



TO: The Honorable Mayor and City Council Members

FROM: Michael C. Van Milligen, City Manager

SUBJECT: Fiscal Year 2022 Budget Recommendation

DATE: February 26, 2021

It is my goal that the Fiscal Year 2022 budget recommendation will reflect the City Vision and Mission Statements as established by the Mayor and City Council and be responsive to the goals and priorities established by the Mayor and City Council in their August 2020 annual goal setting session. The Fiscal Year 2022 budget recommendation includes a property tax rate decreased of (0.93)%. This translates into the following:

	% Change	\$ Change
Property Tax Rate	-0.93%	-\$0.09
Average Residential Payment	+1.62%	+\$12.49
Average Commercial Payment	0.00%	\$0.00
Average Industrial Property	-0.30%	-\$14.20
Average Multi-Residential Property	-6.15%	-\$116.55

In the midst of last year's budget process, the World Health Organization declared on March 11, 2020 that COVID-19 was a pandemic. Almost immediately the world economy began to shut down.

Locally, unemployment skyrocketed from the lows of 2018/2019 of less than 2% unemployment, to the February 2020 unemployment of 3.4%, to a 2020 high of 12.9% in April 2020. Since then there has been a steady decline to 3.5% in December 2020. However, this low unemployment rate can be deceptive. From January 2020 (57,349) to December 2020 (51,760), 5,589 people have left the Dubuque County labor force. These are people who were previously employed, or previously unemployed and looking for a job, that are now unemployed and not looking for a job.

Everything I have heard and read indicates that the economic downturn in Dubuque has most negatively impacted the hospitality and tourism industries, which are commercial businesses, and individuals who mainly live in apartments. Recognizing this, I have tried to recommend a budget that minimizes property taxes on commercial properties and multi-family residential properties (3 units and above as defined by the State of Iowa). I am doing this while trying to have some additional resources to be responsive to the priorities of the Mayor and City Council.

You will recall that in the current year (FY21 beginning July 1, 2020) City budget that was adopted by the Mayor and City Council in April 2020, at the beginning of the pandemic, there was a property tax rate reduction of 1.8%, which lowered property taxes on residential property, commercial property and industrial property, but did cause an increase on multi-residential property. The change from FY20 to FY21 was as follows:

Property Type	Average Property Tax Cost Change from FY2020	% Property Tax Cost Change from FY2020
Residential	\$1.09 less	0.14% decrease
Commercial	\$104.45 less	3.30% decrease
Industrial	\$132.61 less	2.81% decrease
Multi-Residential	\$158.73 more	9.13% increase
FY 2020 Property Tax Rate	FY 2021 Property Tax Rate	% Change
\$10.33144	\$10.1440	1.8% Decrease

Dubuque then compares very favorably with the ten other cities in the State of Iowa with a population greater than 50,000 with having the lowest property tax rate.

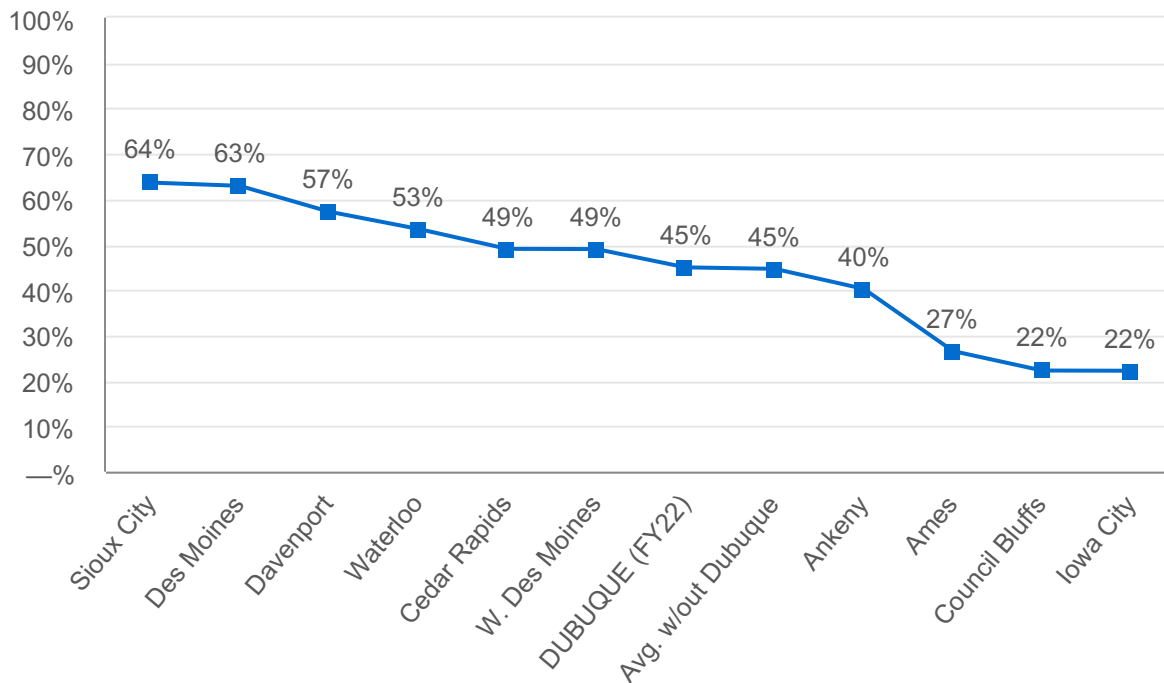


- Highest-ranked city (Waterloo, \$18.44) is **82% higher than Dubuque**
- Average of other 10 cities (\$15.22) is **50% higher than Dubuque**

The above numbers relate to the current fiscal year, FY21. Now I will be moving to describe how my recommendation will affect FY22 and beyond.

Dubuque would compare very favorably with these other cities when looking at debt in that with using only 45% of the statutory debt limit if the FY22 Capital Improvement Program budget recommendation is adopted, Dubuque would rank 5th lowest of the eleven cities and very close to the 44.68% average of the other cities.

Percentage of Legal Debt Limit Utilized



In addition, the Mayor and City Council have been good stewards of City funds and built up healthy general fund reserves. The City maintains a general fund reserve, or working balance, to allow for unforeseen expenses that may occur. The goal is to have at least a 20% general fund reserve.

	FY2021	FY2022	FY2023	FY2024	FY2025
City's Spendable General Fund Cash Reserve Fund Balance	\$17,903,63	\$17,903,63	\$17,903,63	\$17,903,63	\$17,903,63
% of Projected Revenue	25.21%	24.72%	24.24%	23.76%	23.29%

As previous analysis has shown, the City of Dubuque is also one of the most efficiently run cities in the comparison group of the eleven cities with a population of greater than 50,000.

The Fiscal Year 2022 budget recommendation is that the property tax rate be further reduced from the current \$10.1440 per thousand dollars assessed value to \$10.0496, a **0.93% decrease in the property tax rate.**

2035 VISION STATEMENT

Dubuque 2035 is a sustainable and resilient city and an inclusive and equitable community where ALL are welcome. Dubuque 2035 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, affordable, livable neighborhoods; have an abundance of diverse, fun things to do; and are successfully and actively 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 2025

♦**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.

2020-2022 POLICY AGENDA

TOP PRIORITIES (in alphabetical order)

- **Chaplain Schmitt Island Master Plan: Implementation & Phasing:** Implementation & Phasing: As part of a commitment to create fun a variety of fun things to do for all, the City is part of a team lead by the Dubuque racing Association who will implement the Chaplain Schmitt Island Master Plan. The Plan identifies a strategy to redevelop the island, beginning with the development of a Veterans Memorial and including developing/redeveloping recreational amenities, business development, self-sufficiency of Q Casino, and redevelopment of the 16th St Corridor onto the island. This work will be done while focusing on the environmental integrity of the island with the US Army Corps of Engineers and the Iowa Department of Natural Resources. In the upcoming 18 months, the team will focus on completion of the Veterans Memorial and seeking funding sources to implement the Plan. Funding support is included in the FY22 CIP for this project.

- **Dream Center: Facilities and Programs: Self-Sufficiency Additional Funding:** 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 FY21 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 was approved for funding in the FY21 budget. In addition to \$40,000 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. The City is providing \$276,000 to match some of their existing resources to complete a facility upgrade that will qualify the Dream Center for over \$800,000 a year in State of Iowa childcare subsidies. In FY22, an additional \$10,000 in operating support is recommended to provide support for 66 children for an entire year of programming.

- **Equitable Fine and Fee Reform: Report, Direction and Actions:** This project examines how the City's fines and fee structures impact our most vulnerable population, particularly communities of color. Key issues include a thorough analysis of quantitative and qualitative data to understand impact, legislative advocacy at the county, state, and federal level, and actions to restructure fine and fee schedules and practices. Staff capacity to manage recommended programs will be key to successful implementation. The Community Diversion & Prevention Coordinator (Police) and Community Outreach Coordinator (Americorps) recommended for funding will increase that capacity and assist in implementation of pilot program(s).
- **Equitable Poverty Prevention Plan Implementation:** In 2021, the City Council prioritized the creation of an Equitable Poverty Reduction & Prevention Plan. The Plan was delivered to Council by Public Works LLC, and lays out an implementation strategy to reduce poverty, especially in communities of color. The FY22 budget recommends funding for Public Works LLC to continue assisting the City in implementation. It also recommends the creation of a new Office of Shared Prosperity & Neighborhood Support. This department will be led by a Director of OSPNS (re-imagining the existing Neighborhood Development Specialist for no net property tax impact) and also include a Data Analyst and part-time Administrative Assistant.
- **Fountain of Youth: Additional 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 grant writing, strategic planning, and is

facilitating the ESPERE Workshop (The School of Forgiveness and Reconciliation) with FOY participants.

Funding recommendations in the FY22 budget include \$50,000 per year in operating support, \$10,000 more than in the FY21 budget.

- **Quality Affordable Housing Creation:** City Council has prioritized ensuring that quality affordable housing is available throughout the city for all income levels. This includes defining roles for the City, not limited to funding partners and enforcement, and expansion of roles for non-profit partners, private developers, and landlords. Several Housing & Community Development CIPs support this work.

HIGH PRIORITIES (in alphabetical order)

- **Arts and Culture Master Plan Implementation: Update Report, Direction, and Actions:** In 2015, the City completed an Arts & Culture Master Plan. Since then, a community task force has led its implementation. Key issues for the coming year include volunteer engagement, funding identification, and City policies. Implementation will continue through existing operating budgets and community partnerships.
- **Arts Operating Grants and Art on the River: Update Report, Funding, Direction, and Actions:** : Increasing funding for Art on the River (including potential expansion to other locations), a review of the existing Arts operating grants, and an increased focus on diversity and equity in the programs was prioritized.
- **Childcare Initiative: Outcomes, City Role, Partners, Direction and City Actions:** Building on work completed by the public and private sector, this priority continues to focus on ensuring enough childcare is available to all income levels to ensure a healthy workforce. A CIP request for childcare assistance is recommended in the Housing budget.
- **Code of Ethics/Social Media for Mayor and City Council: Development and Adoption:** This priority identifies Mayor & City Council action. No financial impact was identified that requires budget consideration.
- **Food Insecurity: Report with Findings and Options, Direction, City Actions, and Funding (including Food Deserts and Grocery Store Attraction):** City staff and partners continue work to identify food deserts and increase access to healthy food options for all residents. Identifying the City's role in this work, including examining public transit access to grocery stores and potential financial incentives, will occur in FY22 in addition to ongoing support of community gardens and partnership with the Dubuque County Food Policy Council.
- **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 FY22 budget for \$10,000 from General Funds (previously Community Development Block Grants were used to provide this funding); 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.

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.

2020-2022 MANAGEMENT AGENDA

TOP PRIORITIES (in alphabetical order)

- **Bee Branch Creek Project: 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. Precipitation in 2020 was more typical of Dubuque. But the two years prior represent one of the wettest periods in Dubuque's history. According to the National Weather Service, Dubuque received nearly 53 inches of rain through in 2019. It marked 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 in 2018 and 2019, very few properties have experienced flood damage following the completion of the upper 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. The tunneling was completed in 2020, a significant project milestone. When the entire project is completed in mid-2021, 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 Gate & Pump Replacement Project, currently under design, will modernize the gate and pump station where the Bee Branch Watershed drains into the Mississippi. The improvements to the pump station will provide more pumping capacity and improve gravity flow conditions such that the system will be able to accommodate what is statistically considered a 500-year event - the same level of protection to be provided by the upstream Bee Branch Creek Restoration Project when the Bee Branch Creek Railroad Culverts Project is complete. The design should be complete in early 2021 such that the construction can begin in the summer of 2021. The City was awarded \$2.5 million from the US EDA to help offset the cost of construction. Unfortunately, the City's planed source of local funding has been impacted due to the COVID-19 pandemic. The City was \$98.5 million in state sales tax increment funding through the State Flood Mitigation Program to help fund Bee Branch Watershed Flood Mitigation Project improvements. But as the name implies, the available funding is based on the "incremental" growth of state sales tax revenue within Dubuque. The COVID-19 pandemic has resulted in a significant decrease in state sales tax collections. Therefore, the funding available to Dubuque will be less than anticipated prior to the pandemic. In order to offset this lost (or delayed) revenue, the City can borrow \$2.6 million to cover the anticipated shortfall so that the work can be completed by April of 2023 as required by the \$2.5 million EDA grant agreement.

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 \$237 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.

When complete, it is expected to prevent an estimated \$582 million in damages over its 100-year design life.

Next steps for this project include the following: 1) Cleanup/stabilize maintenance facility site, 2) Construct Lower Bee Branch Bike Trail, 3) Complete culvert project, 4) Construct the Bee Branch Gate & Pump Replacement improvements. Staff presented a site redevelopment/reuse plan for the Maintenance Facility Site for City Council consideration. Preliminary coordination with the Iowa Department of Transportation for the Lower Bee Branch Bike Trail, and preliminary design, have begun.

- **City Racial Equity Tool Toolkit: Implementation:** Continuing our racial equity work by prioritizing and implementing recommendations from our Black Lives Matter partners and the Analysis of Impediments remains a Top Priority. Departmental equity plans updated annually identify data collection, program implementation, and community engagement strategies to achieve these recommendations. Multiple departmental operating budgets include funding for this work, most notably those improvement packages noted above that implement the Equitable Poverty Prevention Plan and Equitable Fines & Fees work; Minority-Owned Business Microloan CIP (Economic Development); and a Development & Training Coordinator (Human Resources) who will assist in achieving our internal workforce equity goals.
- **Community Cameras Program:** Investment in a high-quality, connected community camera system remains a priority to provide for the safety of residents and efficient traffic flow throughout the community. Installation of new cameras and replacement of outdated technology continues through Engineering and Public Works CIPs and operating budgets.
- **COVID-19 Response: Update Report and Next Steps:** 2020 and 2021 have been unprecedented in terms of City and community response to a global pandemic. The City continues to incur costs, and seek funding, for COVID-19 response and recovery, including public health response and financial assistance to our vulnerable residents. No specific financial requests related to the pandemic are included in the FY22 budget request, but lessons learned may inform future operations of the City.
- **Dubuque Riverfront Master Plan (US Army 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." 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.

- **Traffic Signal Synchronizations/STREETS Programs: Update Report, Direction:** 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 FY22 capital budget.

- **Viking Cruise Destination Preparation: Direction, Actions, and Funding:** As Viking Cruise continues construction of ships that are anticipated to begin touring in 2022, Dubuque has committed to construction of a dock facility in the Port of Dubuque that could welcome Viking and other boats to increase tourism in our community. The Riverfront Dock Expansion CIP in the Engineering budget will fund construction of the dock in FY22.

HIGH PRIORITIES (in alphabetical order)

- **Dupaco Parking Agreement: Next Steps:** As Dupaco Community Credit Union commits to operations in the Historic Millwork District, the City has committed to an annual review of parking availability in the downtown to meet their developing needs. Funding for construction of a new downtown parking ramp is included in the Transportation Services capital budget.
- **Emergency Services Youth Camp: Next Steps:** The Emergency Services Youth Camp is operated by the Police and Fire departments with the ultimate goal of increasing youth interest in careers in the field. Funding for staff time and operational expenses is included in those departments' operating budgets.
- **Grand River Center Future Operations: RFP, Direction and Agreement:** In FY22, the City will complete a comprehensive analysis of the current management and operations agreement for the Grand River Center. Budget requests related to any recommendations will be included in the FY23 budget. Capital improvements to maintain the facility will continue as planned in the FY22 Leisure Services budget.
- **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. Rollout of a new Employee Manual, along with related training, will continue in calendar year 2021. The requested Human Resources Training & Development Coordinator and third-party exit interview contract will continue this work with the group.
- **School Resource Officers: Direction and Funding:** 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. An SRO position was added, but the vacancy is frozen in FY21, but funds are not available in FY22 to add the last position, so that is being delayed. The Dubuque Community School District and the City will be working with interested parties to evaluate the duties of the SRO's prior to the beginning of the 2021-2022 school year.

- **Smart Mobility: Parking Structure Improvements, Technology Purchases, and Other Actions:** Implementation of a comprehensive Smart Mobility strategy is led by the Transportation Services and Information Services departments. Phase I implementation, which includes license plate readers and gate equipment, will happen in calendar year 2021 and is funded in the FY22 capital budget. Requests to support Phase II implementation are included in FY22 requests.

