water	Secretary	PT				\$ 22,923		-0.50
Total Positions Eliminated			\$ 195,920	\$ 1,185,923	\$1,391,895	\$ 940,532	\$ 627,179	-55.24

Over a five-year period (Fiscal Year 2017, Fiscal Year 2018, Fiscal Year 2019, Fiscal Year 2020, and Fiscal Year 2021) the City will have eliminated 55.24 full-time equivalent positions and added 51.12 full-time equivalent positions resulting in -4.12 net change in number of employees over that five-year period.

Since 1981, the City has minimized the number of positions added. If the Fiscal Year 2021 staffing changes are approved, the City will have increased its full-time workforce by 0.4% since 1981. This was achieved in spite of all the new services that have been added in that time period including staff-intensive activities like recycling and combined county-wide public safety dispatching. Also, the number of sworn Police Officer positions has increased by 37 over that time period.

Debt

The City will issue \$54,821,719 in new debt in the recommended 5-year CIP, mostly for fire truck and pumper replacements, fire station expansion, road improvements, sanitary sewer improvements, additional downtown parking, and maintenance of Five Flags (if the referendum does not pass).

Project	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Chavenelle Road Rehab	\$ 1,295,000					\$ 1,295,000
Cedar and Terminal Sanitary Mains and Life	\$ 674,810	\$ 1,416,000	\$ 2,270,000			\$ 4,360,810
Sanitary Sewer Extension to Existing Developments	\$ 600,000	\$ 1,200,000				\$ 1,800,000
E 12th and Elm Parking Lot	\$ 589,000					\$ 589,000
Water SCADA and Communications	\$ 495,000					\$ 495,000
Transit Bus Replacement	\$ 426,522	\$ 187,201				\$ 613,723
Center Place Alley Sanitary Sewer Rehab	\$ 410,000					\$ 410,000
River Dock Expansion	\$ 406,000					\$ 406,000
Auburn and Custer Sanitary Sewer	\$ 316,400					\$ 316,400
Fire Ladder and Pumper Replacement	\$ 288,417	\$ 1,557,550		\$ 865,200		\$ 2,711,167
Sanitary Sewer CCTV Inspection	\$ 285,000	\$ —	\$ 183,715	\$ 181,000		\$ 649,715
City-Wide Tipper Carts	\$ 280,000	\$ 280,000	\$ 280,000			\$ 840,000
General Ledger Software	\$ 250,000	\$ 750,000				\$ 1,000,000
Jackson Park Amenities	\$ 250,000					\$ 250,000
Water Wells, Well Field, & Well Transmission	\$ 250,000					\$ 250,000
Sanitary Sewer Asset Management Plan	\$ 237,000	\$ 121,000				\$ 358,000
Sanitary Sewer Track Line Cleaning & Lining	\$ 187,790					\$ 187,790
Replace HVAC Fire Headquarters	\$ 168,924	\$ 344,605				\$ 513,529
Public Lead Line Water Main Replacement	\$ 120,000					\$ 120,000

Project	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Water Treatment Plant Condition Assessment	\$ 115,000					\$ 115,000
Downtown Ramp	\$ —	\$10,000,000	\$ 7,240,000			\$ 17,240,000
W&RRC Final Clarifier		\$ 860,000				\$ 860,000
Fire Station Expansion Relocation					\$ 806,000	\$ 806,000
Street - Street Light Installation				\$ 150,000		\$ 150,000
W&RRC High Strength Storage	\$ —	\$ 479,000	\$ 1,062,975			\$ 1,541,975
Sanitary Sewer Twin Ridge Lagoon Abandonment		\$ 465,000				\$ 465,000
Development of McFadden Farm			\$ 4,455,000	\$ 3,900,000		\$ 8,355,000
Airport Rehab Taxiway A			\$ 427,300	\$ 225,000		\$ 652,300
Sanitary Sewer Perry & Bradley St Force Main Improvements			\$ 225,000			\$ 225,000
Knob Hill-Duggan Drive Sanitary Sewer Reconstruction			\$ 154,310			\$ 154,310
Cooper Place and Maiden Lane Sanitary Sewer			\$ 30,000	\$ 305,000		\$ 335,000
Five Flags Improvements				\$ 6,000,000		\$ 6,000,000
GDT URD Incentives & Rehab				\$ 400,000		\$ 400,000
Downtown Urban Renewal ADA Assist				\$ 100,000		\$ 100,000
Street -7th Street Extension to Pine				\$ 40,000		\$ 40,000
Sanitary Sewer Lining Program					\$ 216,000	\$ 216,000
Total New Debt	\$ 7,644,863	\$17,660,356	\$16,328,300	\$12,166,200	\$ 1,022,000	\$ 54,821,719

In addition, the City will access \$12,886,503 of previously issued state revolving fund loans as the related capital improvement projects progress. The draw down on these previously issued loans is as follows:

Project	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Stormwater Upper Bee Branch & Sponsor SRF	\$ 247,664					\$ 247,664
Stormwater Upper Bee Branch Railroad Culverts SRF	\$ 7,245,000	\$ 1,999,090				\$ 9,244,090
Water Roosevelt Water Tower SRF	\$ 1,304,749					\$ 1,304,749
Water CIWA Purchase & Improvements	\$ 1,060,000	\$ 1,030,000	\$ —			\$ 2,090,000
Total Draw Downs	\$ 9,857,413	\$ 3,029,090	\$ —	\$ —	\$ —	\$12,886,503

The City will retire \$94,628,548 of existing debt over the next five-years (FY21-FY25).The following chart shows the net reduction of debt from Fiscal Year 2021 - Fiscal Year 2025:

Project	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
New Debt	\$ 7,644,863	\$ 17,660,356	\$ 16,328,300	\$ 12,166,200	\$ 1,022,000	\$ 54,821,719
Previously Issued SRF Draw Downs	\$ 9,857,413	\$ 3,029,090	\$ —	\$ —	\$ —	\$ 12,886,503
Retired Debt	-\$18,195,851	-\$17,065,073	-\$18,646,375	-\$19,995,470	-\$20,725,779	-\$94,628,548
Net Debt Reduction	-\$693,575	\$3,624,373	-\$2,318,075	-\$7,829,270	-\$19,703,779	-\$26,920,326

Outstanding General Obligation (G.O.) debt on June 30, 2021 is projected to be \$111,687,827 (46.67% of the statutory debt limit), **leaving an available debt capacity of \$127,610,421 (53.33%)**. In Fiscal Year 2016, the City was at 86.13% of statutory debt limit, so **46.67% in Fiscal Year 2021 is a 43.22% decrease in use of the statutory debt limit.**

