



Public Hearing to Adopt the Fiscal Year 2026 Budget

April 28, 2025

Five-Year Goals: 2023-2025

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

2024-2026 Top Priorities *(in alphabetical order)*

- Air Service: Future Strategy & Action Plan – Major Airline Hub Connections
- Central Avenue Revitalization Plan Implementation
- Construction of 14th St. Railroad Overpass & 16th St. Corridor Complete Street
- Improvements: RAISE Grant and Matching Funds
- Police Department Staffing and Hiring
- Street Maintenance/Rehabilitation Program

2024-2026 High Priorities *(in alphabetical order)*

- Catfish Creek Sanitary Sewer Project: Old Mill Road Lift Station Project
- Chaplain Schmitt Island Development
- City Workforce Retention and Attraction
- Comprehensive Study of Fire Station Locations and Staffing
- Parks Maintenance/Refresh Action Plan.



Creating an Equitable Community (and Organization) of Choice

A High-Performance Organization (and Community) with
Engaged Employees and Residents that is Data-Driven and
Outcome-Focused built on the five pillars of:

Resiliency

Sustainability

Equity

Transparency

Compassion

Through Partnerships, Planning, & People

www.cityofdubuque.org

Adopted by City Council on January 16, 2024

CM024-013024



Budget Process Transparency



- 3 City Council Goal-Setting Sessions: Aug. 22-24, 2024
- Budget Public Input Meeting: Nov. 7, 2024
- Meeting to Set the Public Hearing on the Maximum Levy: March 3, 2025
- Public Hearing to Set Maximum Levy: March 25, 2025
- Meeting to Set the Public Hearing to Adopt the Budget: April 10, 2025
- 7 Public Meetings: April 2, 3, 8, 9, 10, 22, 24
- Public Hearing to Adopt the Budget: April 28, 2025

14 public meetings

(Only 4 required by State Code)