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**

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CMO24-111618

Implementation of Equitable Poverty Prevention Plan

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 in the recently completed Equitable Poverty Prevention Plan.

The Fiscal Year 2022 budget recommendations that help implement the Equitable Poverty Prevention Plan includes creation of a new City department called the Office of Shared Prosperity and Neighborhood Support responsible for implementation of the Equitable Poverty Prevention Plan, in partnership with other City departments and community organizations. The Director of Shared Prosperity and Neighborhood Support would still be involved in “direct service” as the Neighborhood Development Specialist was, and would also be expected to operate at a higher strategic level while also maintaining relationships with residents, businesses and community organizations who are actively involved in the implementation of the recommendations in the Equitable Poverty Prevention Plan.

Redefining departmental roles related to equitable poverty prevention, civil rights enforcement, and advocacy and inclusion would be crucial to the success of this new department. Part of the redefining would include shifting the Community Engagement Coordinator position currently in the Human Rights position to this new Office of Shared Prosperity and Neighborhood Support department with responsibility for direct outreach and engagement with community members and neighborhoods experiencing poverty. Civil rights enforcement would remain with the City Attorney’s office, and the Human Rights Department’s work would focus specifically on inclusion and empowerment with specific populations experiencing inequities distinct from those resulting from poverty.

A dedicated Data Analyst position to work with City staff and partners to track progress is key to successfully implementing the plan and is included in the budget recommendation. Under the direction of the Director of of Shared Prosperity and Neighborhood Support, the Data Analyst would work with departments and partners to collect community-level and program-level data, analyze the data, and make recommendations to further the goal of reducing or eliminating poverty, especially for racial minorities and other identified vulnerable populations. The Equitable Poverty Prevention Plan identified a variety of data collection systems used by partners serving the community, missing data needed to make informed policy decisions, and the need to create a Racial Equity Index. This position would support all departments and possess strong data skills including the ability to create reports, perform analysis, assist with Key Performance Indicator identification and geographically representing data on maps. The development of equity metrics with the assistance of a consultant as proposed in the Human Rights Department FY22 budget could be the Data Analyst's first major project.

To support the Director of Office of Shared Prosperity and Neighborhood Support, Community Engagement Coordinator, and Data Analyst, a part-time secretary is being recommended. The three positions this individual supports will spend a significant amount of time in meetings with internal departments, community organizations, and individual residents. The Secretary would support office functions by scheduling meetings, preparing written materials, supporting the Citizens Advisory Council, and assuring that the other individuals in the Office can complete their duties.

The Fiscal Year 2022 budget recommendation includes the creation of a Community Diversion & Prevention Coordinator position within the City of Dubuque organization. This position would have the primary focus areas of 1) Working with the Dubuque Police Department (DPD), Dubuque County Sheriff's Department (DCSO), the City Attorney's Office, the Dubuque County Attorney, and other community partners, to develop strategies and programs to reduce the number of people entering the jail system; 2) Working with the DPD and other community partners to develop and implement a program to identify individuals and families in need of assistance and services to avoid contact with police or other emergency services and act as a clearing house to connect individuals and families to these necessary services; 3) Working with the DPD, DCSO, Iowa Department of Corrections, Dubuque County Attorney's Office and City of Dubuque Attorney's Office, as well as judges and magistrates, and others heavily involved in the criminal justice system and other community partners, to identify and develop a sustainable approach to adult diversion, community service, and restorative practices in order for individuals to avoid the negative impacts of jail sentences or fines. It is expected that the City would use its community partners in both the selection of the individual, as well as the creation of the individual programs, especially partners heavily involved in equity initiatives. This position impacts City operations by utilizing City resources to focus on developing a collaborative process to support those in our community who would benefit from resources to prevent incarceration, unnecessary hospitalization, and offers guidance to those who are in need of ongoing resources.

A full-Time Community Outreach Coordinator to work within the Equitable Fine and Fee Reform program is recommended. This position would be part of the AmeriCorps program. The Community Outreach Coordinator would work closely with the City Attorney's office, the Police Department, Utility Billing and Human Rights departments to work directly with community members who choose community service as a way to pay their fines and fees. This position would work with the participants by providing guidance and resources to successfully complete their community service, while also referring them to resources that can help them from having to go through the program in the future. This position would develop a successful model to help community members find success. This position would work closely with outside organizations to coordinate service activities and meet the needs of the community through service. The position would also coordinate city department volunteering opportunities such as adopt a spot, park and neighborhood cleanups, service projects to assist departments like clerical scanning. This position would be responsible for overseeing the Volunteer Generation Funds Grant under the guidance of the AmeriCorps Director.

The creation of a full-time Teen Coordinator at the Multicultural Family Center. The teen programs have been growing and which provides the best possible, high quality equitable programs and services. A crucial part to the increased success of these teen programs is the staff that coordinate them. The Multicultural Family Center Board has committed to assisting with funding \$15,000 each year for three years for this position.

This budget recommendation includes an additional \$10,000 in funding for the Dubuque Dream Center (total of \$50,000 in operating support) to impact children of low-income and working families. There is also an additional \$10,000 in funding for the Fountain of Youth (total of \$50,000 in operating support) to help support the Partners in Change/Community in Change programming. This funding will assist with providing services to the low income populations of Dubuque and the surrounding communities.

Budget Focused on Public Safety

The Dubuque Police Department recently completed its compilation report of crimes for calendar year 2020. "Confirmed Shots Fired" is one of the many metrics tracked by the police department annually. In 2020, there were 17 instances of confirmed shots fired in Dubuque, an increase of one over 2019's total of 16 and down significantly from 2015's total of 33. Of last year's 17 cases, an arrest of at least one individual was made in 9 of those cases thanks in large part to exceptional police work with the assistance of Dubuque's network of traffic/security cameras. The unresolved cases remain open with viable suspects identified in several. While a single murder or instance of confirmed shots fired is too many, Dubuque's totals are lower than many other communities.

When comparing Dubuque's "Part 1" crime totals for 2020 to 2015, Dubuque has had a 32% reduction in overall crime. A comparison of 2020 versus 2019 shows the total number of crimes rose by just three crimes, from 1,509 to 1,512. The police department's annual crime report is shared with the FBI and includes "Part 1 Crimes" in two categories: Crimes Against Persons and Crimes Against Property.

The number of Crimes Against Persons in Dubuque in 2020 rose 40.5% from 2019 to a total of 267, including one murder, 105 sexual assaults, 26 robberies, and 135 aggravated assaults. While it is impossible to prevent some crimes from occurring, it is important to know that the Dubuque Police Department excels in solving crimes. In 2020, the Dubuque Police resolved 92.3% of all Crimes Against Persons committed in the city. The national average for 2019 (the most current on record via FBI data) was 45.4%. The number of Crimes Against Property declined 5.6% from 2019 to a total of 1,245, including 219 burglaries, 148 burglaries to motor vehicle, 808 thefts, and 70 thefts of motor vehicles. The goal of the City's approach to public safety is to make Dubuque the safest community possible with the understanding that community safety is not just about injury prevention and crime prevention; it is about increasing well-being and building a vibrant, engaged, and equitable community. Working to ensure residents experience an increased sense of well-being, a sustainable quality of life, a reduction in the numbers and cost of injuries, the preservation of income and assets, and improved perceptions of safety is a top priority for Dubuque city government.

"Part I" Crimes for Calendar Years 2012-2020

Compiled by the Dubuque Police Department

Performance Measures	CY12	CY13	CY14*	CY15	CY16	CY17	CY18	CY19	CY20	Avg.	CY20% Over/Under	CY20% Over/Under	CY20% Over/Under
											CY19	Average	Peak Year
No. of Crimes Against Persons	186	208	220	265	243	203	190	190	267	219	40.5%	21.9%	0.00%
Murder	2	0	0	5	1	2	1	0	1	1	100.0%	-25.0%	-80.0%
Sexual Assault	43	38	61	80	98	90	75	91	105	76	15.4%	38.8%	0.0%
Robbery	21	32	20	27	26	16	29	14	26	23	85.7%	10.9%	-18.8%
Aggravated Assault	120	138	139	153	118	95	85	85	135	119	58.8%	13.8%	-11.8%
No. of Crimes Against Property	1,992	1,791	1,662	1,953	1,875	1,667	1,543	1,319	1,245	1,672	-5.6%	-25.5%	-37.5%
Burglary	583	431	416	548	420	331	299	205	219	384	6.8%	-42.9%	-62.4%
Burglary to Motor Vehicle	298	231	168	106	144	157	145	88	148	165	68.2%	-10.3%	-50.3%
Theft	1,080	1,103	1,035	1,245	1,235	1,116	1,036	945	808	1,067	-14.5%	-24.3%	-35.1%
Theft of Motor Vehicle	31	26	43	54	76	63	63	81	70	56	-13.6%	24.3%	-7.9%
Total	2,178	1,999	1,882	2,218	2,118	1,870	1,733	1,509	1,512	1,938	0.2%	-22.0%	-31.8%

* Switch to new public safety software August 2014

	Confirmed Shots Fired		Year over year increase	Year over year % increase	Murders		Population
	2019	2020	19-20	19-20	2019	2020	
Des Moines	1287	1456	169	13%	14	22	216,853
Davenport	195	279	84	43%	2	10	102,085
Cedar Rapids	99	163	64	65%	7	12	133,174
Waterloo	92	106	14	15%	2	7	67,798
Sioux City	9	59	50	555%	3	5	82,396
Iowa City	13	57	44	338%	1	2	76,290
Dubuque	16	17	1	6%	0	1	57,941
Council Bluffs	9	13	4	31%	6	0	62,421
Ames	2	5	3	150%	1	0	67,154
Peoria, IL	615	728	113	18%	25	14	111,388
Rockford, IL	442	679	237	54%	NA	36	147,881
Average	252.6	323.8				9.9	

Traffic/Security Camera System

Traffic/Security Camera System in 2020, the City has installed 50 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 26 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 706 Traffic/Security cameras recorded through the Traffic Operations Center in City Hall. The remaining 571 cameras are recorded at various servers throughout the City. The recommended budget has funding for additional cameras in the amount of \$515,073 from FY 2022 through FY 2026. Additional funding is also allocated to the network of fiber optics that supports the camera system; Traffic Signal Fiber Optics, Fiber Infrastructure Management System, Citywide Fiber Cable Backbone Master Plan, and Fiber Optic Conduit Miscellaneous (1,040,000).

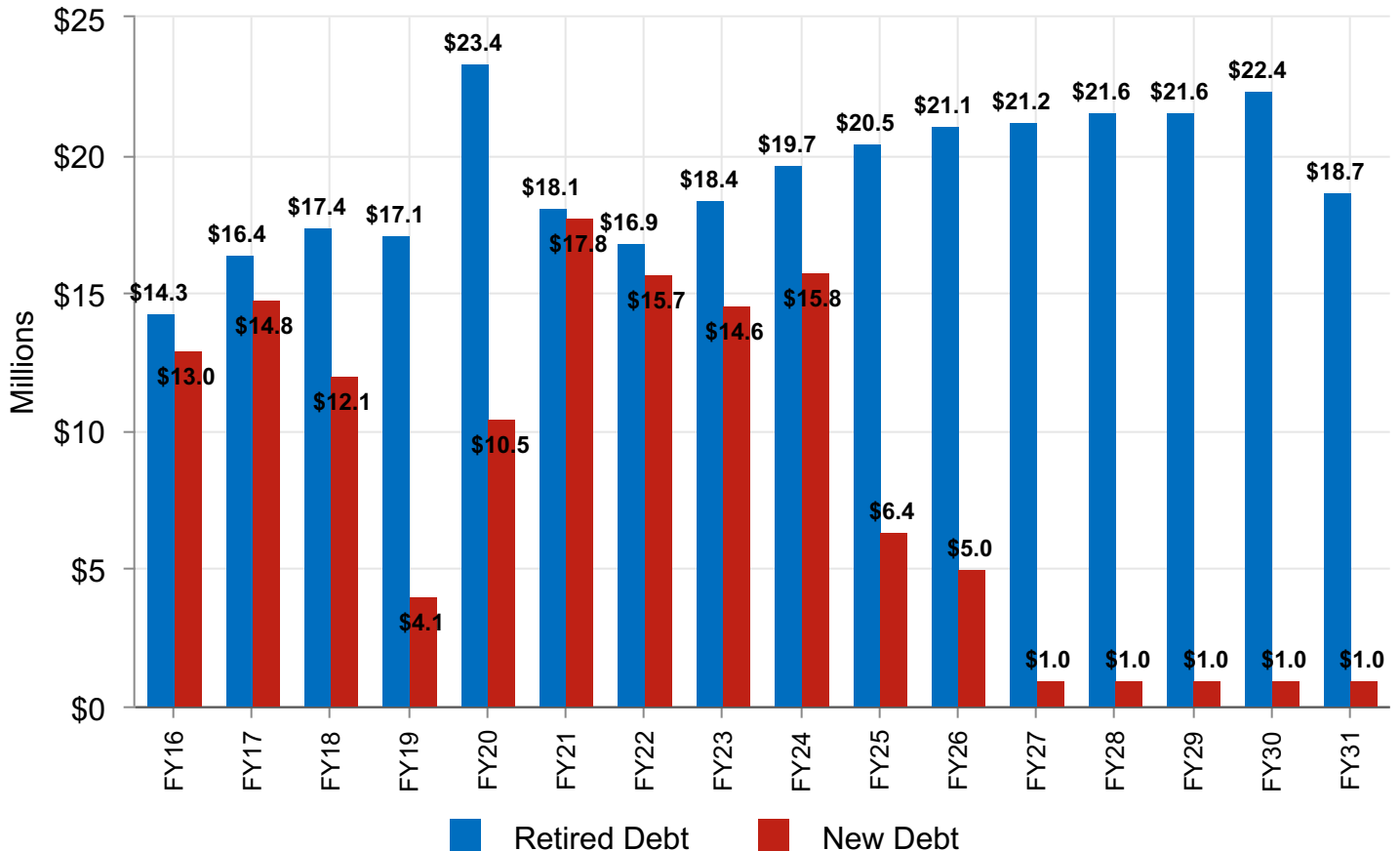
Fiscal Year 2022 Budget Recommendation

The goal of the Fiscal Year 2022 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 2020 goal setting session, with input from the community. A series of six public hearings will be held by the Mayor and City Council before adopting a final budget on March 24, 2021. The Fiscal Year 2022 budget year begins on July 1, 2021.

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 2022 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.

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 2022 recommended City property tax rate of 10.05 per thousand is a 0.93% decrease from Fiscal Year 2021, which follows a 1.81% decrease from Fiscal Year 2020, and a 2.43% decrease from Fiscal Year 2019.

The average homeowner would see a 1.62% (\$12.49) increase in their property tax payment for the City portion of their property tax bill. The average commercial property would see no increase, the average industrial property a 0.30% (\$14.20) decrease, and the average multi-residential property a 6.15% (\$116.55) decrease.

Fiscal Year 2022 follows Fiscal Year 2021 where the average homeowner saw a (0.14)% (\$1.09) decrease in their property tax payment for the city portion of their property tax bill. The average commercial property saw a 0.27% (\$8.59) increase, the average industrial property saw a 0.42% (\$19.59) decrease, and the average multi-residential property saw a 9.13% (\$158.73) increase.

The following chart shows the impact on the average homeowner with the commercial and industrial backfill phased out over five-years beginning in Fiscal Year 2024 and with the backfill remaining at 100%:

Fiscal Year	Reduced Backfill			100% Backfill		
	City Tax	% Change	\$ Change	City Tax	% Change	\$ Change
2022	\$781.57	1.62 %	\$12.49	\$781.57	1.62 %	\$12.49
2023	\$844.72	8.08 %	\$63.15	\$844.72	8.08 %	\$63.15
2024	\$879.12	4.07 %	\$34.40	\$874.59	3.54 %	\$29.87
2025	\$924.49	5.16 %	\$45.37	\$915.56	4.68 %	\$40.97
2026	\$963.46	4.22 %	\$38.97	\$950.33	3.80 %	\$34.77

Fiscal Year 2022 City Property Tax Rate Comparison for Eleven Largest Iowa Cities

Rank	City	Tax Rate
11	Waterloo (FY21)	\$18.4403
10	Council Bluffs (FY22)	\$18.2600
9	Des Moines (FY22)	\$17.5600
8	Davenport (FY22)	\$16.7800
7	Cedar Rapids (FY22)	\$15.8760
6	Iowa City (FY22)	\$15.7731
5	Sioux City (FY22)	\$14.5172
4	West Des Moines (FY22)	\$11.7740
3	Ankeny (FY21)	\$10.6520
2	Dubuque (FY22)	\$10.0496
1	Ames (FY22)	\$9.8700
	AVERAGE w/o Dubuque	\$14.95

*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 (Waterloo (FY21)) is 83.49% higher than Dubuque's rate, and the average is 48.77% higher than Dubuque.