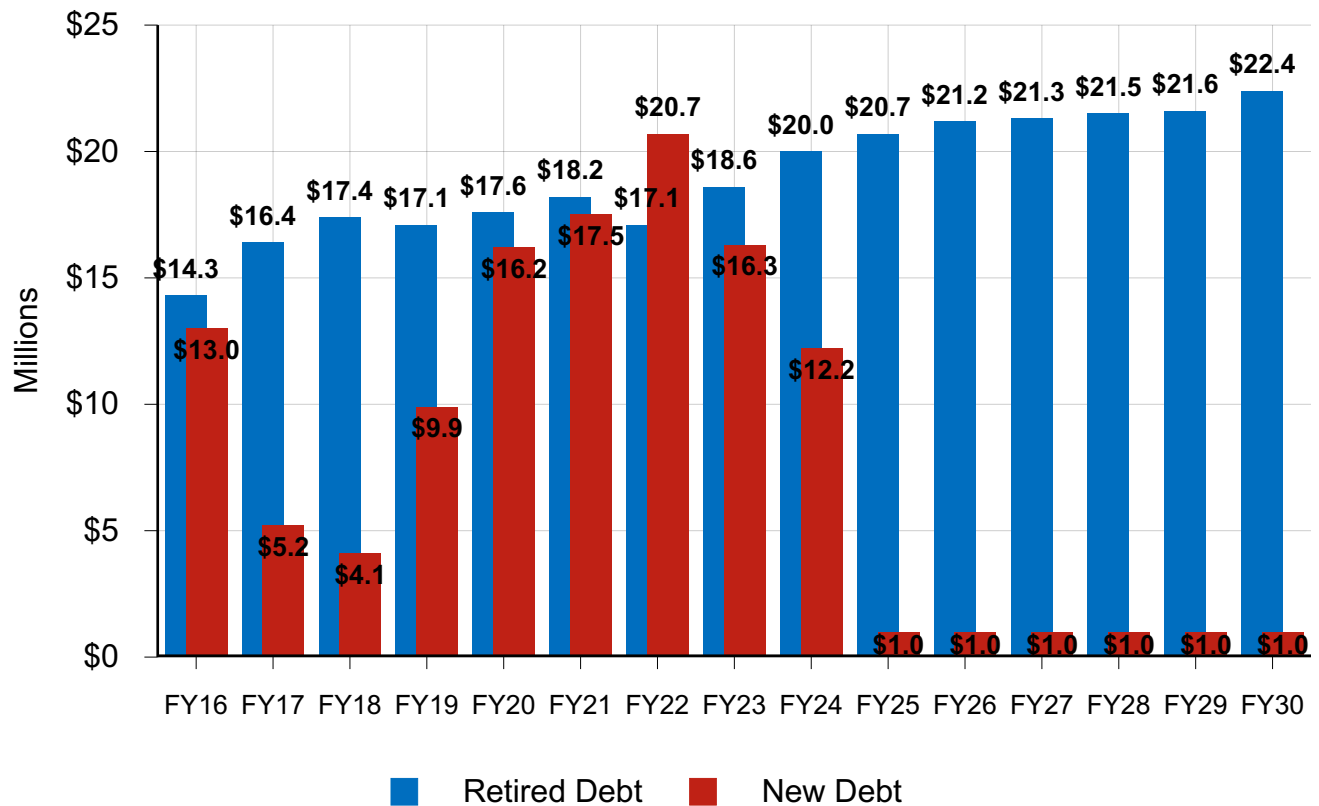
The City also has debt that is not subject to the statutory debt limit, such as revenue bonds. Outstanding revenue bonds payable by water, sewer, parking and stormwater fees, will have a balance of \$149,099,964 on June 30, 2021 .

The total City indebtedness as of June 30, 2021, is projected to be \$260,787,791 (46.67% of statutory debt limit). The total City indebtedness as of June 30, 2016, was \$295,477,641 (86.13% of statutory debt limit). **The City is projected to have \$34,689,850 less in debt as of June 30, 2021.**

The combination of reduced debt and increased utility rates partially reflects the movement to a more "pay as you go" strategy, which could lead to larger tax and fee increases than with the use of debt.

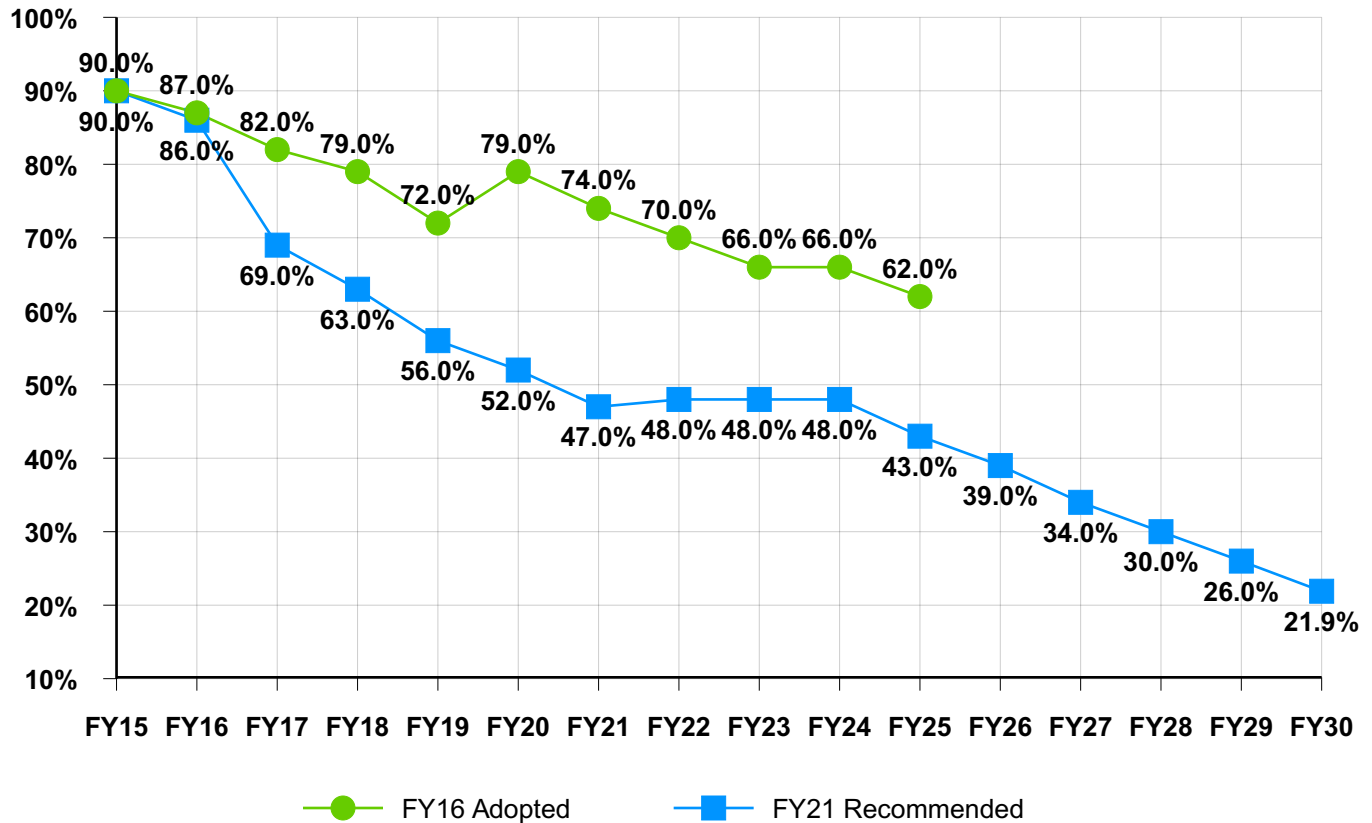
The following chart shows the amount of retired debt as compared to new debt. The new debt includes new debt issuances as well as draw downs on existing state revolving fund loans:

Retired Debt Versus New Debt (In Millions)



In August 2015, the Mayor and City Council adopted a debt reduction strategy which targeted retiring more debt each year than was issued by the City. This recommendation achieves that target in every year except Fiscal Year 2022 due to the issuance of debt for the new downtown parking ramp being moved up from FY 2025 to FY 2022. **You can see that the Mayor and City Council have significantly impacted the City's use of the statutory debt limit established by the State of Iowa.** In Fiscal Year 2015, the City of Dubuque used 90% of the statutory debt limit. In this budget recommendation, the Mayor and City Council are currently reviewing for Fiscal Year 2021, the use of the statutory debt limit would be 47%, and by the end of the recommended 5-Year Capital Improvement Program (CIP) budget in Fiscal Year 2025, the City of Dubuque would be at 43% of the statutory debt limit. Projections out 10 years to Fiscal Year 2030 show the City of Dubuque at 22% of the statutory debt limit. This is an improvement on the debt reduction plan adopted in August 2015, that first began implementation in Fiscal Year 2016.

Statutory Debt Limit Used (As of June 30th)

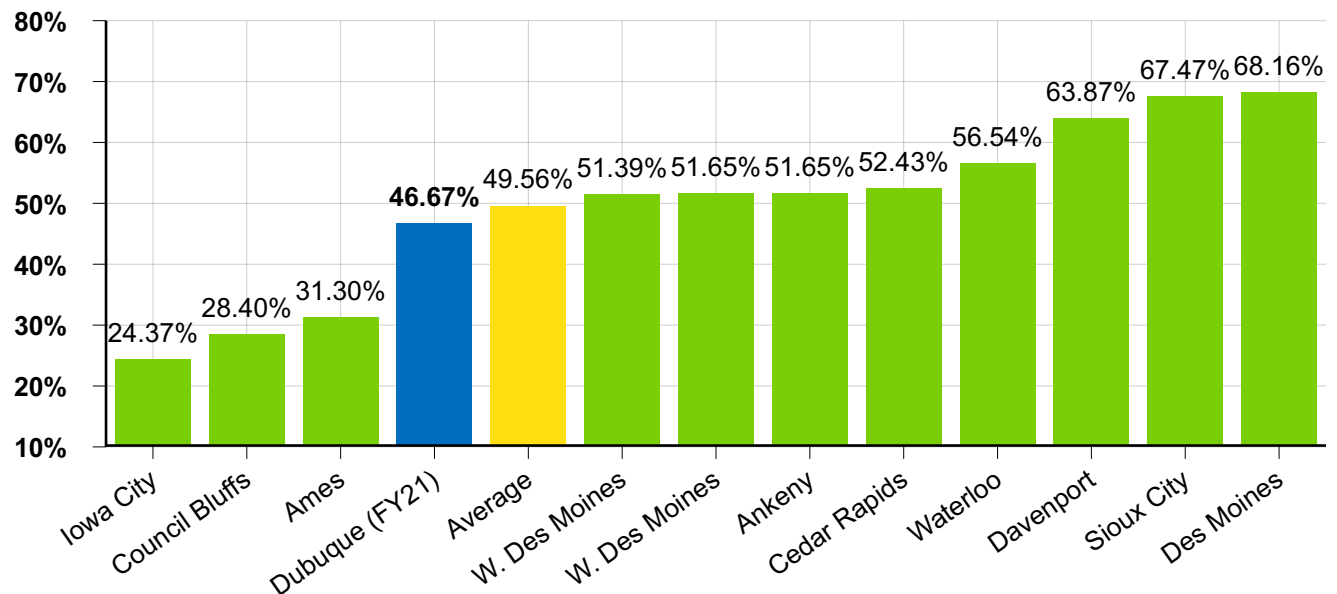


The following chart shows Dubuque's relative position pertaining to use of the statutory debt limit for Fiscal Year 2021 compared to the other cities in Iowa for Fiscal Year 2019 with a population over 50,000:

Fiscal Year 2019 Legal Debt Limit Comparison for Eleven Largest Iowa Cities

Rank	City	Legal Debt Limit (5%)	Statutory Debt Outstanding	Percentage of Legal Debt Limit Utilized
11	Des Moines	\$ 577,394,243	\$ 393,570,000	68.16%
10	Sioux City	\$ 213,569,727	\$ 144,100,000	67.47%
9	Davenport	\$ 330,626,114	\$ 211,165,000	63.87%
8	Waterloo	\$ 191,406,282	\$ 108,225,490	56.54%
7	Cedar Rapids	\$ 518,039,169	\$ 271,585,000	52.43%
6	Ankeny	\$ 245,580,138	\$ 126,830,000	51.65%
5	W. Des Moines	\$ 359,449,675	\$ 184,720,000	51.39%
4	Dubuque (FY21)	\$ 239,298,248	\$ 111,687,827	46.67%
3	Ames	\$ 209,227,522	\$ 65,480,000	31.30%
2	Council Bluffs	\$ 241,950,558	\$ 68,725,096	28.40%
1	Iowa City	\$ 274,723,837	\$ 66,945,000	24.37%
	Average w/o Dubuque			49.56%