Fiscal Year 2022 Property Taxes per Capita Comparison for Eleven Largest Iowa Cities

Rank	City	Taxes Per Capita
11	West Des Moines	\$1,167.50
10	Council Bluffs	\$1,079.31
9	Iowa City	\$990.46
8	Cedar Rapids	\$886.48
7	Des Moines	\$824.14
6	Davenport	\$812.14
5	Waterloo	\$717.66
4	Ankeny	\$710.15
3	Sioux City	\$547.17
2	Ames	\$545.30
1	Dubuque	\$461.00
	AVERAGE w/o Dubuque	\$828.03

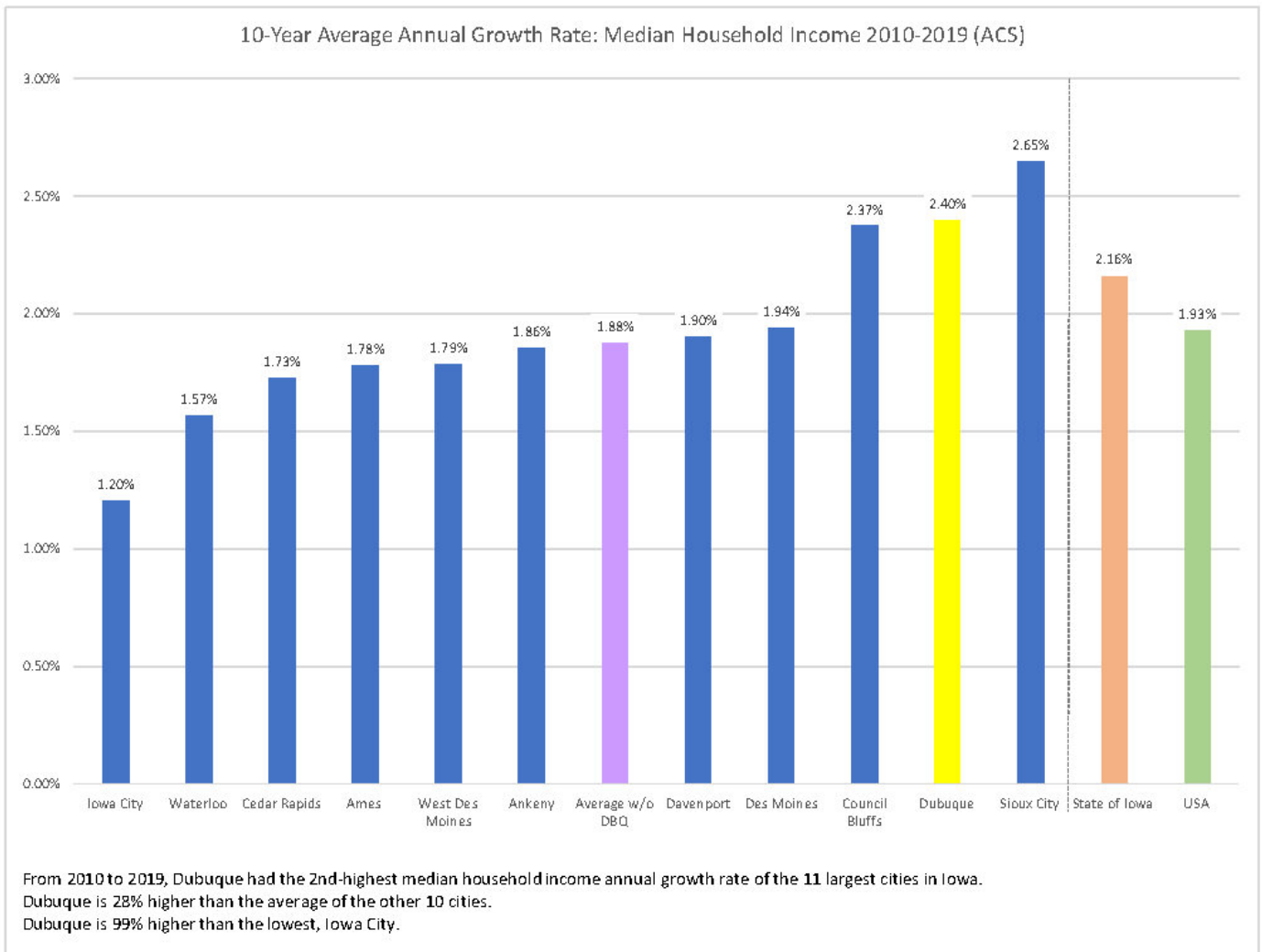
Dubuque has the LOWEST taxes per capita as compared to the eleven largest cities in the state. The highest (West Des Moines) is 153.25% higher than Dubuque's taxes per capita, and the average is 79.61% higher than Dubuque.

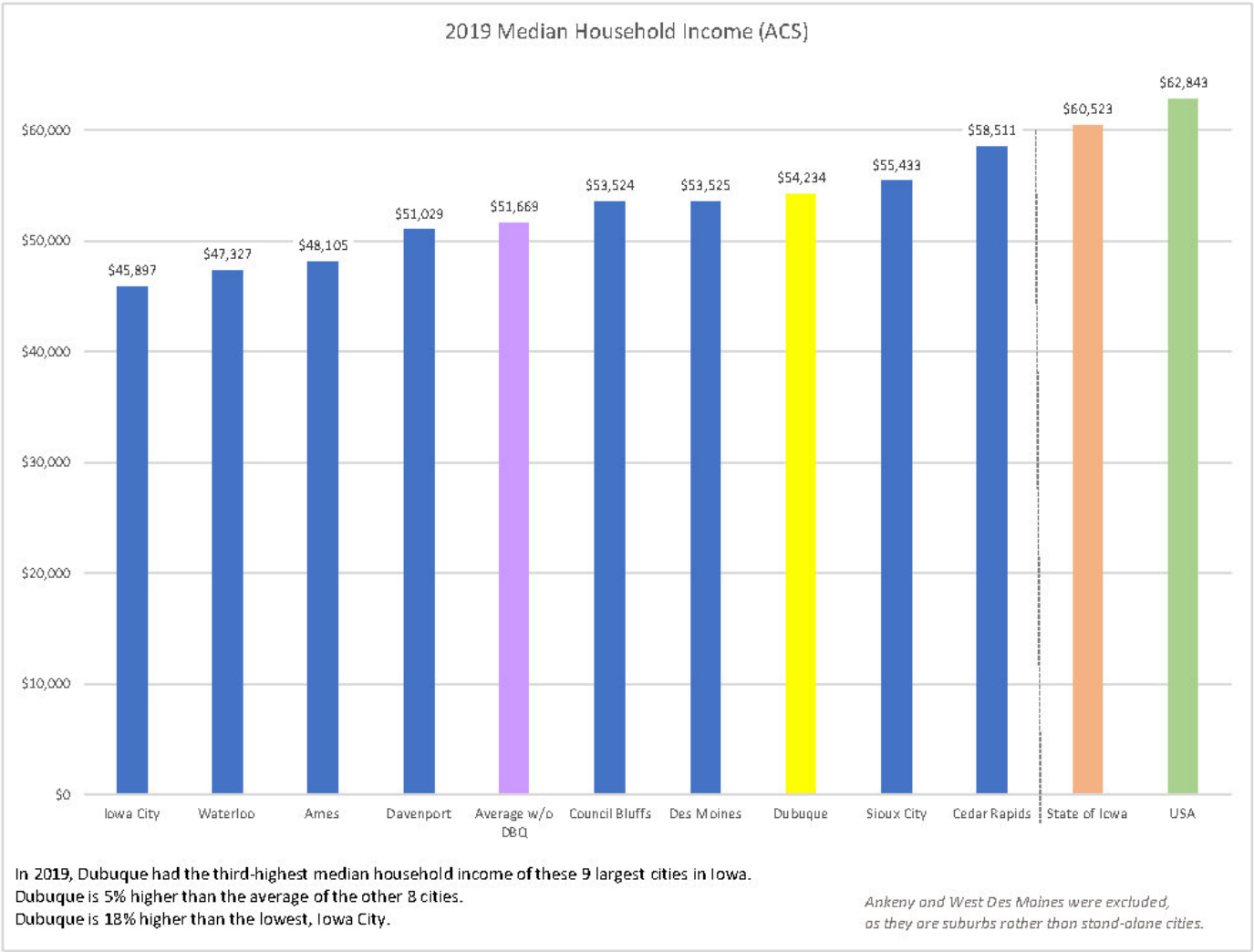
The projected Fiscal Year 2022 property tax asking of \$26,630,342 is a \$427,774 (1.63%) increase from Fiscal Year 2021. The total Fiscal Year 2022 budget recommendation (\$191,235,194) is 3.49% less than the current budget year (Fiscal Year 2021). The Fiscal Year 2022 operating budget recommendation is \$141,892,444 and the Fiscal Year 2022 Capital Improvement Program budget recommendation is \$49,342,750.

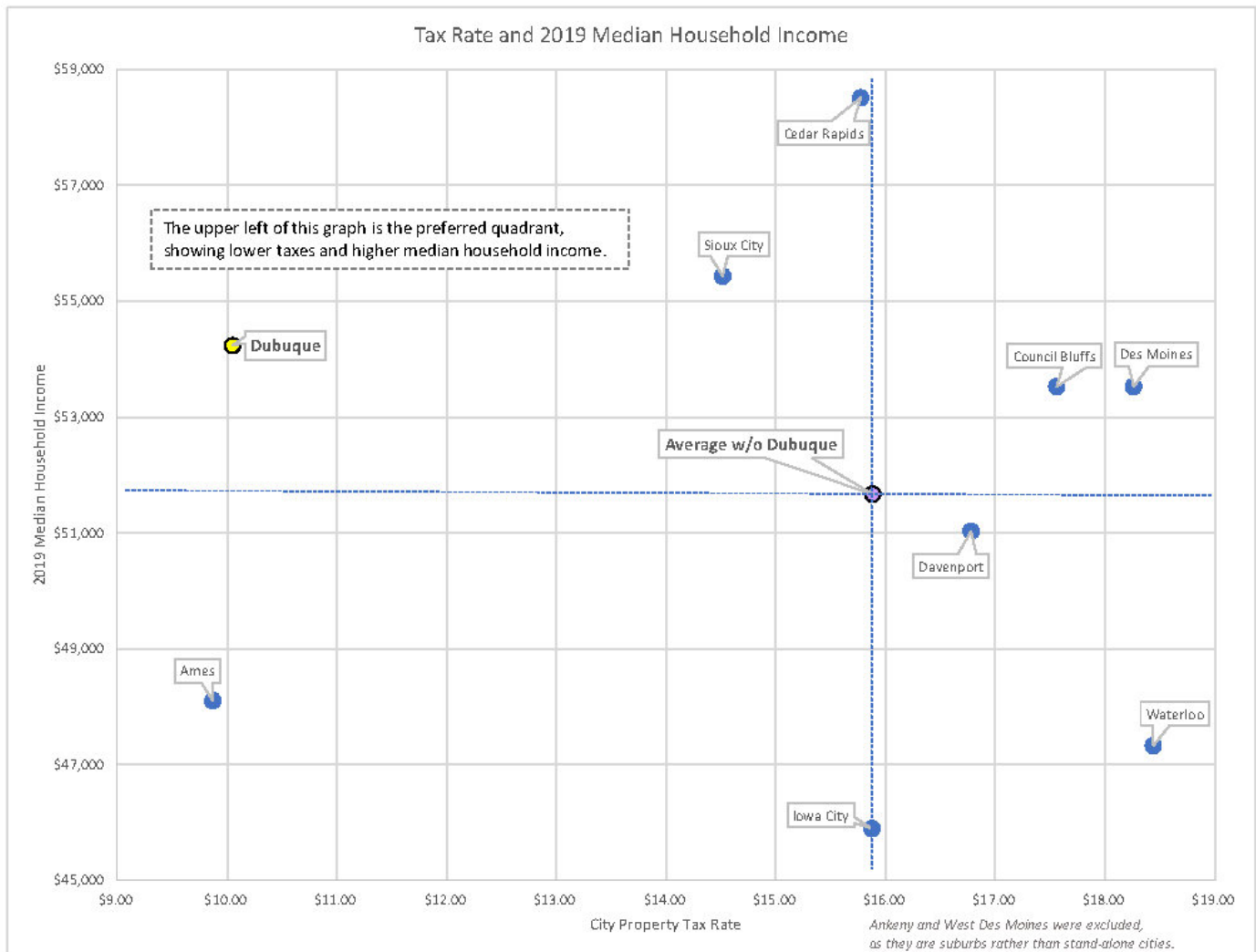
After the local option sales tax was passed by referendum in 1988 with 50% of revenue going to property tax relief, the average property tax classification over that 30 years has seen the following results:

	Prior to Sales Tax FY 1988	FY 2022	\$ Difference	% Difference
Property Tax Rate	\$ 14.5819	\$ 10.0496	-\$4.53	-31.07%
Average Residential Payment	\$ 512.38	\$ 781.57	+\$269.19	+52.54%
Average Commercial Payment	\$ 2,490.61	\$3,169.30	+\$678.69	+27.25%
Average Industrial Property	\$ 6,975.00	\$4,679.97	-\$2,295.03	-32.90%
Average Multi-Residential Property (FY17)	\$ 2,472.99	\$1,780.10	-\$692.89	-28.02%

Prior to the pandemic, the residents of the City of Dubuque have seen as steady increase in their median household income over the last 10 years (2.4% annual average) exceeding the national growth rate (1.93% annual average), the growth rate of the State of Iowa (2.16%) and the average growth rate of the other large cities in the State of Iowa (1.88%).







Position Eliminations, New Positions and Unfrozen Positions

The Fiscal Year 2022 budget increases the full-time equivalents by 4.00 FTE, increases part-time equivalents by 1.41 FTE, and increases seasonal equivalents by 1.37 FTE, **resulting in a net increase of 6.78 full-time equivalents.**

However, a hiring freeze on most new positions recommended in Fiscal Year 2022 has been initiated. These positions will be funded in the Fiscal Year 2022, but frozen. This hiring freeze will be reevaluated in November 2021 when the City receives the annual Local Option Sales Tax reconciliation payment from the State of Iowa. This could also be impacted should the City receive a substantial payment in federal assistance being proposed in President Biden's new local government assistance package should it pass congress.

The following chart summarizes the personnel changes adopted in Fiscal Year 2022:

Department	Position	Type	FY 2022 Cost (Savings) Includes Benefits	FTE
AmeriCorps	Community Outreach Coordinator	Full-Time	\$ 66,091	1.00
AmeriCorps	AmeriCorps Coordinator	Seasonal	\$ 15,307	0.28
Building Services	Building Services Manager	Full-Time	\$ (107,402)	-1.00
Building Services	Maintenance Worker	Full-Time	\$ (79,891)	-1.00
Building Services	Custodian I	Full-Time	\$ (348,553)	-5.00
Building Services	Permit Clerk	Full-Time	\$ (76,958)	-1.00
Building Services	Inspector II	Full-Time	\$ (438,056)	-4.00
Building Services	Inspector II	Part-Time	\$ (70,724)	-0.75
City Manager's Office	Assistant City Manager	Full-Time	\$ (143,122)	-1.00
City Manager's Office	Director of Strategic Partnerships	Part-Time	\$ 133,922	0.75
City Manager's Office	Neighborhood Development Specialist	Full-Time	\$ (93,400)	-1.00
City Manager's Office	Director of Shared Prosperity and Neighborhood Support	Full-Time	\$ 93,400	1.00
City Manager's Office	Data Analyst	Full-Time	\$ 71,347	1.00
City Manager's Office	Administrative Assistant	Part-Time	\$ 28,564	0.66
Engineering	Facilities Manager	Full-Time	\$ 107,402	1.00
Engineering	Maintenance Worker	Full-Time	\$ 79,891	1.00
Engineering	Custodian I	Full-Time	\$ 348,553	5.00
Engineering	Assistant Utility Locator	Part-Time	\$ 34,336	0.73
Engineering	Architectural Intern	Seasonal	\$ 17,639	0.50
Finance	Finance Intern	Full-Time	\$ 8,480	0.26
Housing	Lead Resiliency Coordinator	Full-Time	\$ 89,194	1.00
Housing	Lead Grants Supervisor	Full-Time	\$ (89,194)	-1.00
Housing	Permit Clerk	Full-Time	\$ 76,958	1.00
Housing	Inspector II	Full-Time	\$ 438,056	4.00
Housing	Inspector II	Part-Time	\$ 70,724	0.75
Human Resources	Development Training Coordinator	Full-Time	\$ 87,143	1.00
Human Resources	Scanning Clerk - Temporary	Seasonal	\$ 20,477	0.50
Multicultural Family Center	Teen Coordinator	Full-Time	\$ 65,512	1.00
Parks	Laborer I - Storm	Seasonal	\$ 15,005	0.53
Police	Community Diversion and Prevention Coordinator	Full-Time	\$ 87,599	1.00
Public Information Office	Architectural Intern	Full-Time	\$ (17,639)	-0.50
Recreation	Recreation Leader	Seasonal	\$ 4,974	0.21
Recreation	After School Sports Coordinator	Seasonal	\$ (15,793)	-0.41
Transportation Services	Confidential Account Clerk	Full-Time	\$ 71,347	1.00
Transportation Services	Confidential Account Clerk	Part-Time	\$ (42,531)	-0.73
Transportation Services	Dispatcher	Full-Time	\$ (63,883)	-1.00
Water	Water Operations Supervisor	Full-Time	\$ 97,825	1.00
Water	Equipment Operator IV	Full-time	\$ (80,442)	-1.00
	FY 2022 Total		\$ 462,158	6.78

Looking at the FY 2022 recommended budget, the current budget year (Fiscal Year 2021) and previous budget years (Fiscal Year 2020 and 2019), 56.76 FTE positions have been eliminated:

Department	Positions Eliminated	Type	FY 2018 Savings (Includes Benefits)	FY 2019 Savings (Includes Benefits)	FY 2020 Savings (Includes Benefits)	FY 2021 Savings (Includes Benefits)	FY 2022 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	Assistant City Manager	FT					\$ 143,122	-1.00
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	Engineering Assistant	Seas	\$ 25,808			\$ 8,692		-0.80
Engineering	Engineering Aide NA	Seas	\$ 58,584					
Engineering	Confidential Account Clerk	PT	\$ 5,274		\$ 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	Parking Meter Service Worker	FT	\$ 72,526					-1.00
Parking	Laborer	FT	\$ 75,243	\$ 75,140				-2.00
Parking	Laborer	PT	\$ 38,078					-0.50

Department	Positions Eliminated	Type	FY 2018 Savings (Includes Benefits)	FY 2019 Savings (Includes Benefits)	FY 2020 Savings (Includes Benefits)	FY 2021 Savings (Includes Benefits)	FY 2022 Savings (Includes Benefits)	FTE
Parking	Ramp Cashier	PT	\$ 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	\$ 77,774					-1.00
Parks	Custodian	PT	\$ 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	\$4,790					-0.10
Recreation	After School Sports Leader	Seas					\$15,793	-0.41
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 Acct Clerk	FT	\$ 62,509					-1.00
Transit	Confidential Acct Clerk	PT					\$42,531	-0.73
Transit	Dispatcher	FT					\$63,883	-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	\$143,419			-3.17
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
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
W&RRC	Lab Intern	Seas	\$ 4,974					-0.16
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			\$1,185,923	\$1,391,895	\$ 940,532	\$ 627,179	\$ 265,329	-56.76

Over a five-year period (Fiscal Year 2018, Fiscal Year 2019, Fiscal Year 2020, Fiscal Year 2021, and Fiscal Year 2022) the City will have eliminated 56.76 full-time equivalent positions and added 71.73 full-time equivalent positions resulting in +14.97 net change in number of employees over that five-year period.