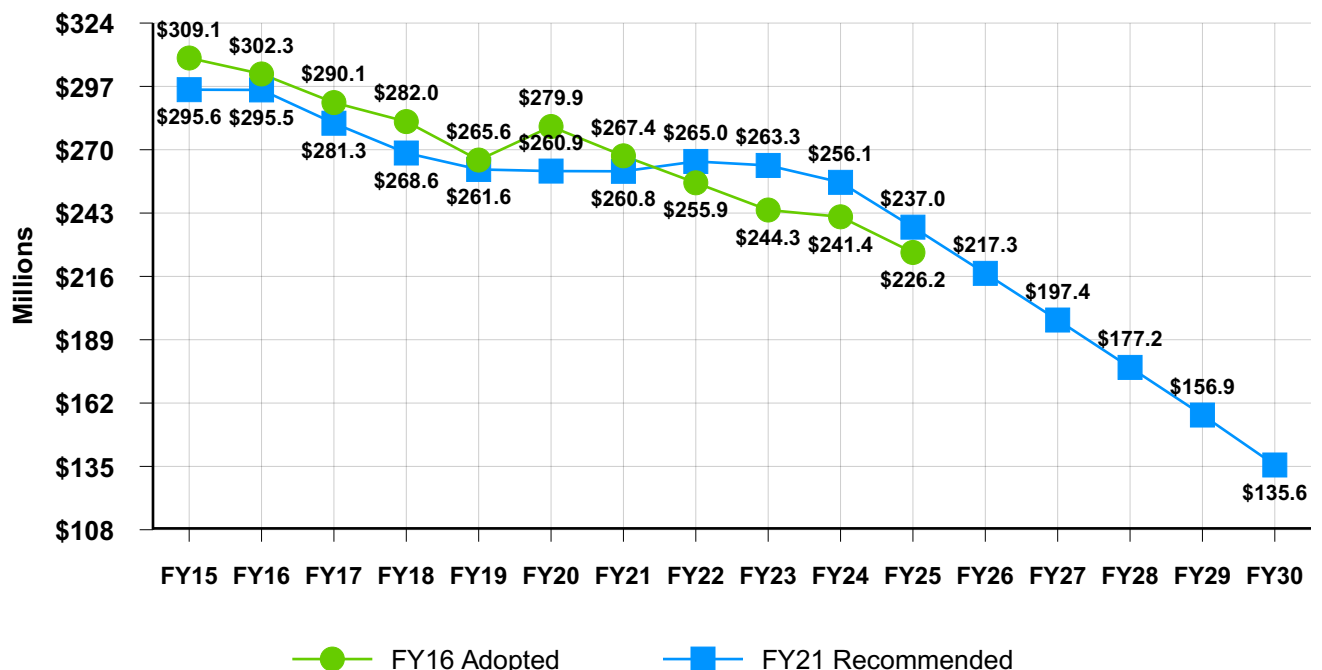
Percent of Legal Debt Limit Utilized



Dubuque ranks as the fourth lowest of the use of statutory debt limit of the 11 cities in Iowa with a population over 50,000 and Dubuque is below the average of the other Cities.

By the end of the recommended 5-Year Capital Improvement Program (CIP) budget the total amount of debt for the City of Dubuque would be \$237.0 million (43% of the statutory debt limit) and the projection is to be at \$135.6 million (22% of statutory debt limit) within 10 years.

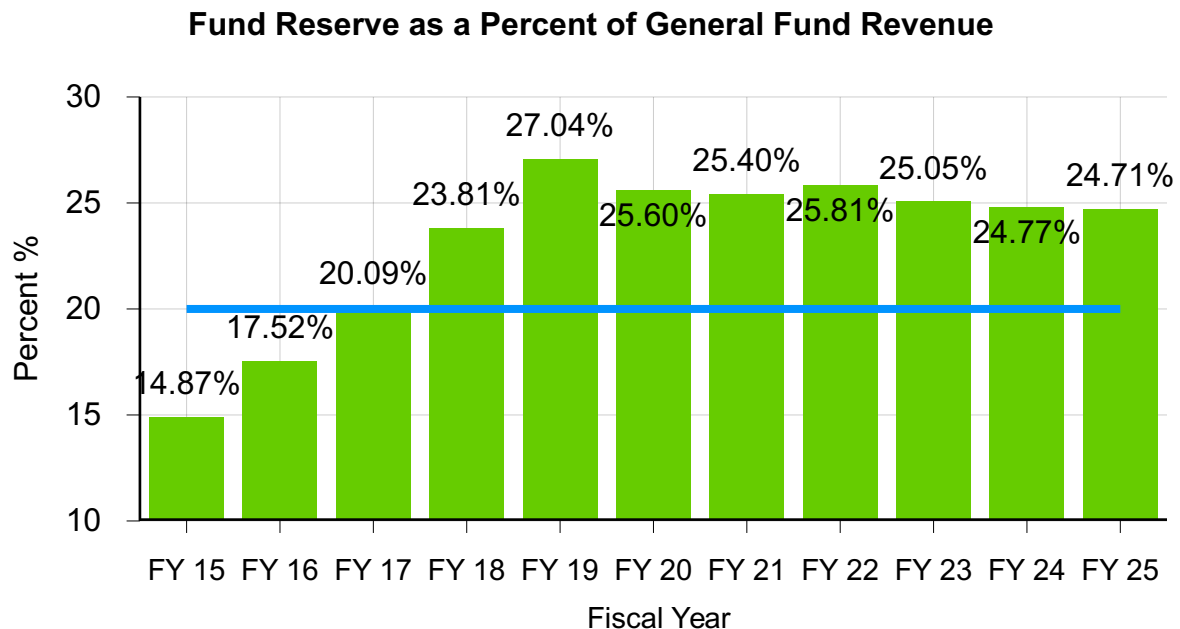
Total Debt (In Millions)



General Fund Reserve

The City maintains a general fund reserve, or working balance, to allow for unforeseen expenses that may occur. Moody's Investor Service recommends a 20% General Fund Operating Reserve for "AA" rated cities. In May 2015, Moody's Investors Service downgraded Dubuque's general obligation bond rating from Aa2 to Aa3, but removed the negative future outlook. This followed two bond rating upgrades in 2003 and 2010, and one bond rating downgrade in 2014. In announcing the bond rating downgrade, Moody's noted the City's general fund balance/reserve declined.

Fiscal Year	Fund Reserve (As percent of General Fund revenues)	Reason for change from previous Fiscal Year
FY 2015	14.87%	Unchanged
FY 2016	17.52%	Increase due to capital projects not expended before the end of the FY and increase in general fund revenue
FY 2017	20.09%	Increase due to capital projects not expended before the end of the FY and additional contributions to general fund reserve
FY 2018	23.81%	Increase due to capital projects not expended before the end of the FY and additional contributions to general fund reserve
FY 2019	27.04%	Increase due to capital projects not expended before the end of the FY and additional contributions to general fund reserve
FY 2020	25.60%	Decrease due to planned capital expenditures
FY 2021	25.40%	Decrease due to planned capital expenditures



The City of Dubuque has historically adopted a general fund reserve policy as part of the Fiscal and Budget Policy Guidelines which is adopted each year as part of the budget process. During Fiscal Year 2013, the City adopted a formal Fund Reserve Policy which states the City may continue to add

to the General Fund minimum balance of 10% when additional funds are available until 20% of Net General Fund Operating Cost is reached.

After all planned expenditures in FY 2020, the City of Dubuque will have a general fund reserve of 18.86% of general fund expenses as computed by the methodology adopted in the City's general fund reserve policy on a cash basis or 25.60% percent of general fund revenues as computed by the accrual basis methodology used by Moody's Investors Service. The general fund reserve cash balance is projected to be \$13,031,745 on June 30, 2020 as compared to the general fund reserve balance on an accrual basis of \$18,120,432 as computed by Moody's Investors Service. In Fiscal Year 2020, there are resources available for mid-year capital expenditures due to employee vacancy savings in several departments and additional riverfront lease, building permits, and franchise fee revenues. The general fund reserve balance on an accrual basis exceeds 22% in FY 2020, which is the margin of error used to ensure the City always has a general fund reserve of at least 20% as computed by Moody's Investors Service.

The reserve will increase by \$2,800,000 (20.3%) from Fiscal Year 2019 - Fiscal Year 2024.

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Contribution	\$1,700,000	\$—	\$—	\$—	\$—	\$—	\$—
City's Spendable General Fund Cash Reserve Fund Balance	\$20,011,333	\$18,120,432	\$18,120,432	\$18,120,432	\$18,120,432	\$18,120,432	\$18,120,432
% of Projected Revenue (Moody's)	27.04%	25.60%	25.40%	25.81%	25.05%	24.77%	24.71%

In October 2016, Moody's Investors Service upgraded the rating on \$18 million in City of Dubuque bonds issued to support the Bee Branch Watershed Flood Mitigation Project from A3 to A2.