Since 1981, the City has minimized the number of positions added. The recommended Fiscal Year 2022 staffing changes means the City increased its full-time workforce by 0.9% since 1981. This was achieved in spite of all the new services that have been added in that time period including staff-intense 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 \$54,053,140 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.

Project	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Airport Rehab Taxiway A			\$ 577,000	\$ 283,000		\$ 860,000
Downtown Parking Ramp GDTIF	\$ 4,050,000	\$ 9,078,000	\$ 6,000,000			\$19,128,000
Finance General Ledger Software						\$ —
Fire HVAC Headquarters		\$ 169,184	\$ 84,894			\$ 254,078
Fire Ladder & Pumper	\$ 1,582,154		\$ 425,460	\$ 433,000		\$ 2,440,614
Fire Station Expansion				\$ 700,620	\$3,194,028	\$ 3,894,648
Five Flags GDTIF			\$ 5,750,000			\$ 5,750,000
Riverfront Docks/Property Acquisition GDTIF	\$ 1,300,000					\$ 1,300,000
Smart Parking GDTIF		\$ 222,000			\$ 450,000	\$ 672,000
Solid Waste Collection Vehicles	\$ 175,000	\$ 235,000	\$ 55,000	\$ 265,000	\$ 106,000	\$ 836,000
Sanitary Sewer Projects	\$ 5,170,303	\$ 4,224,310	2871401	4700000	1296786	\$18,262,800
Water Projects		\$ 655,000				\$ 655,000
Total New Debt	\$12,277,457	\$14,583,494	\$15,763,755	\$6,381,620	\$5,046,814	\$54,053,140

In addition, the City will access \$3,424,668 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 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Stormwater Upper Bee Branch Rail Road	\$ 2,394,668					\$ 2,394,668
Water CIWA Purchase & Improvements	\$ 1,030,000					\$ 1,030,000
Total Draw Downs	\$ 3,424,668	\$ —	\$ —	\$ —	\$ —	\$ 3,424,668

The City will retire \$96,569,252 of existing debt over the next five-years (FY22-FY26).

The following chart shows the net reduction of debt from Fiscal Year 2022 - Fiscal Year 2026:

Project	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
New Debt	\$ 12,277,457	\$ 14,583,494	\$ 15,763,755	\$ 6,381,620	\$ 5,046,814	\$ 54,053,140
Previously Issued SRF Draw Downs	\$ 3,424,668	\$ —	\$ —	\$ —	\$ —	\$ 3,424,668
Retired Debt	-\$16,890,599	-\$18,413,294	-\$19,666,659	-\$20,461,290	-\$21,137,410	-\$96,569,252
Net Debt Reduction	-\$1,188,474	-\$3,829,800	-\$3,902,904	-\$14,079,670	-\$16,090,596	-\$39,091,444

There was a 1.63% increase in assessed value effective January 1, 2020, which is the assessment the Fiscal Year 2022 statutory debt limit is based on. The statutory debt limit effective June 30, 2022 is \$241,616,084. **The City will be at 44.67% of statutory debt limit by June 30, 2022.** In FY 16 the City was at 86.13% of statutory debt limit, so **44.67% in Fiscal Year 2022 is a 41.46% decrease in use of the statutory debt limit.**

The ten year history of the City's use of the statutory debt limit is as follows:

FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
69.69%	84.31%	83.87%	89.89%	86.13%	69.45%	63.41%	56.32%	50.22%	45.72%

The five year projection of the City's use of the statutory debt limit from Fiscal Year 2022–2026 including all planned debt issuances subject to the statutory limit and assuming a 2% growth in the City's assessed valuation beginning in Fiscal Year 2022 is as follows:

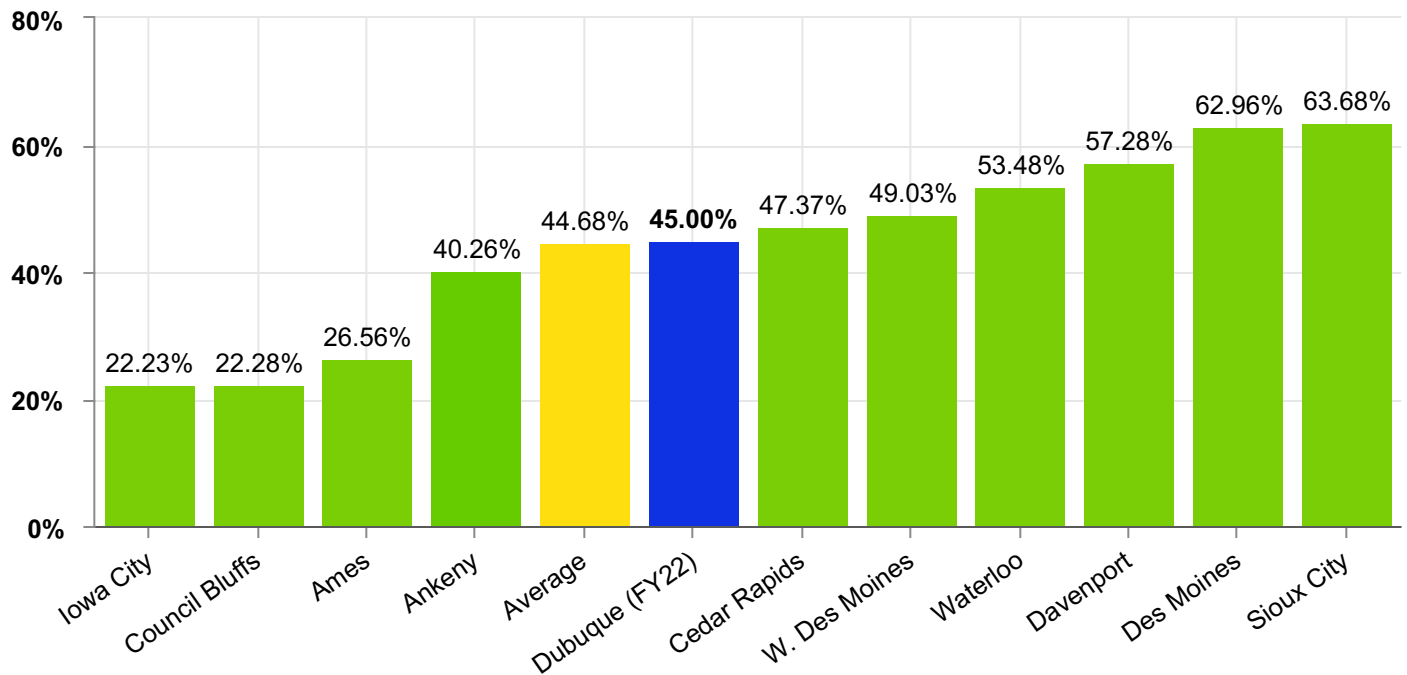
FY 22	FY 23	FY 24	FY 25	FY 26
44.67%	44.15%	44.57%	40.42%	37.08%

The following chart shows Dubuque's relative position pertaining to use of the statutory debt limit for Fiscal Year 2022 compared to the other cities in Iowa for Fiscal Year 2020 with a population over 50,000:

Fiscal Year 2020 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	Sioux City	\$ 234,052,896	\$ 149,054,999	63.68 %
10	Des Moines	\$ 633,944,619	\$ 399,100,000	62.96 %
9	Davenport	\$ 362,087,372	\$ 207,415,000	57.28 %
8	Waterloo	\$ 198,578,109	\$ 106,207,641	53.48 %
7	Cedar Rapids	\$ 583,572,883	\$ 286,435,000	49.08 %
6	W. Des Moines	\$ 414,397,845	\$ 203,180,000	49.03 %
5	Dubuque (FY22)	\$ 241,616,084	\$ 108,727,970	45.00 %
4	Ankeny	\$ 303,268,096	\$ 122,095,000	40.26 %
3	Ames	\$ 242,136,755	\$ 64,305,000	26.56 %
2	Council Bluffs	\$ 256,079,718	\$ 57,043,627	22.28 %
1	Iowa City	\$ 306,678,510	\$ 68,160,000	22.23 %
	Average w/o Dubuque			44.68 %

Percent of Legal Debt Limit Utilized



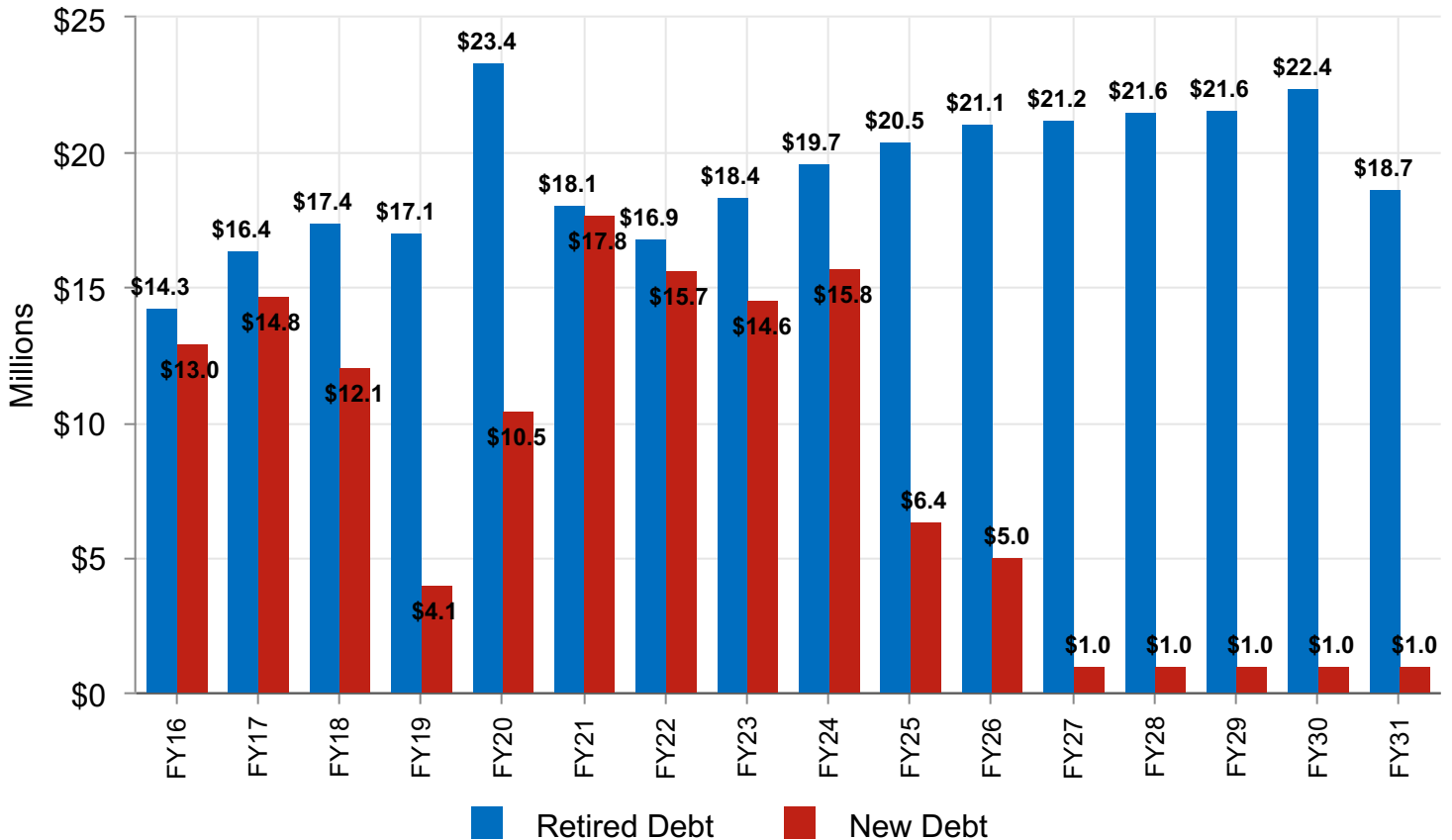
Dubuque ranks as the fifth lowest of the use of statutory debt limit of the 11 cities in Iowa with a population over 50,000 and Dubuque is slightly above the average of the other Cities.

The total City indebtedness as of June 30, 2022, is projected to be \$254,712,037 (44.67% of statutory debt limit). The total City indebtedness as of June 30, 2015, was \$295,561,181 (86.13% of statutory debt limit). **The City is projected to have \$40,849,144 less in debt as of June 30, 2022.**

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)

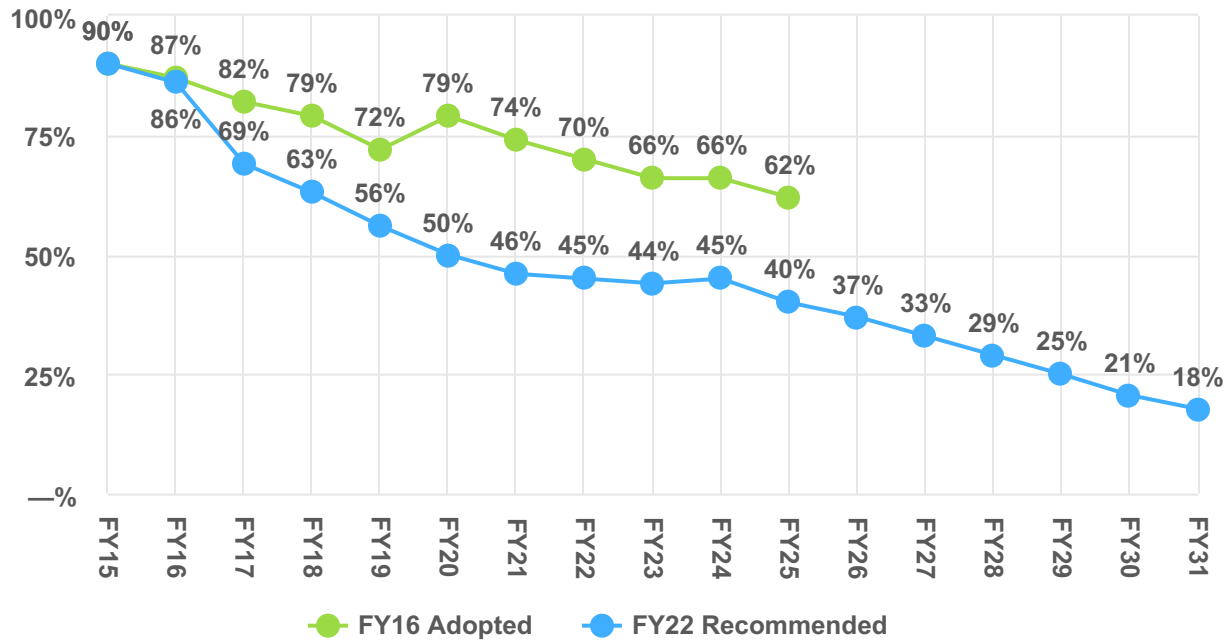


*In Fiscal Year 2020, the City had \$5,908,200 forgiven of the Bee Branch Upper Bee Branch Loan on June 30, 2020 which increased principal payments reflected.