State Revolving Fund Sponsorship Projects and Green Project Loans

The City uses State Revolving Fund (SRF) loans for water and sanitary sewer projects whenever possible because of the **very low annual interest rate of 1.75% with an annual servicing fee of 0.25%.**

In 2009, legislation was passed in Iowa that allows water utilities that issue debt through the Clean Water State Revolving Fund Program to sponsor and help finance other water quality improvement (CWSRF) projects within or outside its service limits. This new funding mechanism, called Water Resource Restoration Sponsored Projects, will provide cities, counties, local watershed organizations, watershed management authorities, county conservation boards, and soil and water conservation districts a funding source to construct improvements throughout a watershed that keep sediment, nutrients, chemicals and other pollutants out of streams and lakes.

Repayment of a standard Clean Water SRF (CWSRF) loan includes the repayment of the original loan amount, the principal, and the cost to finance the loan, interest and fees. On a CWSRF loan with a sponsored project, the financing costs are reduced by the amount of the cost of the sponsored project improvements. Figure 1 shows a comparison between a standard CWSRF loan and a CWSRF loan with a sponsorship project. As shown, the total cost to the utility (the total of loan repayments) remains unchanged as the cost of funding for the sponsorship project is offset by a

reduction in loan financing costs. In essence, two water quality projects are completed for the price of one.

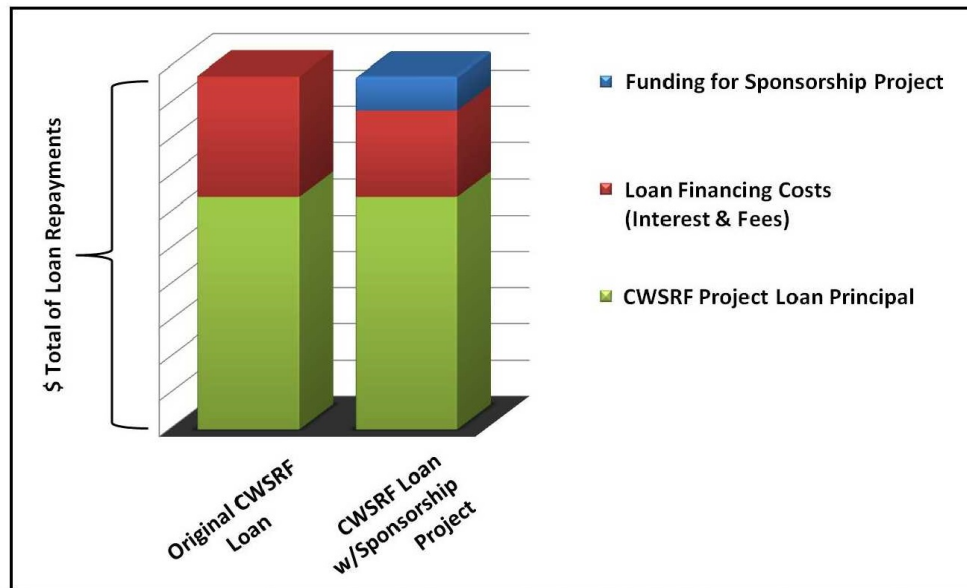


Figure 1. Loan repayment comparison between a standard CWSRF loan and a CWSRF loan with a sponsorship project.

After three years of the State of Iowa being unsuccessful in completing one of these modified loans, the City of Dubuque had the first successful application for the state when, in April 2013, the City was awarded \$9.4 million of the interest paid on the Water and Resource Recovery Center to be used to reconstruct over 70 Green Alleys in the Bee Branch Watershed. The principal for the Water & Resource Recovery Center Upgrade was increased from \$64,885,000 to \$75,145,579 and the interest rate plus annual servicing fee was decreased from 3.25% to 2.00% to add the Green Alley sponsorship project. This reduction allowed for increased proceeds **and resulted in a true interest cost of 1.96% and gross borrowing savings of \$11.4 million.**

The Fiscal Years 2010, 2011, and 2012 State Revolving Fund capitalization grants included requirements for certain percentages of the funds to be allocated for green projects. Each green infrastructure project receives a portion of loan forgiveness not to exceed 30%. In June 2015, the City of Dubuque Upper Bee Branch Creek Restoration Project (Upper Bee Branch Project) qualified for a Green Project Loan from the CWSRF Program in the amount of \$29,541,000. The loan includes a "principal forgiveness" provision. The amount of the loan to be forgiven is 20% of the total loan disbursements made under the loan agreement. **The amount of the loan to be forgiven when the project is completed is estimated to be \$5,908,200. The actual true interest cost for total funds received was not the 2.00% borrowing rate (1.75% interest and 0.25% administrative fee), but just 0.07% after reflecting the receipt of interest free funds (forgiven portion).**

Then, in August 2017, the City was awarded \$1.4 million in funding for improvements with the Catfish Creek Watershed through the State of Iowa Water Resource Restoration Sponsored Project program as part of the City's State Revolving Fund loan for the Upper Bee Branch Creek Restoration Project. The funding for the \$1.4 million in improvements will come from the interest payments on the City's Upper Bee Branch SRF loan. The Upper Bee Branch Creek SRF loan principal was increased to \$30,941,000 and **the interest rate plus the annual servicing fee was reduced from 2.00% to 1.43%. On a gross basis, the borrowing costs for the new loan were \$1.38 million less than the original loan.**

City Utilities

The water rate increase recommendation is 5.00%, the sanitary sewer rate increase recommendation is 5.00%, and the solid waste collection rate increase recommendation is 7.68%. The City Council previously approved a 6.76% stormwater rate increase for Fiscal Year 2021 and this recommendation does not change that amount.

The following are the utility rate comparisons for other cities in the State of Iowa:

RATES AND COMPARISONS

Water Rate Comparison for Largest Iowa Cities with Water Softening

Rank	City	Water Rate (6,000 Gallons/ residence avg.)
7	West Des Moines	\$36.98
6	Des Moines	\$35.79
5	Iowa City	\$35.01
4	Dubuque	\$32.28
3	Cedar Rapids	\$32.16
2	Ames	\$31.87
1	Council Bluffs	\$29.60
	Average w/o Dubuque	\$33.57

Dubuque's water is some of the best in the world! The highest rate (West Des Moines) is 14.55% higher than Dubuque's rate, and the average is 3.98% higher than Dubuque.

Sanitary Sewer Rate Comparison for Eleven Largest Iowa Cities

Rank	City	Sanitary Sewer Rate (Based on 6,000 Gallons/month)
11	Ankeny	\$61.66
10	Davenport	\$60.33
9	Des Moines	\$50.66
8	Dubuque	\$44.35
7	West Des Moines	\$40.88
6	Iowa City	\$36.65
5	Ames	\$36.17
4	Sioux City	\$35.26
3	Cedar Rapids	\$30.96
2	Waterloo	\$29.82
1	Council Bluffs	\$22.94
	Average w/o Dubuque	\$40.53

The highest rate (Ankeny) is 39.03% higher than Dubuque's rate, and the average is 8.61% lower than Dubuque.