Statutory Debt and Total Debt

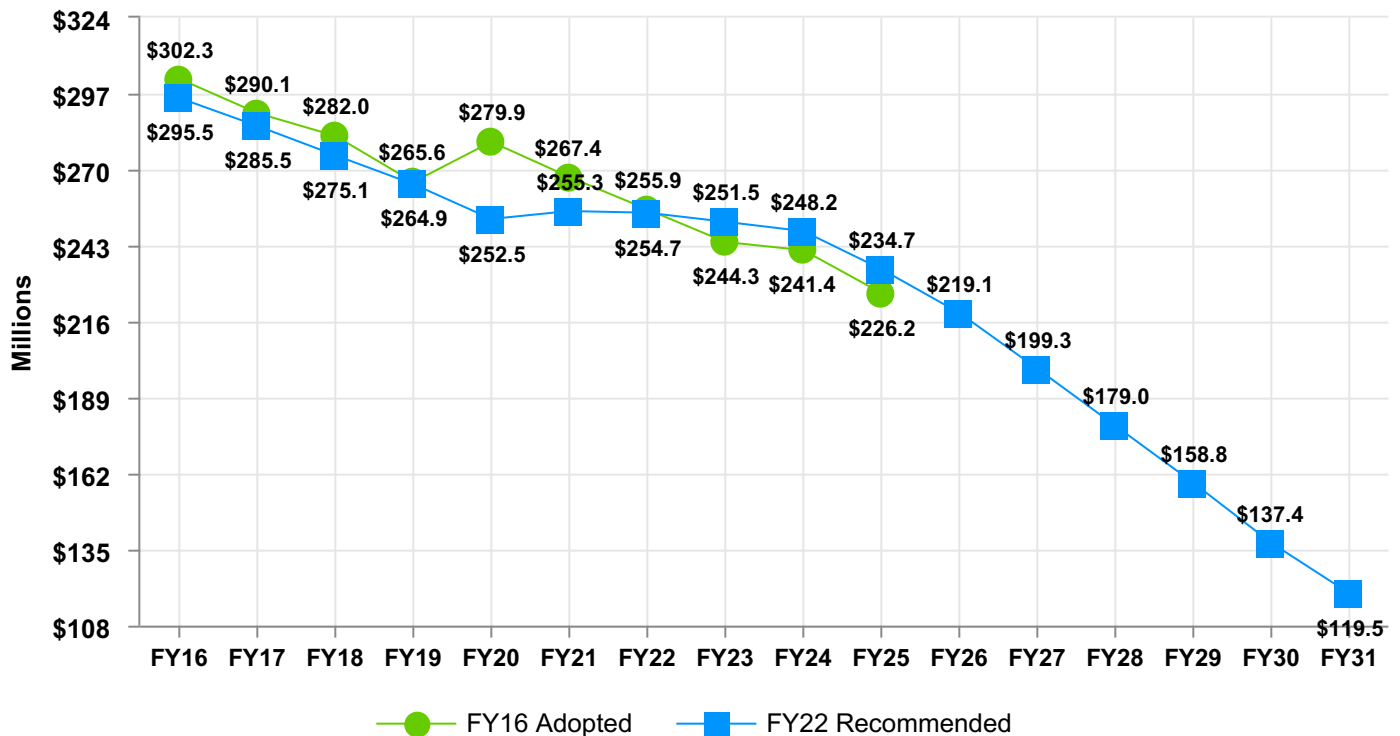
In August 2015, the Mayor and City Council adopted a debt reduction strategy which targeted retiring more debt each year than was issued by the City. The recommended FY 2022 budget will achieve that target throughout the 5-year CIP and also substantially beat overall debt reduction targets over the next five and ten-year periods. **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 2022, the use of the statutory debt limit would be 45%, and by the end of the recommended 5-Year Capital Improvement Program (CIP) budget in Fiscal Year 2026, the City of Dubuque would be at 37% of the statutory debt limit. Projections out 10 years to Fiscal Year 2031 show the City of Dubuque at 18% 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)



By the end of the Adopted 5-Year Capital Improvement Program (CIP) budget the total amount of debt for the City of Dubuque would be \$219.12 million (37% of the statutory debt limit) and the projection is to be at \$119.48 million (18% of statutory debt limit) within 10 years.

Total Debt (In Millions)

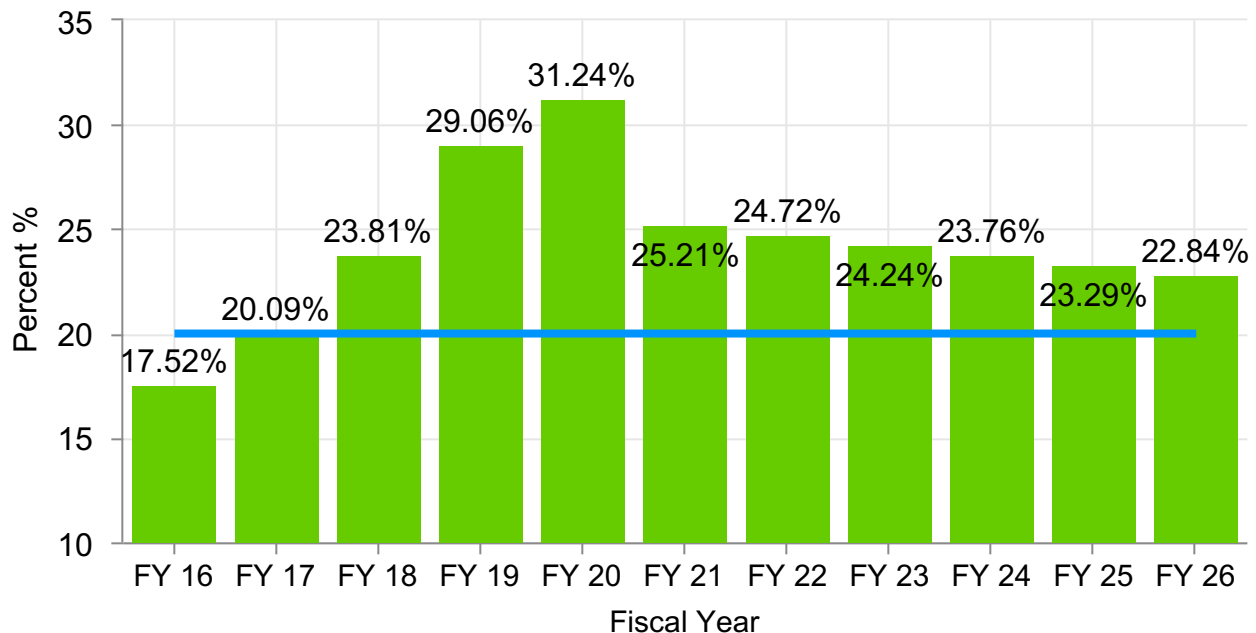


General Fund Reserves

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 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	29.06%	Increase due to capital projects not expended before the end of the FY and additional contributions to general fund reserve
FY 2020	31.24%	Increase due to freezing vacant positions and most capital projects due to the pandemic.
FY 2021	25.21%	Decrease due to planned capital expenditures

Fund Reserve as a Percent of General Fund Revenue



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 2021, the City of Dubuque will have a general fund reserve of 24.83% of general fund expenses as computed by the methodology adopted in the City's general fund reserve policy on a cash basis or 25.21% 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 \$17,166,567 on June 30, 2021 as compared to the general fund reserve balance on an accrual basis of \$17,903,632 as computed by Moody's Investors Service. The general fund reserve balance on an accrual basis exceeds 22% in FY 2021, 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.

In Fiscal Year 2017, the City had projected reaching this consistent and sustainable 20% reserve level in Fiscal Year 2022. **In fact, the City met the 20% reserve requirement in FY 2017, five years ahead of schedule and has sustained a greater than 20% reserve.**

	FY2021	FY2022	FY2023	FY2024	FY2025
City's Spendable General Fund Cash Reserve Fund Balance	\$17,903,632	\$17,903,632	\$17,903,632	\$17,903,632	\$17,903,632
% of Projected Revenue	25.21%	24.72%	24.24%	23.76%	23.29%

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.

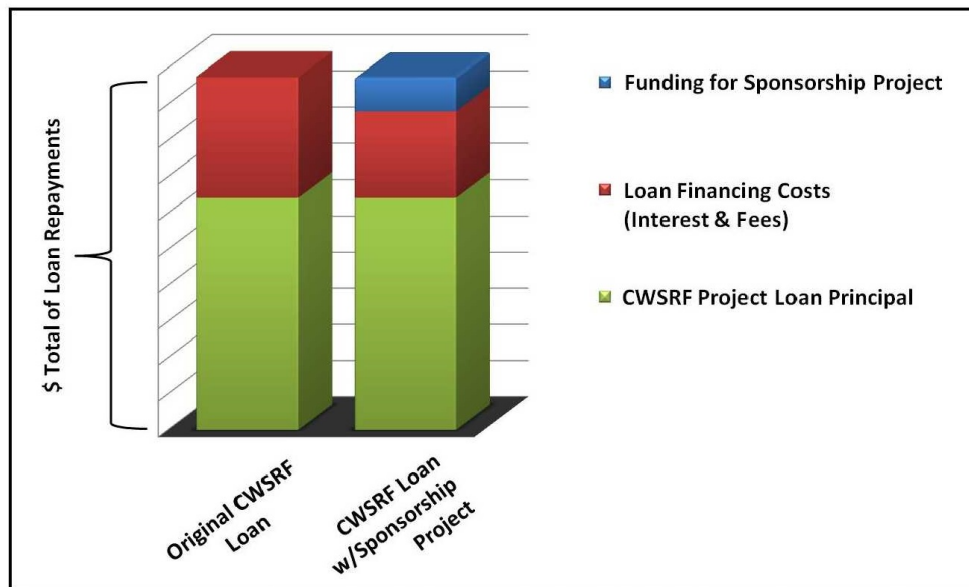


Figure 1. Loan repayment comparison between a standard CWSRF loan and a CWSRF loan with a sponsorship project.

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 that was forgiven in June 2020 was \$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.**

In May 2018, the City was awarded \$1.0 million in funding for pervious green alley improvements with the Bee Branch Creek and Catfish Creek Watersheds through the State of Iowa Water Resource Restoration Sponsored Project program as part of the City State Revolving Fund loan for the Upper Bee Branch Creek Railroad Culverts Project. The funding for the \$1.0 million in improvements will come from the interest payments on the City's Upper Bee Branch Railroad Culvert SRF loan. The Upper Bee Branch Creek Railroad Culvert SRF loan principal was increased to \$17,387,000 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 \$1.05 million less than the original loan.**

In February 2019, the City was awarded \$276,300 in funding for Eagle Point Park Environmental Restoration through the State of Iowa Water Resource Restoration Sponsored Project program as part of the City State Revolving Fund loan for the Kerper Boulevard Sanitary Sewer Project. The funding for the \$276,300 in improvements will come from the interest payments on the City's Kerper Boulevard Sanitary Sewer SRF loan. The Iowa Finance Authority now requires that sponsorship projects are included in the initial loan amount so that the repayment schedule does not have to be adjusted. **On a gross basis, the borrowing costs for the new loan were \$278,000 less than if there was not a sponsorship project included.**

City Utilities

The water rate increase recommendation is 3.00%, the sanitary sewer rate increase recommendation is 3.00%, and the solid waste collection increase recommendation is 2.60%. The City Council previously approved a 6.76% stormwater rate increase for Fiscal Year 2021, instead the rate increase was delayed to Fiscal Year 2022.

There were no Fiscal Year 2021 rate increases for water, sanitary sewer, solid waste collection, or stormwater rates. This was in response to the COVID-19 pandemic.

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 (FY22)	\$40.23
6	Des Moines (FY22)	\$36.86
5	Cedar Rapids (FY22)	\$35.03
4	Iowa City (FY22)	\$35.01
3	Ames (FY22)	\$33.82
2	Dubuque (FY22)	\$31.67
1	Council Bluffs (FY22)	\$29.67
	Average w/o Dubuque	\$35.10

Dubuque's water is some of the best in the world! The highest rate (West Des Moines (FY22)) is 27.04% higher than Dubuque's rate, and the average is 10.85% 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 (FY21)	\$61.66
10	Davenport (FY22)	\$52.48
9	Des Moines (FY22)	\$52.04
8	Dubuque (FY22)	\$43.51
7	(FY22)	\$41.87
6	Sioux City (FY22)	\$40.02
5	Iowa City (FY22)	\$36.08
4	Ames (FY22)	\$35.26
3	Waterloo (FY22)	\$31.64
2	Cedar Rapids (FY21)	\$30.95
1	Council Bluffs (FY22)	\$28.80
	Average w/o Dubuque	\$41.08

The highest rate (Ankeny (FY21)) is 41.73% higher than Dubuque's rate, and the average is 5.58% lower than Dubuque.

Solid Waste Collection Rate Comparison for Eleven Largest Iowa Cities

Rank	City	Solid Waste Monthly Rate
11	Ames (FY22)	\$26.25
10	Cedar Rapids (FY22)	\$22.53
9	Council Bluffs (FY22)	\$20.00
8	Iowa City (FY22)	\$20.00
7	Sioux City (FY22)	\$17.50
6	Ankeny (FY22)	\$16.25
5	Dubuque (FY22)	\$15.38
4	Waterloo (FY22)	\$15.00
3	Des Moines (FY22)	\$14.13
2	Davenport (FY22)	\$13.81
1	(FY22)	\$12.25
	Average w/o Dubuque	\$17.77

The highest rate (Ames (FY22)) is 70.68% higher than Dubuque's rate, and the average is 15.55% higher than Dubuque.

Stormwater Rate Comparison for the Largest Iowa Cities with Stormwater Fees

Rank	City	Stormwater Rate
10	Des Moines (FY22)	\$15.49
9	Dubuque (FY22)	\$8.85
8	Cedar Rapids (FY22)	\$7.28
7	(FY22)	\$6.65
6	Ankeny (FY22)	\$6.50
5	Iowa City (FY22)	\$5.00
4	Ames (FY22)	\$4.95
3	Waterloo (FY22)	\$4.50
2	Davenport (FY22)	\$2.97
1	Sioux City (FY22)	\$2.80
	Average w/o Dubuque	\$6.24

The highest rate (Des Moines (FY22)) is 75.03% higher than Dubuque's rate, and the average is 29.52% lower than Dubuque.

Improvement Packages

There were 132 improvement level decision packages requested in Fiscal Year 2022, of which 64 are being recommended for funding. This budget recommendation funds \$390,611 for annually recurring and \$165,737 for non-recurring improvement packages in the General Fund. Fiscal Year 2021 General Fund savings of \$117,012 is being used to fund a portion of the non-recurring improvement packages recommended. The remaining improvement packages recommended for funding from non-property tax support total \$341,721.

A portion of the recommended recurring improvement packages include new positions:

- Part-time Assistant Utility Locator in the Engineering Department to assist with the locating of buried City utilities (storm sewer, sanitary sewer, water main, fiber optics, electrical, etc.) as part of the Iowa One Call service. The part-time Utility Locator would improve the efficiency of the current full-time Utility Locator position within the Engineering Department.
- Temporary, specified term (6 months) Scanning Clerk in Human Resources to help with the digitization of paper personnel file documents. Digitization is needed to 1) provide searchable and functional access to authorized staff, and 2) in preparation for a transition to the digital human resources information system within the enterprise resource planning system.
- Full time Development and Training Coordinator in Human Resource. Centralizing the coordination of development and training activities provides the City with a more efficient, coordinated, and consistent development process.
- Seasonal Recreation Leader in Recreation to assist with the summer programs merger with the City of Asbury.
- Seasonal employee in Parks for the upper Bee Branch Creek Greenway. The Park Division took over full maintenance responsibility of the greenway corridor in 2020. After a full season of maintenance, it has been determined additional staff is needed to maintain the corridor during the park season.
- Elimination of a full-time Water Plant Operator (and the addition of a full-time Water Operations Supervisor. The plant presents daily opportunities and challenges that

require in depth problem solving and data analysis beyond oversight management from the department manager.

It is important to note that all new positions, and some previously frozen positions, will not be filled until the City receives the November 2021 local option sales tax reconciliation payment from the State of Iowa, or receives substantial assistance from the Federal government that can be used for this purpose.

Delay of Previously Planned Improvement Packages

The Fiscal Year 2020 budget approved an improvement level decision package to provide funding for the expansion of the Dubuque Police Department School Resource Officer (SRO) Program. To spread the expenses over time, three SRO's were to have been added over three consecutive years: Fiscal Year 2020, Fiscal Year 2021, and Fiscal Year 2022 budget. However, the expansion was frozen in FY21 due to the pandemic causing the final position to be added in FY23 instead of FY22 as originally planned.

The request for the addition of one firefighter position as outlined in the Fire Station Expansion/Relocation capital improvement project will be delayed to Fiscal Year 2023. This position would be the third year of a five-year effort to increase the number of positions in anticipation of staffing additional fire and/or ambulance units. The additional fire fighters will now be added over a six-year period. The position would increase the number of days where staffing is above minimum and also reduce the use of overtime during the build-up period before a fire station is built.

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 \$1,324,516.**

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 2024, 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
2023	\$ 264,903
2024	\$ 264,903
2025	\$ 264,903
2026	\$ 264,903
Total	\$ 1,059,612

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 Iowa Department of Revenue released the Fiscal Year 2021 Local Option Sales Tax estimated payments on August 18, 2020. In addition, the City received the annual reconciliation payment for Fiscal Year 2020 on November 17, 2020 in the amount of \$1,610,103. This is the largest reconciliation payment that the City of Dubuque has ever received. The Iowa Department of Revenue has indicated that the reconciliation payment for Dubuque was large because the total LOST receipts for FY20 for Dubuque County exceeded their estimates. This was the case in quite a few Iowa counties in FY20. The law change that was effective July 1, 2019 which required remote sellers that exceed a certain sales revenue to charge Iowa sales tax, including local option sales tax, the same as retailers with a physical presence in Iowa. This law change most likely played a role in the increased LOST receipts in FY20. The reconciliation payment is only evidence of receipts exceeding the Iowa Department of Revenue's estimates. The year-to-year increase in total Local Option Sales Tax receipts would be more illustrative of the actual impact of the online sales tax law changes.