Solid Waste Collection Rate Comparison for Eleven Largest Iowa Cities

Rank	City	Solid Waste Monthly Rate
11	Ames	\$26.25
10	Cedar Rapids	\$22.53
9	Council Bluffs	\$18.00
8	Iowa City	\$17.10
7	Dubuque	\$16.82
6	Sioux City	\$16.63
5	Ankeny	\$16.25
4	Des Moines	\$13.64
3	Davenport	\$13.02
2	West Des Moines	\$12.25
1	Waterloo	\$10.00
	Average w/o Dubuque	\$16.57

The highest rate (Ames) is 56.06% higher than Dubuque's rate, and the average is (1.51)% lower than Dubuque.

Stormwater Rate Comparison for the Largest Iowa Cities with Stormwater Fees

Rank	City	Stormwater Rate
10	Des Moines	\$14.68
9	Dubuque	\$8.85
8	Cedar Rapids	\$6.91
7	West Des Moines	\$6.05
6	Ankeny	\$5.50
5	Iowa City	\$5.00
4	Ames	\$4.95
3	Waterloo	\$4.25
2	Davenport	\$2.88
1	Sioux City	\$2.80
	Average w/o Dubuque	\$5.89

The highest rate (Des Moines) is 65.88% higher than Dubuque's rate, and the average is 33.43% lower than Dubuque.

Improvement Packages

There were 136 improvement level decision packages requested in Fiscal Year 2021, of which 88 are being recommended for funding. The recurring general fund expenditures total \$407,455 and will also impact future budget years. The non-recurring general fund expenditures total \$217,039. The remaining improvement packages recommended for funding from non-property tax support total \$461,846.

State-Funded Backfill on Commercial and Industrial Property Tax

Commercial and Industrial property taxpayers previously were taxed at 100% of assessed value; however, due to property tax reform legislation in Fiscal Year 2013, a 95% rollback factor was applied in Fiscal Year 2015 and a 90% rollback factor will be applied in Fiscal Year 2016 and each year beyond. The State of Iowa committed to backfill the loss in property tax revenue from the rollback and the backfill 100% in Fiscal Year 2015 through Fiscal Year 2017 and then the backfill was capped at the Fiscal Year 2017 level in Fiscal Year 2018 and beyond. **The FY 2021 State backfill for property tax loss is estimated to be \$1,016,776.**

Elements of the property tax reform passed by the Iowa Legislature in 2013 have created a tremendous amount of uncertainty in the budget process. While the State has committed to provide some funding for the City revenue reductions caused by the decrease in taxable value for commercial and industrial properties, key legislators have been quoted in the media as casting doubt on the reimbursements continuing. **Beginning in FY 2022, it is assumed that the State will eliminate the backfill over a five-year period.**

The projected reduction of State backfill revenue to the general fund is as follows:

Fiscal Year	State Backfill Reduction
2022	\$ 203,355
2023	\$ 203,355
2024	\$ 203,355
2025	\$ 203,355
2026	\$ 203,356
Total	\$ 1,016,776

In the Tax Increment Financing (TIF) Economic Development and Slum and Blight Urban Renewal Districts in each of the five fiscal years in this budget recommendation, there is some built-in protection against the possibility that, at some point in time, the State of Iowa might stop funding the property tax reform backfill payments. In these TIF areas, the City is not allocating backfill in Fiscal Year 2022 and beyond. Each year the State funds the backfill will give the City greater resources to accomplish the intended goals of the TIF district that can be carried into the next budget year. There are numerous unfunded needs.

Local Option Sales Tax

The City is beginning to see stagnation in local option sales tax revenues. Sales tax receipts are projected to decrease 4.35% under FY 2020 budget (\$426,400) and 2.40% over FY 2020 actual of \$4,581,312 based on FY 2020 revised revenue estimate which includes a reconciliation payment from the State of Iowa of \$438,664 received in November 2019, increased 2.40% percent to calculate the FY 2021 budget, and then increased at an annual rate of 2.00% percent per year beginning in FY 2022. The estimates received from the State of Iowa show a 0.54% increase in the first payment estimated for FY 2021 as compared to the first payment budgeted for FY 2020. The following chart shows the past four years of actual sales tax funds and projected FY 2021 for the General Fund:

Sales Tax Funds	FY17	FY18	FY19	FY20	FY21
PY Quarter 4 (Half)	\$ 748,170	\$ 748,108	\$ 366,087	355,026.5	380,548.5
Quarter 1	\$ 1,112,755	\$ 1,080,294	\$ 1,066,816	1,124,104.5	1,146,586.5
Quarter 2	\$ 1,146,296	\$ 1,109,978	\$1,098,595.5	1,149,881	1,172,878.6
Quarter 3	\$ 960,626	\$ 939,923	\$ 1,031,606	971,871	991,308.42
Quarter 4 (Half)	\$ 374,054	\$ 366,087	\$ 700,311.5	761,097	776,318.94
Reconciliation	\$ 103,185	\$ 77,018	\$ 217,699	219,332.185	223,718.828
Total	\$ 4,445,086	\$ 4,321,408	\$ 4,481,115	\$ 4,581,312	\$ 4,691,360
% Change	(4.36)%	(2.86)%	+3.70%	+2.24%	+2.40%

While it is easy to blame this on e-commerce (ex: Amazon.com), and that certainly is having an impact, it cannot be forgotten that in March 2016 the State of Iowa amended the sales and use tax exemption provided by Iowa Code Sec. 423.3(47) for items used by manufacturers to specifically exempt qualifying “replacement parts” and “supplies.” While we cannot quantify this because the State does not provide sales information, the impact has probably been substantial. Effective July 1, 2018, the State eliminated the sales tax on potable water and replaced it with a water excise tax which is a loss of revenue of \$132,000 per year.

Gaming Revenue

Gaming revenues generated from lease payments from the Dubuque Racing Association (DRA) are estimated to increase \$198,633 from \$4,987,104 in FY 2020 to \$5,185,737 in FY 2021 based on adding \$140,000 in FY 2021 for sports betting and revised projections from the DRA. This follows a \$85,928 increase from budget in FY 2020 and a \$1,906 increase from budget in FY 2019.

In Calendar Year 2019, gross gaming revenues were down .11% for the DRA and the Diamond Jo is up 2.27%. Overall, the Dubuque gaming market is up 1.27%. The DRA showed increases in hotel room revenue, food and beverage sales and entertainment ticket sales.

The Iowa Legislature passed Sports Betting Legislation in June 2019. DRA started Retail (On-Site) on August 27, 2019 with Mobile Wagering starting on November 12, 2019. Diamond Jo Casino started Sports Betting Retail in September 2019 and is working to start mobile wagering in early 2020. DRA had \$470,000 in Sports Book revenue during 2019. With an amended lease, the City will begin receiving 0.5% of the handle from Sports Betting in FY 2021.

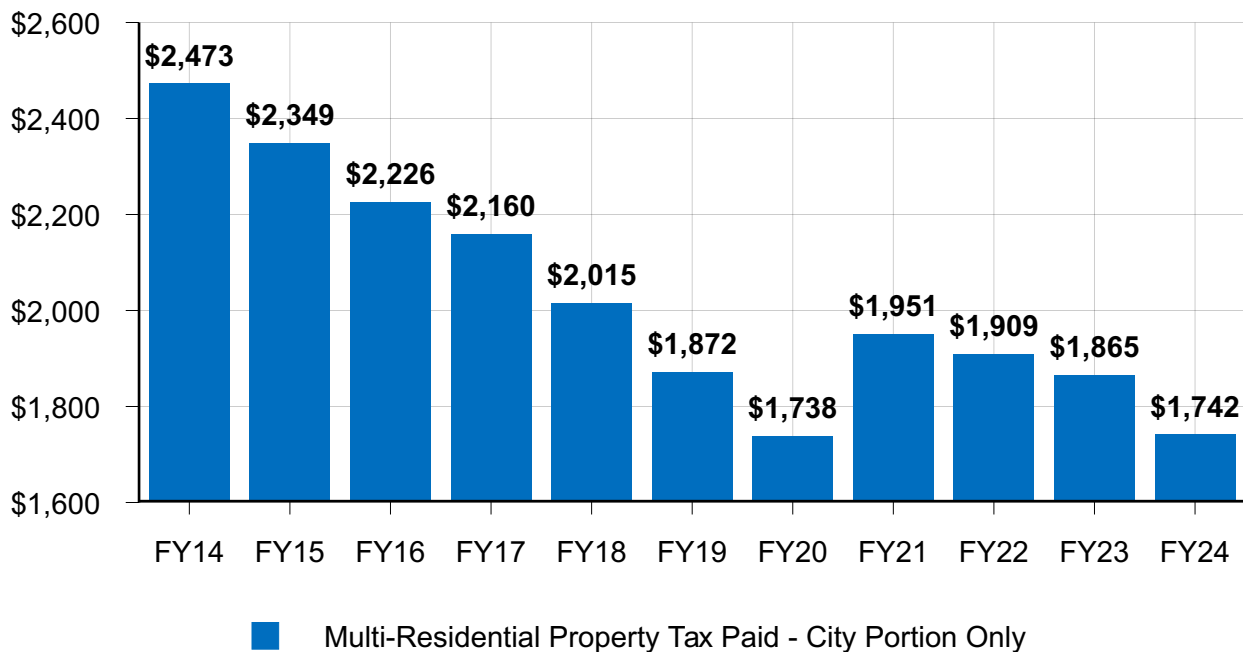
Multi-Residential Property Tax Classification

Beginning in Fiscal Year 2017 (July 1, 2016), new State legislation created a new property tax classification for rental properties called multi-residential, which requires a rollback, or assessment limitations order, on multi-residential property which will eventually equal the residential rollback. Multi-residential property includes apartments with three or more units. Rental properties of two units were already classified as residential property. The State of Iowa will not backfill property tax loss from the rollback on multi-residential property. The rollback will occur as follows:

Fiscal Year	Rollback %	Annual Loss of Tax Revenue
FY 2017	86.25%	\$331,239
FY 2018	82.50%	\$472,127
FY 2019	78.75%	\$576,503
FY 2020	75.00%	\$691,640
FY 2021	71.25%	\$1,332,445
FY 2022	67.50%	\$1,189,029
FY 2023	63.75%	\$1,276,899
FY 2024	55.07%	\$1,535,997
Total		\$7,405,879

This annual loss in tax revenue of \$1,332,445 in FY 2021 and \$1,535,997 from multi-residential property when fully implemented in FY 2024 will not be backfilled by the State. From Fiscal Year 2017 through Fiscal Year 2024 the City will lose \$7,405,879 in total, meaning landlords will have paid that much less in property taxes. The state did not require landlords to charge lower rents or to make additional investment in their property.

Multi-Residential Property Tax Based on Average Assessed Value \$262,418



Health Insurance

The City portion of health insurance expense is projected to increase from \$921 per month per contract to \$1,013 per month per contract (based on 588 contracts) in FY 2021 (general fund cost of \$507,492). The City of Dubuque is self-insured, and actual expenses are paid each year with the City only having stop-loss coverage for major claims. Beginning in FY 2020, actual experience has been a 12.19% projected increase in health insurance costs. Estimates for FY 2022 were increased 5.62%; FY 2023 were increased 10%; FY 2024 were increased 12.5%; and FY 2025 were increased 11%.

The City went out for bid for a third-party administrator in FY 2017 and the estimated savings has resulted from the new contract and actual claims paid with there being actual reductions in cost in FY 2018 (19.42%) and FY 2019 (0.35%). In addition, the Firefighters Collective Bargaining Group began paying an increased employee health care premium sharing from 10% to 15% on July 1, 2018 and the Police Collective Bargaining Group began paying an increased employee health care premium sharing from 10% to 15% on January 1, 2010 matching all other City employees. There was a 7% increase in the employee health care premium on July 1, 2018. During FY 2018, the City went out for bid for benefit provider for the prescription drug plan and there is an estimated \$243,808 in savings resulting from the bid award.

The following chart demonstrates the health plan cost savings due to a new third party administrator (TPA) for the health plan and a new pharmacy coalition:

Fiscal Year	Without TPA RFP		With Wellmark and New Pharmacy Coalition	
	Amount	% Change	Amount	% Change
2016 Actual	\$ 9,622,297			
2017 Actual	\$ 11,080,429	15.15%		
2018 Actual	\$ 11,780,712	6.32%	\$ 8,928,974	-19.42%
2019 Actual	\$ 12,525,253	6.32%	\$ 8,897,960	-24.47%
2020 Projected	\$ 13,316,849	6.32%	\$ 9,983,020	-20.30%
2021 Projected	\$ 14,158,474	6.32%	\$ 10,491,949	-21.21%
	\$14,158,474			
	\$10,491,949			
	<u>-\$3,666,525</u>	FY21 Savings due to new TPA and Pharmacy Coalition		

With Wellmark as the new third party administrator, FY 2018 actual savings was \$2,151,455 (19.42%) as compared to FY17 actual. The projected savings budgeted in FY 2018 was \$897,443. The actual health plan savings in Fiscal Year 2018 exceeded the budget by \$1,254,012, which increased the health insurance reserve. The FY 2019 actual savings was \$31,010 (0.35%) as compared to FY 2018 actual cost. The projected increase in health costs in FY 2020 of \$1,085,060 (12.19%) caused the City to increase the City portion of city employee health insurance expense from \$921 per month per contract in Fiscal Year 2020 to \$1,013 per month per contract in Fiscal Year 2021, a 11.29% increase (based on 588 contracts) in Fiscal Year 2021 (General Fund cost of \$507,492).

Housing Tax Increment Financing

Dubuque's four Housing Tax Increment Financing (TIF) Districts (Timber-Hyrst, English Ridge, South Pointe, and Rustic Point) will generate an estimated \$11.1 million from Fiscal Year 2021 - 2025, with at least 38.1% (\$5.5 million) going to affordable housing needs, mainly through the CHANGE program in partnership with groups like Community Housing Initiative and the HEART Program.

The successful use of Housing TIF's to create incentives for more residential development is important to encourage population growth in the city limits and increase assessed values. It is also important as the Dubuque Community School District has just experienced their first increase in enrollment after experiencing five consecutive years of declining enrollment and, at 10,489 students, is 245 (2.3%) less than the near term peak year of 10,734 in school year 2006/2007.