The Iowa Department of Revenue does not have data on actual online sales because those sales are reported by retailers in the same manner as in-person sales. The Iowa Department of Revenue has done some work in try to estimate the impact of collections from online sales, and it is apparent their estimates of the impact from Senate File 2417 in 2018 have been surpassed by actual receipts, but they do not have firm data to support that.

By resolution, 50% of sales tax funds must be used in the General Fund for property tax relief in FY 2022. Sales tax receipts are projected to increase 22.60% over FY 2021 budget \$2,112,016 and 1.85% over FY 2021 actual of \$5,625,145 based on FY 2021 revised revenue estimate which includes a reconciliation payment from the State of Iowa of \$1,610,103 received in November 2020, increase 1.85% percent to calculate the FY 2022 budget, and then increase at an annual rate of 1.85% percent per year beginning in FY 2023. The estimates received from the State of Iowa show a 0.68% increase in the first payment estimated for FY 2022 as compared to the first payment budgeted for FY 2021. The following chart shows the past four years of actual sales tax funds and projected FY 2022 for the General Fund:

Sales Tax Funds	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
PY Q4	\$ 748,108	\$ 366,087	\$ 355,027	\$ 380,549	\$ 419,551
Quarter 1	\$ 1,080,294	\$ 1,066,816	\$ 1,124,105	\$ 1,252,896	\$ 1,390,714
Quarter 2	\$ 1,109,978	\$ 1,098,596	\$ 1,149,881	\$ 1,274,904	\$ 1,415,144
Quarter 3	\$ 939,923	\$ 1,031,606	\$ 971,871	\$ 1,072,643	\$ 1,190,634
Quarter 4	\$ 732,174	\$ 700,312	\$ 761,097	\$ 839,102	\$ 931,403
Reconciliation	\$ 77,018	\$ 217,699	\$ 219,332	\$ 805,052	\$ 381,500
Total	\$ 4,687,495	\$ 4,481,116	\$ 4,581,313	\$ 5,625,146	\$ 5,728,946
% Change	+5.17%	-4.61%	+2.24%	+22.78%	+1.85%

Gaming Revenue

Gaming revenues generated from lease payments from the Dubuque Racing Association (DRA) are estimated to increase \$43,621 from \$5,185,737 in FY 2021 to \$5,229,358 in FY 2022 based on Fiscal Year 2019 actual plus Sports Betting.

In Calendar Year 2020, gross gaming revenues were down 24.3% for the DRA and the Diamond Jo was down -26.9%. Due to COVID, both casinos in the market were closed from March 17, 2020 to May 31, 2020. The DRA showed decreases 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 partnered with Betfair Interactive US LLC (FanDuel Sportsbook) and they started Sports Betting Retail in September 2019 and Mobile Wagering in September 2020. DRA had \$562,601 in Sports Book revenue and \$16,141,637 in Sports Betting handle during 2020. With an amended lease, the City began receiving 0.5% of the handle from Sports Betting in FY 2021.

Multi-Residential Property Tax Classification

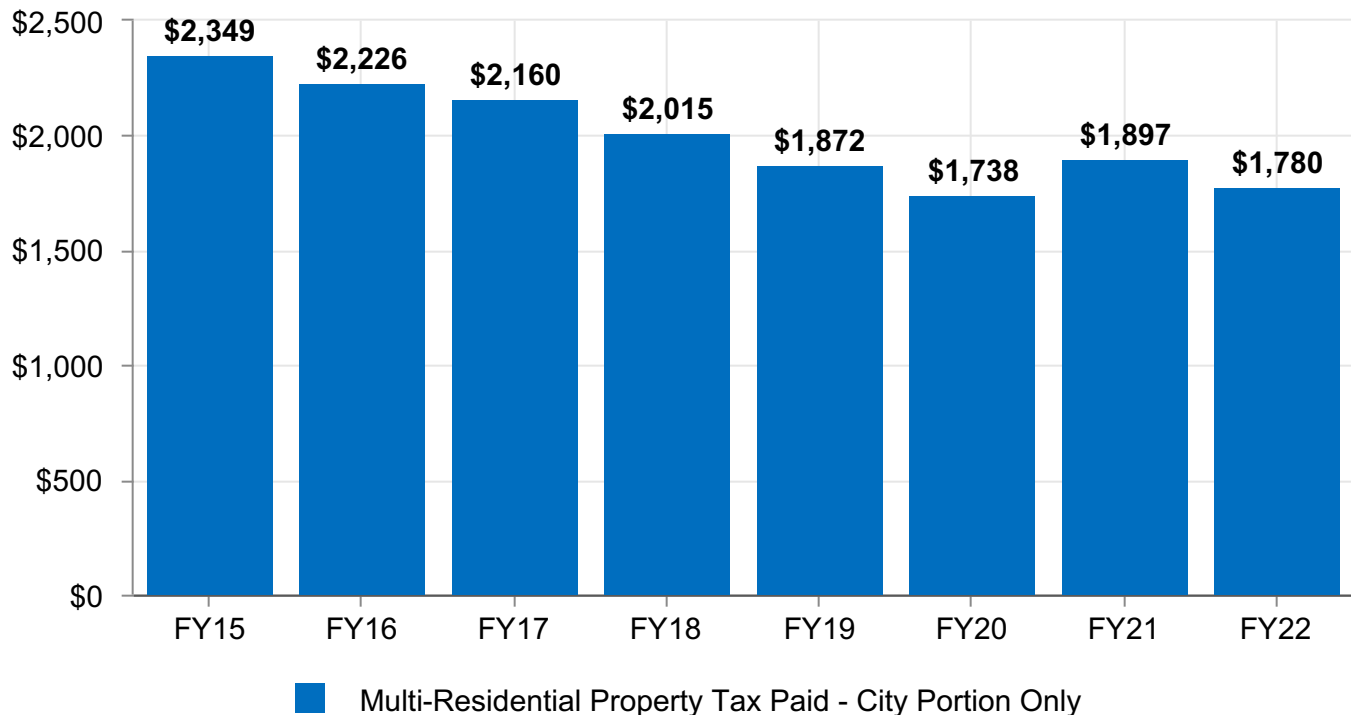
Beginning in Fiscal Year 2017 (July 1, 2016), new State legislation created a new property tax classification for rental properties called multi-residential, which requires a rollback, or assessment limitations order, on multi-residential property which will eventually equal the residential rollback. 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%	\$952,888
FY 2022	67.50%	\$1,379,990
FY 2023	63.75%	\$1,301,679
FY 2024	56.41%	\$1,461,911
Total		\$7,167,977

*56.41% = Current residential rollback

This annual loss in tax revenue of \$1,379,990 in FY 2022 and \$1,461,911 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 \$7,167,977 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 \$1,025 per month per contract to \$1,086 per month per contract (based on 588 contracts) in FY 2022 (general fund cost of \$300,134). 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. In FY 2017, The City went out for bid for third party administrator 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, firefighters began paying an increased employee health care premium sharing from 10% to 15% and there was a 7% increase in the premium on July 1, 2018. During FY 2019, the City went out for bid for third party administrator for the prescription drug plan there has been savings resulting from the bid award. Based on FY 2021 actual experience, Fiscal Year 2022 is projected to have a 6% increase in health insurance costs. Fiscal Year 2022 projections include additional prescription drug plan savings of \$219,256. Estimates for FY 2023 were increased 6%; FY 2024 were increased 7%; FY 2025 were increased 8%; and FY 2026 were increased 8%.

Downtown Revitalization**Downtown Revitalization**

Improvement	1985 through December 2020	% since 2000
New Construction	\$261 million	92%
Building Rehabilitation	\$412 million	91%
Real Estate Sales	\$193 million	76%
Public Improvements	\$152 million	95%
Net New Jobs	+3,701	65%
Total Improvements:	\$825 million	92%

Government Transparency

Finance staff conducted community outreach with Balancing Act using print and digital marketing and presentations.

- **October:** Point Neighborhood Association.
- **November:** The City Manager hosted an evening virtual public budget input meeting. The Budget Office conducted a virtual community outreach session using GoToMeeting.
- **December:** City staff conducted two virtual community outreach sessions using GoToMeeting and Facebook Live streaming.

A total of 71 community members attended the virtual budget presentations. There have been 148 page views of the Balancing Act budget simulator tool and 4 budgets have been submitted by the public as of February 23, 2021. The input provided will be analyzed by City staff and evaluated by the City Manager for inclusion in the Fiscal Year 2022 budget recommendation as deemed appropriate.

Open Budget

URL: 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/>

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: <http://bit.ly/fy22budgetsim>

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: <http://bit.ly/taxpayerreceipt>

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

If the City Council approves the budget 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.

There will be six City Council special meetings prior to the adoption of the FY 2022 budget before the state mandated deadline of March 31, 2021. I want to thank Director of Finance and Budget Jennifer Larson, Assistant City Manager Cori Burbach, Budget/Financial Analyst Kayla Morrison, Budget/Financial Analyst Jenna Hirtz, Public Information Officer Randy Gehl, Confidential Account Clerk Ella Lahey, Office Manager Juanita Hilkin, Secretary Stephanie Valentine, 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



2020
**Economic Indicators
Report**

Economic, Social, and Educational changes in our region affecting
Greater Dubuque 2022 Goals of Job Creation, Median Household Income,
Population, and Construction Investment.

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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 <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 	Median Household Income <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 	Population <ul style="list-style-type: none"> • Migration Flow • Cost of Living Composite • Retail - Total Taxable Sales • Vehicle Ownership 	Investment <ul style="list-style-type: none"> • Housing Units • Median Property Value • Mortgage Status • Rental Vacancy Rate • Median Rent • Home & Property Sales
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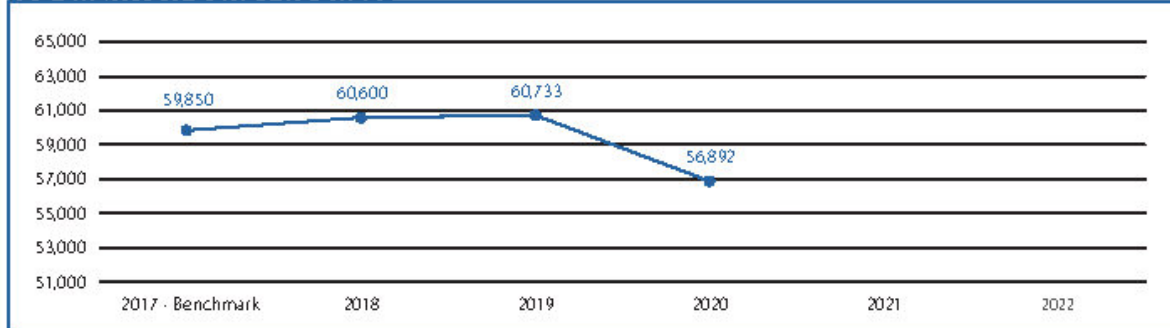
*Available reports can be found at www.greaterdubuque.org/data

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

2018: 2,782 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
Businesses within the Dubuque MSA (2018)	1,351	535	397	291	102	70	27	5	4	2,782

% 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, 2018 County Business Patterns Survey

TOP 10 INDUSTRIES BY VOLUME OF JOBS 2015 & 2020

INDUSTRY	2015 JOBS	2019 JOBS	# CHANGE	% CHANGE
Manufacturing	9,464	9,912	449	5%
Health Care and Social Assistance	8,747	9,036	290	3%
Retail Trade	7,118	6,571	(546)	(8%)
Government	5,095	5,061	(34)	(1%)
Finance and Insurance	4,127	4,706	579	14%
Accommodation and Food Services	4,652	4,015	(637)	(14%)
Other Services (except Public Administration)	4,248	3,259	(989)	(23%)
Construction	3,110	3,222	112	4%
Wholesale Trade	3,126	3,147	21	1%
Educational Services	3,247	2,984	(263)	(8%)

Dubuque MSA/Dubuque County

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

EASTEST GROWING INDUSTRIES BY % JOB INCREASE 2015 & 2020

INDUSTRY	2015 JOBS	2020 JOBS	# CHANGE	% CHANGE
Transportation and Warehousing	2,392	2,867	475	20%
Information	921	1,073	152	16%
Finance and Insurance	4,127	4,706	579	14%
Manufacturing	9,464	9,912	449	5%
Construction	3,110	3,222	112	4%
Health Care and Social Assistance	8,747	9,036	290	3%
Management of Companies and Enterprises	795	811	17	2%
Arts, Entertainment, and Recreation	1,495	1,519	24	2%
Wholesale Trade	3,126	3,147	21	1%
Government	5,095	5,061	(34)	(1%)

Dubuque MSA/Dubuque County

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

TOP 10 JOBS BY VOLUME 2015 & 2020

OCCUPATION	2015	2020
Retail Salespersons	2,091	2,045
Customer Service Representatives	1,112	1,708
Fast Food and Counter Workers	1,714	1,514
Stockers and Order Fillers	730	1,421
Registered Nurses	1,429	1,404
Office Clerks, General	1,396	1,266
Cashiers	1,666	1,096
Heavy and Tractor-Trailer Truck Drivers	1,197	1,094
Home Health and Personal Care Aides	839	1,002
Nursing Assistants	853	966

Dubuque MSA/Dubuque County

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

EASTEST GROWING OCCUPATIONS BY % INCREASE 2015 & 2020

OCCUPATION	# CHANGE	% CHANGE
Substitute Teachers, Short-Term	223	139%
Medical Secretaries and Administrative Assistants	139	96%
Stockers and Order Fillers	691	95%
Mechanical Engineers	276	89%
Customer Service Representatives	596	54%
Light Truck Drivers	138	33%
Elementary School Teachers, Except Special Education	148	31%
Home Health and Personal Care Aides	164	20%
Laborers and Freight, Stock, and Material Movers, Hand	134	19%
Nursing Assistants	113	13%

Dubuque MSA/Dubuque County

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

HIGHER EDUCATION GRADUATES

2011	2016	2017	2018	2019
4,881	5,663	5,444	5,406	5,299

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
2018-2019*	28,577	26,968	243	55,788

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

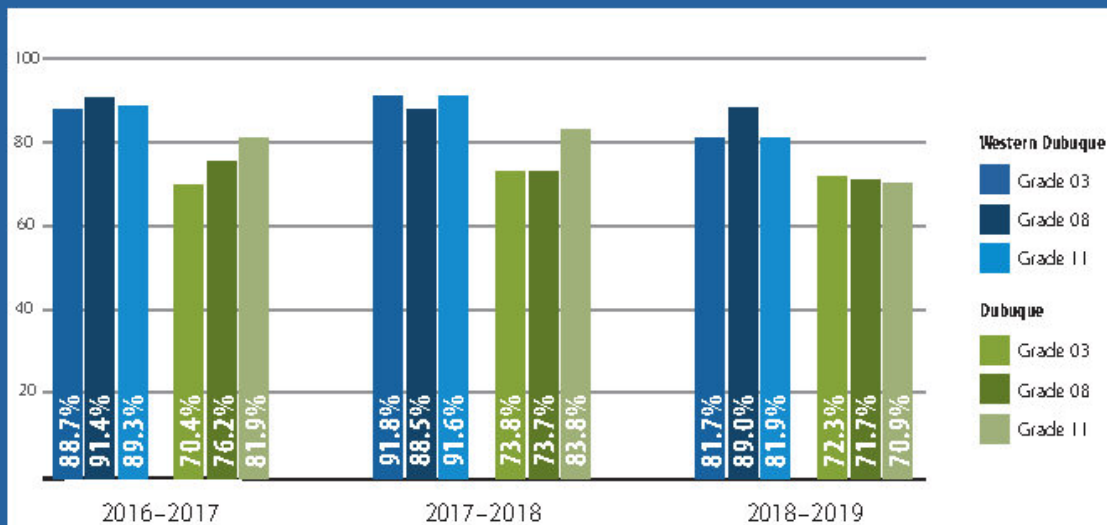
Source: EMSI (IPEDS)

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	1,592	1,369
2018-2019	10,430	3,094	1,563	1,281
2019-2020	10,489	3,130	1,545	1,242

Source: State of Iowa Department of Education

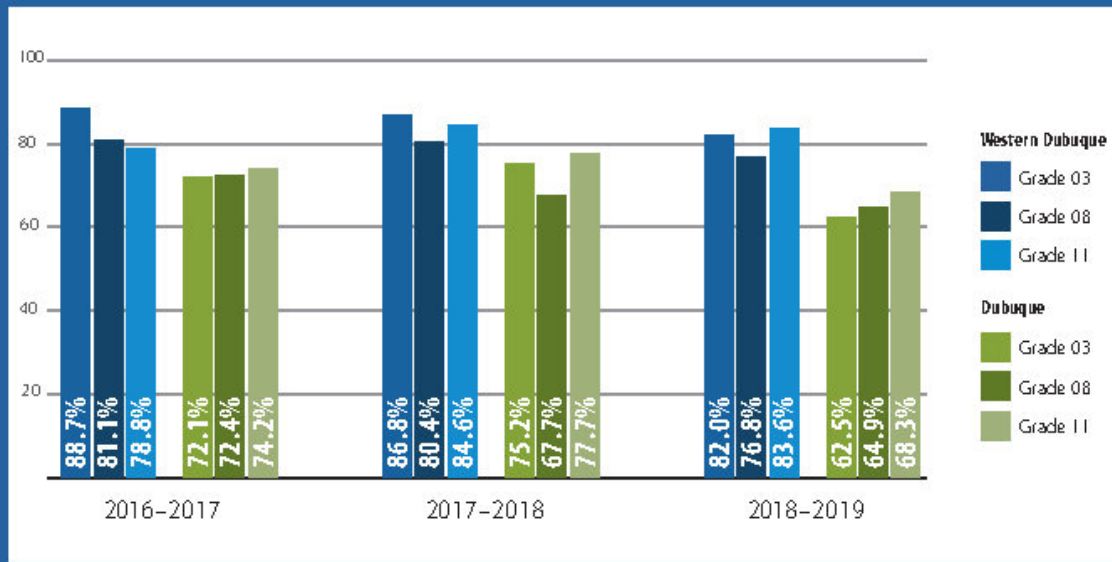
MATH PROFICIENCY



The Iowa Statewide Assessment of Student Progress was waived in Spring 2020 due to COVID-19.