Opportunity Dubuque

The Opportunity Dubuque program was launched in 2012 to meet the needs of local employers who were experiencing difficulty hiring CNC Machinists and Welders through short-term certification through Northeast Iowa Community College. Since then, the program has expanded to include certificates of training in other areas of manufacturing, as well as construction, transportation, customer service, child care and healthcare. To ensure student success, each student works with a success coach throughout the recruitment, training, and employment process. Due to initial low enrollment of students of color in Opportunity Dubuque, Greater Dubuque Development partnered with Northeast Iowa Community College to hire an Outreach Success Coach in 2015 to intentionally engage students of color to enroll in the program through outreach and partnership with existing service providers. Some examples of these providers include Iowa Workforce Development, The Dubuque Dream Center, The Multicultural Family Center, City of Dubuque Housing, The Fountain of Youth, The Department of Corrections, and Opening Doors. Success coaches also work closely with various community health and mental health facilities to help educate front line staff with Opportunity Dubuque program information. Once enrolled, success coaches work with students to address barriers to completion of education and to obtaining employment, such transportation, child care, and tuition. They also work with partner organizations to help connect the student with social supports such as housing/rental assistance, health care assistance, and food assistance. In 2019, Opportunity Dubuque launched a child care pilot with funding from the City of Dubuque and Dubuque County, to assist parents in enrolling in Opportunity Dubuque by providing child care during training and assisting with child care expenses for up to year after they graduate and obtain full-time eligible employment. Because of these strong community relationships and targeted recruitment efforts, the Opportunity Dubuque program has significantly increased enrollment, completion and employment of students of color.

Since 2012, Opportunity Dubuque has had 817 enrollments and 640 successful graduates with an employment or continuing education rate of 96% within the first year after completion for those program staff have been able to contact (86% post-program contact rate). To date, 26 completers identify as Hispanic, 121 as African-American/Black, 16 as Asian, 2 as Pacific Islander, 3 as American Native, 11 as more than one race, and 330 as White/Caucasian. This represents 65% Caucasian/White completers and 35% non-White completers out of those who reported race/ethnicity information. (Note: 130 participants chose not to identify their racial/ethnic status (20%). For the most recent fiscal year of the program (2019), 48% of completers reporting race/ethnicity data (37) identified as non-White: 5 Hispanic, 30 Black/African-American, 1 Multiple, 6 Unknown, 40

white. Before January 2016, only 24/356 (6%) of enrollees were students of color. As of June 30, 2019, 39% of total enrollees (259/660) who reported race/ethnicity were students of color, demonstrating significant success in outreach to diverse populations. Regarding child care assistance, since 2019, 11 students have use child care services provided through Opportunity Dubuque. This represents 17 children provided care. An additional nine students have indicated plans to use child care assistance once they find employment after graduation in Spring 2020.

One success story includes: Jaime Hernandez-Rodriguez, Hispanic single father, completed his High School Equivalency Diploma, Welding, and Computer Numerical Control program through Opportunity Dubuque. He is now employed at Mi-T-M in Peosta and is enrolled in his third Opportunity Dubuque certificate in Industrial Maintenance.

Downtown Revitalization



Downtown Revitalization

Improvement	1985 through December 2019	% since 2000
New Construction	\$261 million	92%
Building Rehabilitation	\$404 million	91%
Real Estate Sales	\$189 million	76%
Public Improvements	\$135 million	95%
Net New Jobs	+4,300	70%
Total Improvements:	\$800 million	92%



Government Transparency

The Budget Office conducted community outreach with Balancing Act using print and digital marketing and presentations.

October: Point Neighborhood Association, Downtown Neighborhood, and at City Expo. The City Manager hosted an evening public budget input meeting at the City Council Chambers in the Historic Federal Building.

November: The City Manager hosted an evening public budget input meeting at the City Council Chambers in the Historic Federal Building. The Budget Office conducted community outreach with the North End Neighborhood Association and the City Life group.

January: City staff conducted community outreach with a social studies class at the Alternative Learning Campus as part of a documentary that the students are working on.

A total of 195 community members attended the budget presentations. There have been 433 page views of the Balancing Act budget simulator tool and 33 budgets have been submitted by the public as of February 5, 2020. The input provided was analyzed by City staff and evaluated by the City Manager for inclusion in the Fiscal Year 2021 budget recommendation as deemed appropriate.

Open Budget

[URL: www.dollarsandcents.cityofdubuque.org](http://www.dollarsandcents.cityofdubuque.org)

During Fiscal Year 2016, the City launched a web based open data platform. The City of Dubuque's Open Budget application provides an opportunity for the public to explore and visually interact with Dubuque's operating and capital budgets. This application is in support of the five-year organizational goal of a financially responsible city government and high-performance organization and allows users with and without budget data experience, to better understand expenditures in these categories.

Open Expenses

[URL: http://expenses.cityofdubuque.org/](http://expenses.cityofdubuque.org/)

During Fiscal Year 2017, an additional module was added to the open data platform which included an interactive checkbook which will allow residents to view the City's payments to vendors. The final step will be adding performance measures to the open data platform to allow residents to view outcomes of the services provided by the City.

Balancing Act

[URL: https://dubuque.abalancingact.com/fiscal-year-2021-budget-simulation](https://dubuque.abalancingact.com/fiscal-year-2021-budget-simulation)

During Fiscal Year 2019, the City of Dubuque launched a new interactive budget simulation tool called Balancing Act. The online simulation invites community members to learn about the City's budget process and submit their own version of a balanced budget under the same constraints faced by City Council, respond to high-priority budget input questions, and leave comments.

Taxpayer Receipt

[URL: https://dubuque.abalancingact.com/2020](https://dubuque.abalancingact.com/2020)

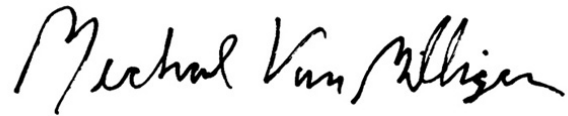
During Fiscal Year 2019, the City launched an online application which allows users to generate an estimate of how their tax dollars are spent. The tool uses data inputted by the user such as income, age, taxable value of home, and percentage of goods purchased within City limits. The resulting

customized receipt demonstrates an estimate of how much in City taxes the user contributes to Police, Fire, Library, Parks, and other city services. This tool is in support of the City Council goal of a financially responsible and high-performance organization and addresses a Council-identified outcome of providing opportunities for residents to engage in City governance and enhance transparency of City decision-making.

Conclusion

There will be six City Council special meetings prior to the adoption of the Fiscal Year 2020 budget before the state mandated deadline of March 31, 2020.

I want to thank Director of Finance and Budget Jennifer Larson, Assistant City Manager Cori Burbach, Budget/Financial Analyst Rachel Kilburg, Public Information Officer Randy Gehl, Office Manager Juanita Hilkin, Secretary Stephanie Valentine, ICMA Managment Fellow Rahim Akrami, and Communications Specialist Kristin Hill, for all their hard work and dedication in preparation of this budget recommendation.



Michael C. Van Milligen
City Manager

MCVM:jml

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