Source: State of Iowa Department of Education

ENGLISH LANGUAGE ARTS PROFICIENCY



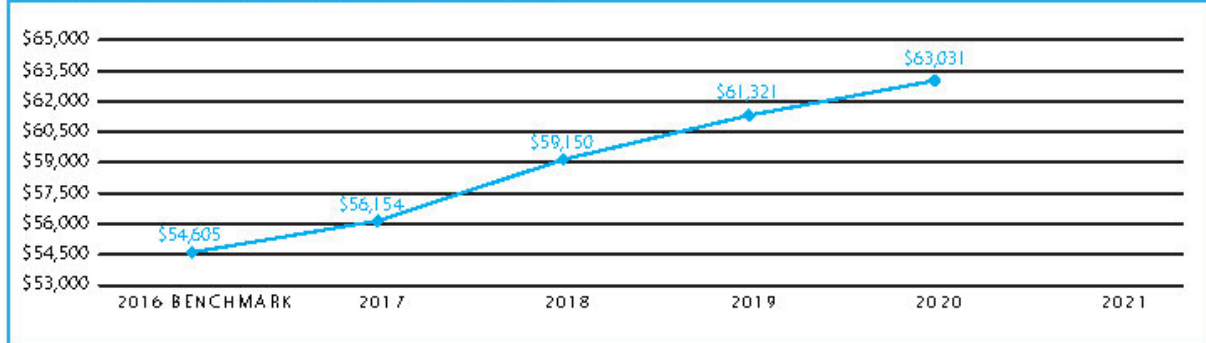
The Iowa Statewide Assessment of Student Progress was waived in Spring 2020 due to COVID-19

Source: State of Iowa Department of Education

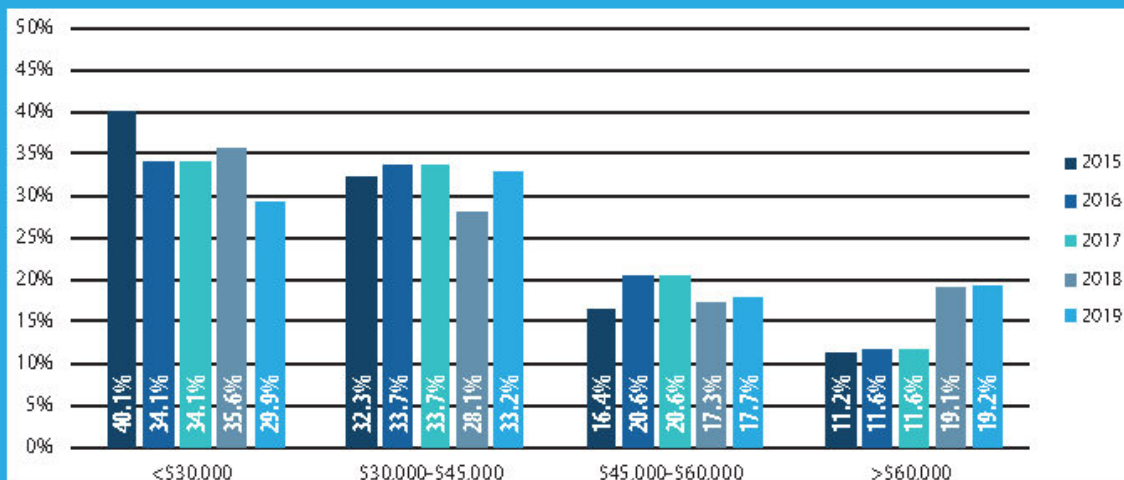
MEDIAN HOUSEHOLD INCOME

GOAL: \$60,000

MEDIAN HOUSEHOLD INCOME GOAL PROGRESS



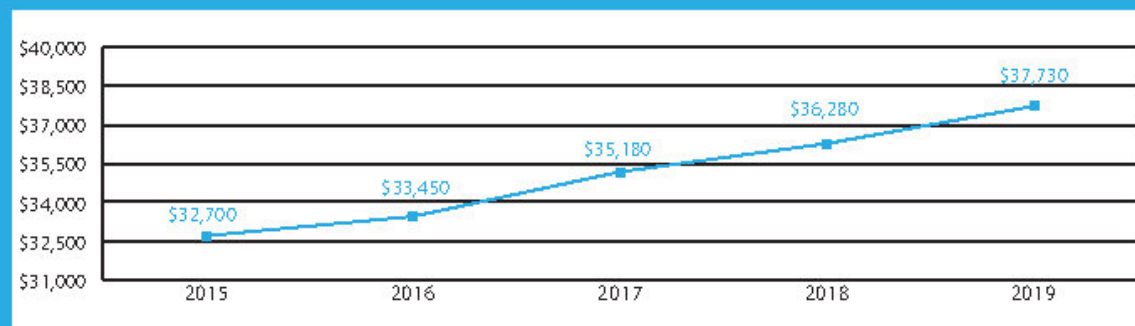
SALARY TREND 2015–2019: % OF JOBS IN MARKET BY WAGE LEVEL



Dubuque MSA/Dubuque County

Source: Bureau of Labor Statistics, Occupational Employment Statistics

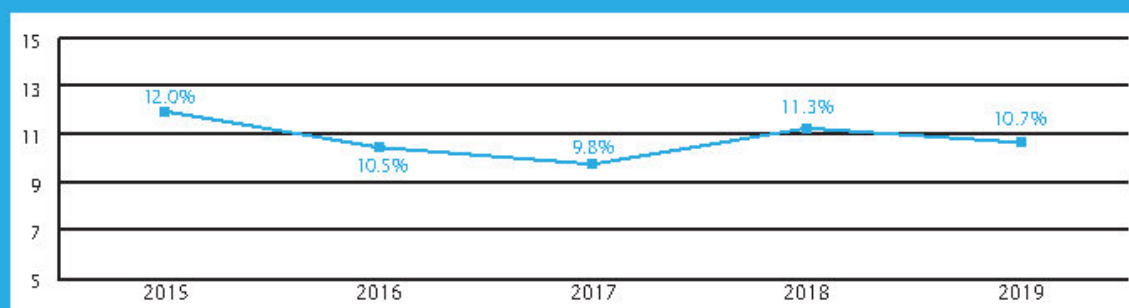
MEDIAN ANNUAL SALARY 2015–2019



Dubuque MSA/Dubuque County

Source: Bureau of Labor Statistics, Occupational Employment Statistics

POVERTY RATE 2015–2019



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	
AGE	2018	2019	2018	2019	2018	2019
Below 18	21,788	21,741	14.8%	13.9%	+/- 2.1%	+/- 2.2%
18 to 34 years	19,924	19,851	16.9%	17.3%	+/- 2.0%	+/- 2.0%
35 to 64 years	35,571	35,550	7.9%	7.7%	+/- 0.9%	+/- 0.8%
65 years and older	15,655	16,163	9.5%	9.1%	+/- 1.7%	+/- 1.5%
RACE & HISPANIC ORIGIN*						
White/Caucasian alone	86,694	86,632	9.8%	9.2%	+/- 0.9%	+/- 0.7%
Black/African American alone	2,966	3,068	54.0%	54.2%	+/- 12.4%	+/- 11.8%
Asian alone	1,130	1,012	12.5%	15.9%	+/- 8.5%	+/- 10.3%
Two or more races	1,216	1,346	21.5%	19.4%	+/- 8.7%	+/- 9.0%
Hispanic or Latino origin (of any race)	2,113	2,145	27.7%	23.4%	+/- 11.7%	+/- 9.3%
OTHER						
Less than high school graduate	4,596	4,432	21.5%	18.7%	+/- 5.1%	+/- 4.0%
Employed, civilian labor force 16 years+	51,429	51,565	7.4%	7.4%	+/- 0.7%	+/- 0.8%
Female Householder Families with Children	2,337	2,504	43.3%	38.9%	+/- 6.7%	+/- 7.2%

* Smaller populations have a higher margin of error

Source: American Community Survey 2015-2019 5-year estimates

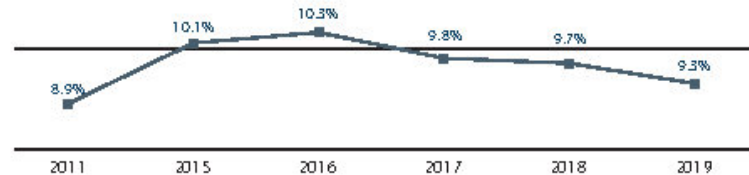
FREE AND REDUCED LUNCH PROGRAM PERCENTAGE

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%
Dubuque	2019-20	10,211	3,555	555	40.3%
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%
Western Dubuque	2019-20	3,341	736	207	28.2%

Source: State of Iowa Department of Education

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) PARTICIPANTS

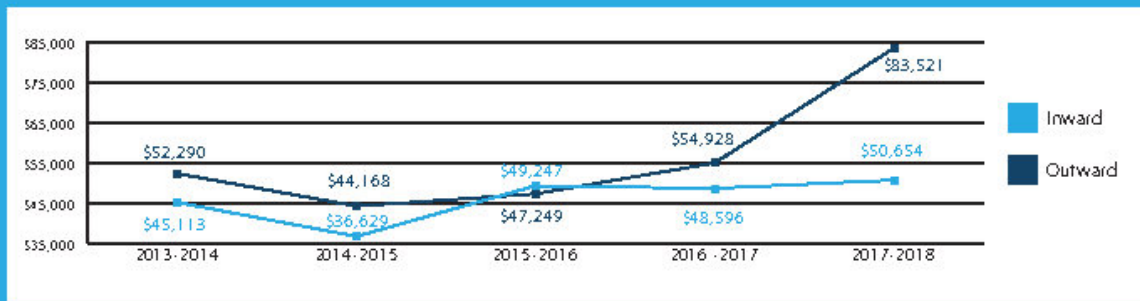
Percent of Households on cash public assistance or SNAP

2011: 3,312
of 36,984 Total Households2019: 3,535
of 38,210 Total Households

Dubuque MSA/Dubuque County

Source: American Community Survey 2015-2019 5-year Estimates

AVERAGE HOUSEHOLD INCOME OF RESIDENTS MOVING IN OR OUT



The 2018-2019 Migration data release has been delayed due to COVID-19.

Source: Internal Revenue Service
Dubuque MSA/Dubuque County

PERCENT OF INCOME TOWARDS HOUSING

%with Mortgage and Owner Costs At or Exceeding 35% of Income	14.4%
%with Gross Rent At or Exceeding 35% of Income	36.1%

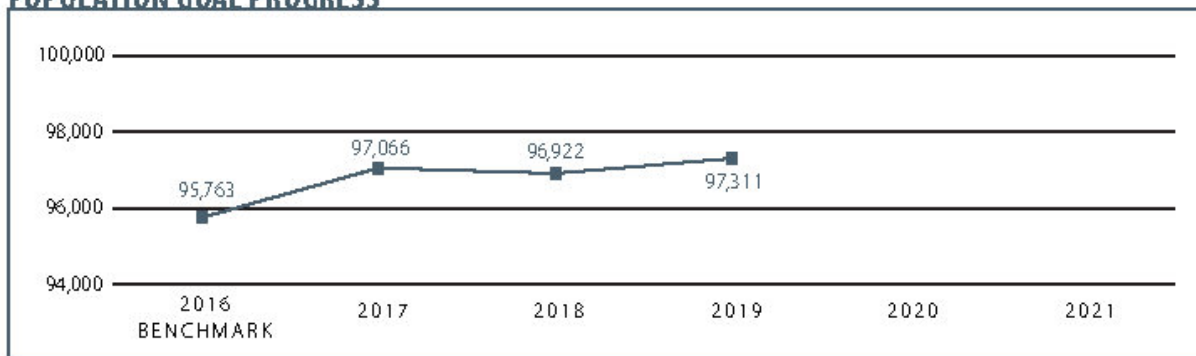
Dubuque MSA/Dubuque County

Source: American Community Survey 2015-2019 5-year Estimates

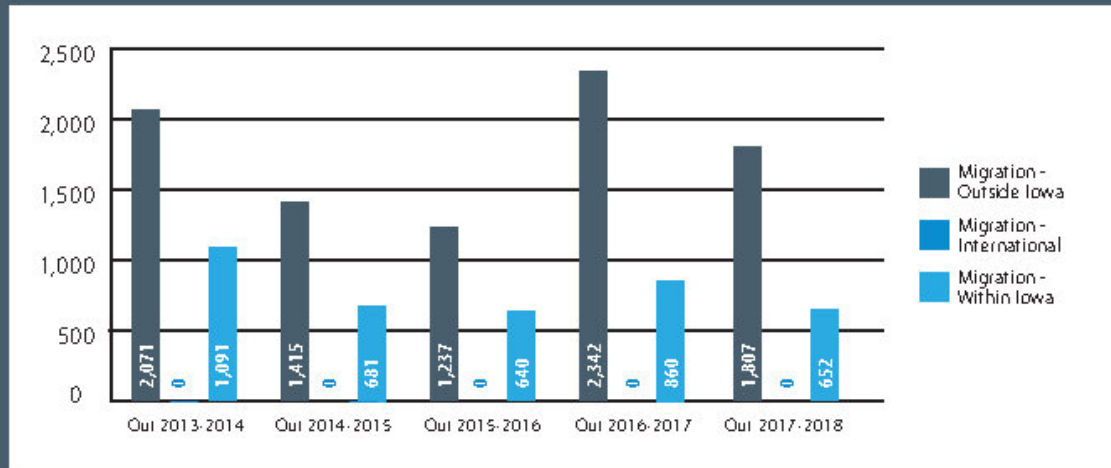
POPULATION

GOAL: 100,000

POPULATION GOAL PROGRESS



DUBUQUE COUNTY OUTFLOW (ESTIMATED FROM TAX RETURNS)



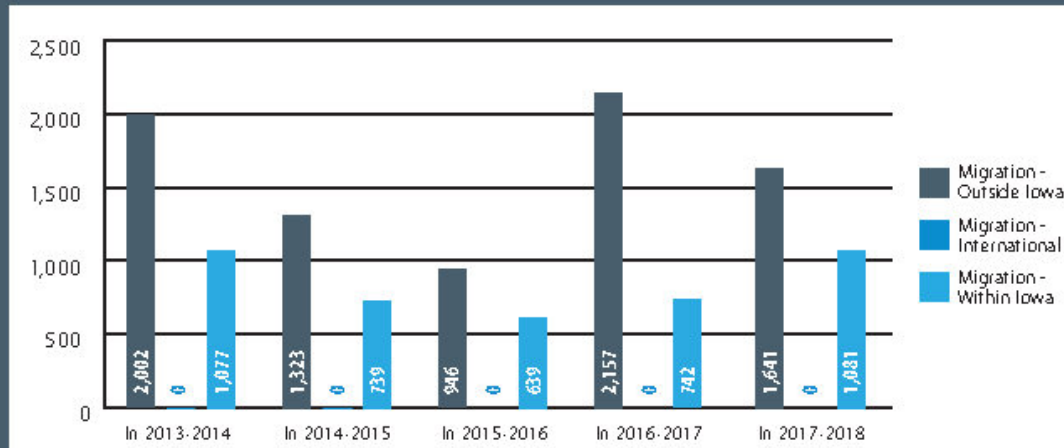
TOP OUTFLOW LOCATIONS

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

The 2018-2019 Migration data release has been delayed due to COVID-19.

Source: Internal Revenue Service

DUBUQUE COUNTY INFLOW (ESTIMATED FROM TAX RETURNS)



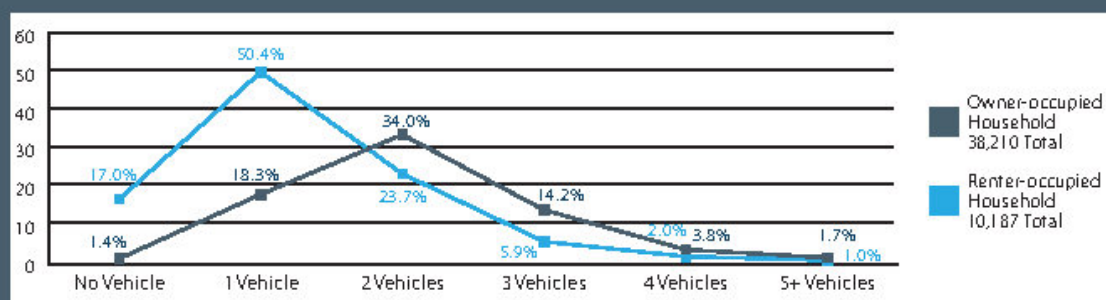
TOP INFLOW LOCATIONS

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

The 2018-2019 Migration data release has been delayed due to COVID-19.

Source: Internal Revenue Service

VEHICLE AVAILABLE BY HOUSEHOLD



Dubuque MSA/Dubuque County

Source: American Community Survey 2015-2019 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

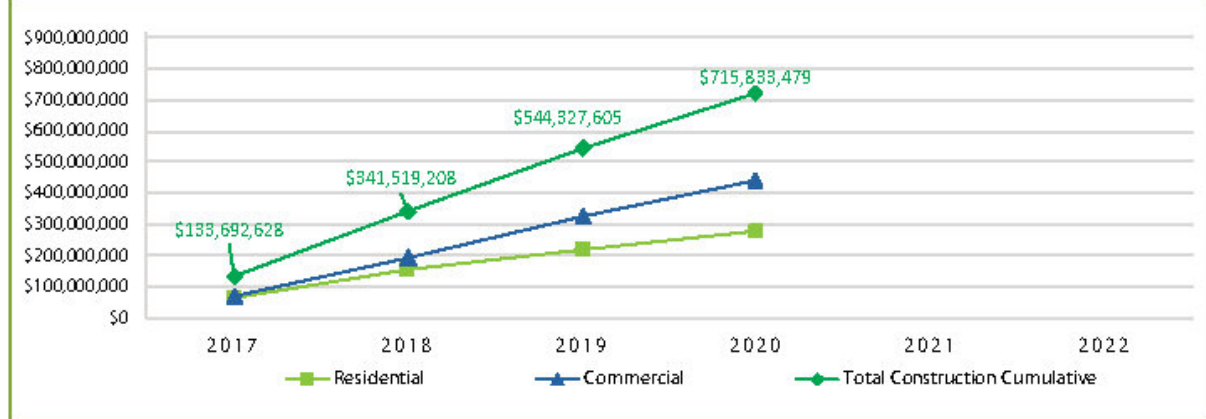
	FY2018	FY2019	% Change
Real total taxable sales	\$1,346,016,256	\$1,353,208,250	0.5%
Number of reporting firms (annualized)	2,713	2,735	0.8%
Population	96,994	97,117	0.1%
Average sales per capita	\$13,877	\$13,934	0.4%
Average sales per firm	\$496,227	\$494,865	-0.3%

Source: Iowa State University, Retail Trade Analysis FY 2019

INVESTMENT

GOAL: \$800,000,000

INVESTMENT GOAL PROGRESS



HOUSING DATA

	2018	2019
Total Housing Units	41,065	41,299
Median Property Value of Owner-Occupied Units	\$160,900	\$166,800
Mortgage Status of Owner-Occupied Units	60.8% Mortgage 39.2% No Mortgage	61.4% Mortgage 38.6% No Mortgage
Rental Vacancy Rate	6.6%	9.2%
Median Rent	\$763	\$783

Source: American Community Survey 2015-2019 5-year Estimates

HOME & PROPERTY SALES

Residential Home Sales - Dubuque Area: **1,619** (2020), 17% Increase over 2019
 Commercial/Industrial Sales - Dubuque Area: **19** (2020), 10% Decrease over 2019

Source: East Central Iowa Association of REALTORS 2020 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	
	2018	2019	2018	2019
Employment (Civilian Labor Force)	65.3%	65.2%	60.8%	62.2%
Commuting to work by walking or public transportation	4.4%	4.2%	14.0%	14.5%
Median Household Income	\$61,321	\$63,031	\$32,507	\$35,875
Poverty Level	11.7%	11.4%	31.2%	29.4%
SNAP Participation for past 12 months (households)	9.7%	9.3%	30.3%	31.4%

Source: American Community Survey 2015-2019 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
BMSI - 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)



Dollars AND CENTS



FISCAL YEAR 2021 // CITY OF DUBUQUE

CITY PORTION OF PROPERTY TAXES

Dubuque has the **LOWEST FY2021** property tax rate (\$10.14 per thousand assessed value) of Iowa's 11 cities with populations over 50,000.

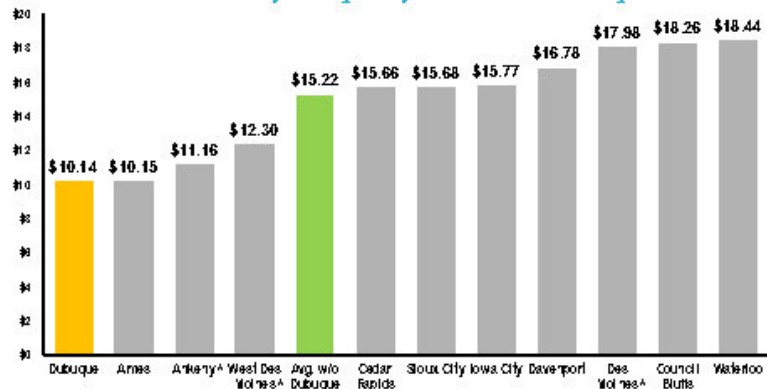
City of Dubuque FY2021 Property Tax Rate

- \$10.1440 per thousand dollars assessed value
- **Decrease** of 1.81% from FY2020

Property Type	Average Property Tax Cost Change from FY2020	% Property Tax Cost Change from FY2020
Residential	\$1.09 less	0.14% decrease
Commercial	\$104.45 less	3.30% decrease
Industrial	\$132.61 less	2.81% decrease
Multi-Residential	\$158.73 more	9.13% increase

Current Property Tax Rate	Next Year's Property Tax Rate	% Change
\$10.33144	\$10.1440	1.8% Decrease

FY2021 City Property Tax Rate Comparison



- Highest-ranked city (Waterloo, \$18.44) is **82%** higher than Dubuque
- Average of other 10 cities (\$15.22) is **50%** higher than Dubuque

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

Where do your property taxes go?

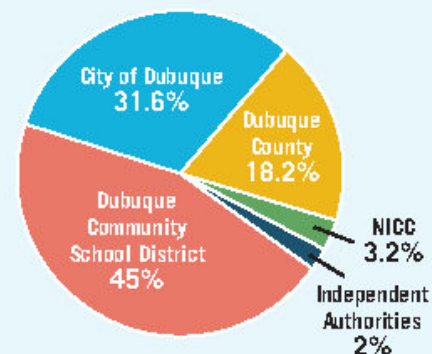
Property taxes are collected by the County and distributed monthly to the City of Dubuque and other taxing bodies. Property taxes are distributed among the Dubuque Community School District (45%), City of Dubuque (31.6%), Dubuque County (18.2%), Northeast Iowa Community College (3.2%), and independent authorities* (2%).

Property taxes are certified July 1 with the first half due on or before September 30 and the second half due on or before March 31. For more information, contact the City Assessor at 563-589-4416.

* "Independent authorities" includes City Assessor, County Hospital (Sunnycrest Manor), Dubuque County Agriculture Extension, and the Tuberculosis and Brucellosis Eradication Fund.

How Your Property Tax Rate Is Split

FY2021 Consolidated Rate of 32.66554



CITY BUDGET

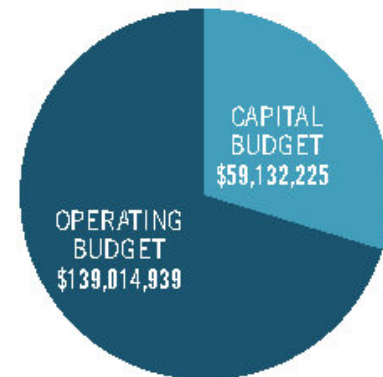
The City's adopted FY2021 budget provides estimated revenues and expenditures for programs and services to be provided during the fiscal year, from July 1, 2020, through June 30, 2021. The budget has two primary components: the operating budget and the capital budget.

The City's total budget for fiscal year (FY) 2021 is \$198,147,164, a 23.96 percent decrease from FY2020. The operating budget (\$139,014,939) is a 3.5 percent increase from FY2020, while the capital budget (\$59,132,225) represents a 53.2 percent decrease from FY2020.

The capital budget funds major improvements to City facilities and infrastructure, and is based on the first year of needs in the five-year Capital Improvements Program (CIP) Plan. The CIP Plan is an annually revised document that guides the City's investments in public facilities and infrastructure during a five-year horizon. The capital budget is supported through multiple funding sources, including federal and state grants.

The operating budget includes personnel costs and annual facility operating costs. It is funded primarily through local property and sales taxes; revenue transfers between departments; licenses, such as building and development fees; franchise fees for a company's use of the City's rights-of-way; charges for services (like sewer and water); fines; grants; and other smaller sources of revenue such as interest on investments.

Fiscal Year 2021 City Budget



	Operating	Capital
General Fund	\$66,416,660	\$2,229,339
Water Fund	\$10,280,043	\$2,756,073
Sanitary Sewer Fund	\$10,992,418	\$3,820,597
Stormwater Fund	\$4,441,361	\$10,110,959
Refuse	\$2,990,205	\$269,153
Parking	\$2,747,044	\$160,875



WE WANT YOUR IDEAS!

Residents are strongly encouraged to get involved in next year's budget process!

Visit www.cityofdubuque.org/FY2022budget to learn more about virtual community budget input sessions and the following tools:

1. *Balancing Act Budget Simulator* - Adjust revenues and expenditures, and provide comments on how you think the City of Dubuque should spend its money.
2. *Taxpayer Receipt* - Illustrate how your estimated City property taxes and local option sales tax are allocated to services such as Police, Fire, Parks, and Public Works.
3. *Public Comments Form* - share your ideas related to projects, amenities, services, programs, etc., directly with City staff!



General Fund

The general fund is the general operating fund of the City for general service departments. The general fund has an operating budget of \$66.4 million and a capital budget of \$2.2 million. This fund encompasses the bulk of activities that are traditionally considered basic governmental services such as public safety, culture & recreation, health & social services, and general government.

General Fund Reserve Projections

The City maintains a general fund reserve, or working balance, to allow for unforeseen expenses that may occur. The goal is to have at least a 20% reserve. In Fiscal Year 2017, the City had projected reaching this consistent and sustainable 20% reserve level in Fiscal Year 2022. **In fact, the City met the 20% reserve requirement in FY2018, four years ahead of schedule, and with all prior year contributions, this is sustainable.**

	FY2021	FY2022	FY2023	FY2024	FY2025
City's Spendable General Fund Cash Reserve Fund Balance	\$17,119,065	\$17,119,065	\$17,119,065	\$17,119,065	\$17,119,065
% of Projected Revenue	24.00%	24.38%	23.67%	23.41%	23.35%

WHAT'S INCLUDED IN YOUR MONTHLY UTILITY BILL?



Curbside Collection

Basic Rate = \$14.99/month
(4.03% DECREASE from FY2020 or \$0.63 per month)

Curbside refuse collection includes one 35-gallon container per week. Weekly curbside recycling is no extra charge.



Water

Avg. Household Rate* = \$30.72/month
(NO increase from FY2020)

**Average household rate based on 6,000 gallons per month at \$0.00512 per gallon*



Stormwater

Avg. Household Rate* = \$8.29/month
(NO increase from FY2020)

**Monthly rate for majority of Dubuque households based on usage of one single family unit. Stormwater fees are based on the amount of impervious ground coverage on a property. Fees collected are only used for stormwater management activities such as the construction, maintenance and operation of the public stormwater management system.*



Sanitary Sewer

Avg. Household Rate* = \$42.24/month
(NO increase from FY2020)

**Average household rate based on 6,000 gallons per month at \$0.00704 per gallon. The City's wastewater collection and treatment system operates as a self-supporting enterprise fund which means that it is funded only with revenue from user fees.*

HOW DO WE RANK? Among Iowa's 11 largest cities:



5th Lowest: The highest curbside collection rate (Ames) is 75.12% higher than Dubuque's rate, and the average is 14.00% higher than Dubuque.



2nd Lowest: The highest water rate (West Des Moines) is 20.38% higher than Dubuque's rate, and the average is 9.35% higher than Dubuque.



2nd Highest: The highest stormwater rate (Des Moines) is 77.08% higher than Dubuque's rate, and the average is 26.70% lower than Dubuque.



4th Highest: The highest sanitary sewer rate (Ankeny) is 45.98% higher than Dubuque's rate, and the average is 3.69% lower than Dubuque.



How General Fund Money is Spent

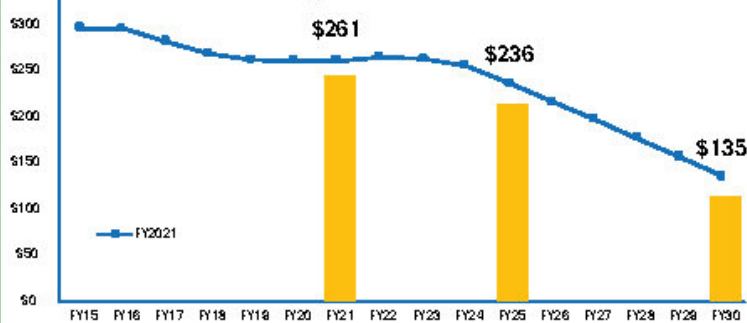


Category	Description	Portion of General Fund
Public Safety	(fire, police, ambulance services, 9-1-1 dispatch, animal control, building inspections, crime prevention, emergency management, flood control, etc.)	41.8%
Culture & Recreation	(AmeriCorps, arts and cultural affairs, civic center, conference center, library, marina, parks, recreation, etc.)	17.6%
General Government	(city attorney and legal services, city clerk, city council, City Hall and general buildings, city manager, finance, information services, etc.)	13.5%
Public Works	(airport, maintenance of streets, bridges, and sidewalks; snow removal, street cleaning, street lighting, traffic control, etc.)	9.2%
Community & Economic Development	(economic development, housing and community development, neighborhood development, planning and zoning, etc.)	6.3%
Transfers Out	(to funds other than General Fund)	6.4%
Capital Projects	(City infrastructure improvements or major equipment purchases)	3.0%
Health & Social Services	(community health, health regulation and inspection, human rights, etc.)	1.4%
Debt Service	(government capital projects, tax-increment financing (TIF) capital projects)	0.9%

Debt Reduction Plan (Adopted August 2015)

Total Debt (in millions)

Debt is being issued each year, but more is being retired than issued.



Stormwater improvements

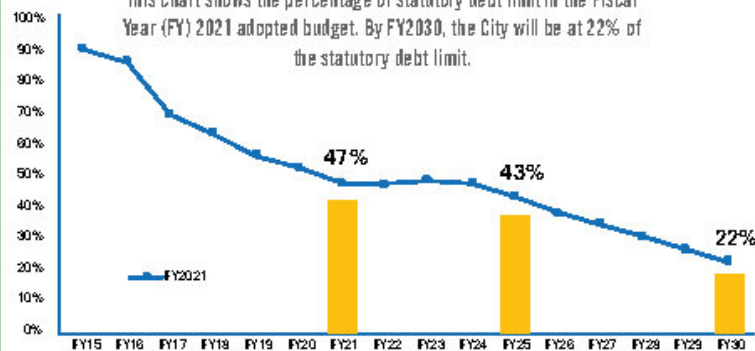


Water & Resource Recovery Center

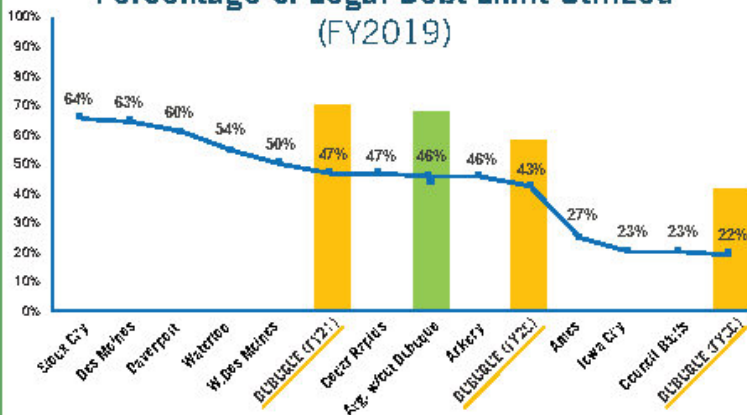
The City of Dubuque's use of debt can be compared to many average homeowners who borrow to buy their home. The City has borrowed money at low interest rates to invest in infrastructure. Unlike the federal government, the City does not borrow money to cover operating expenses.

Statutory Debt Limit Used (as of June 30)

This chart shows the percentage of statutory debt limit in the Fiscal Year (FY) 2021 adopted budget. By FY2030, the City will be at 22% of the statutory debt limit.



Percentage of Legal Debt Limit Utilized (FY2019)



Top 10 Debt Uses (as of June 30, 2020)

Project Description and Amount Outstanding

1	Stormwater Improvements	\$73,653,120
2	Water & Resource Recovery Center	\$57,961,000
3	Water Improvements	\$32,417,569
4	Parking Improvements	\$25,019,132
5	Downtown TIF Incentives/Improvements	\$20,287,421
6	Sanitary Sewer Improvements	\$14,811,522
7	TIF Rebates/Bonds to Businesses	\$7,744,839
8	Industrial Park Expansions	\$6,250,618
9	Caradco Building Iowa Finance Authority Loan	\$3,639,903
10	Street Improvements*	\$3,298,918
Total		\$245,084,042

* \$145 million was spent on street improvements from 1997-2020

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