Public input also accepted via www.cityofdubuque.org/FY2026budget

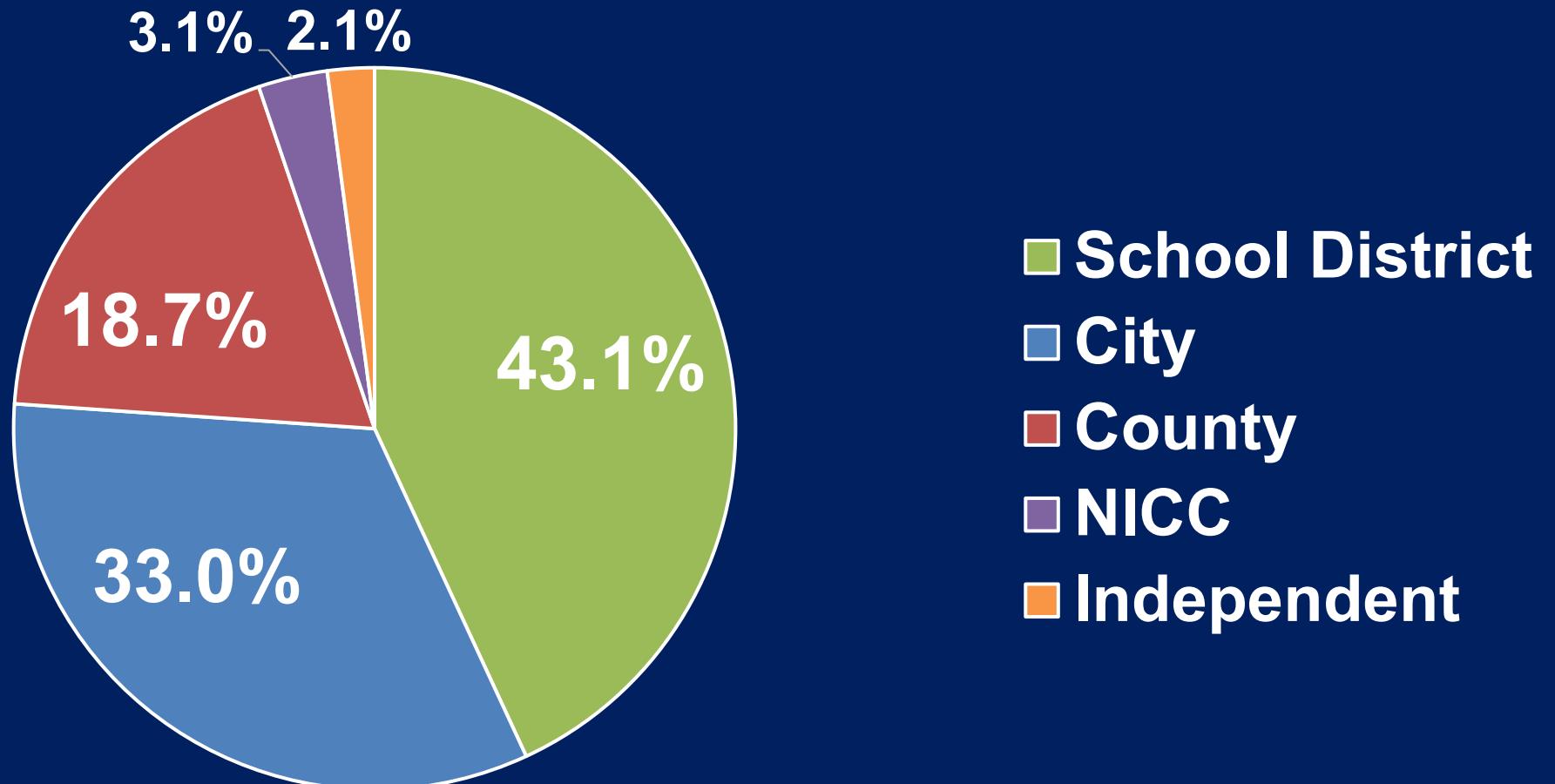
Amended Budget Recommendation Additions



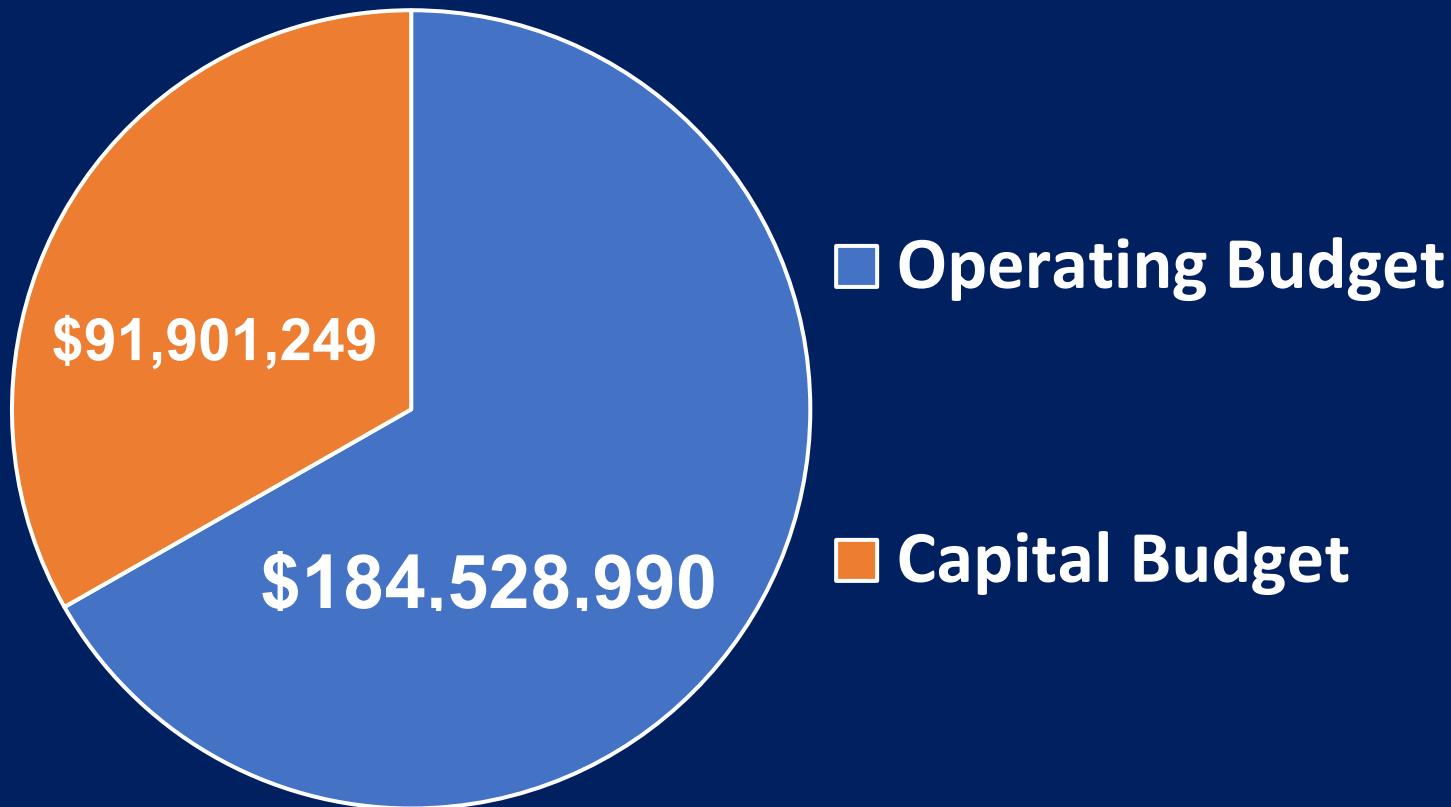
- Full-time maintenance position in the Parks and Recreation Department to mainly service Eagle Point Park
- Airport additional marketing dollars
- Match for the Transportation Alternative Program (TAP) grant
- Linwood Cemetery partnership program
- Removal of the Eagle Point Park Water Tower
- Replacement of sanitary sewer flow meters

Recommended FY2026 City Property Tax Rate

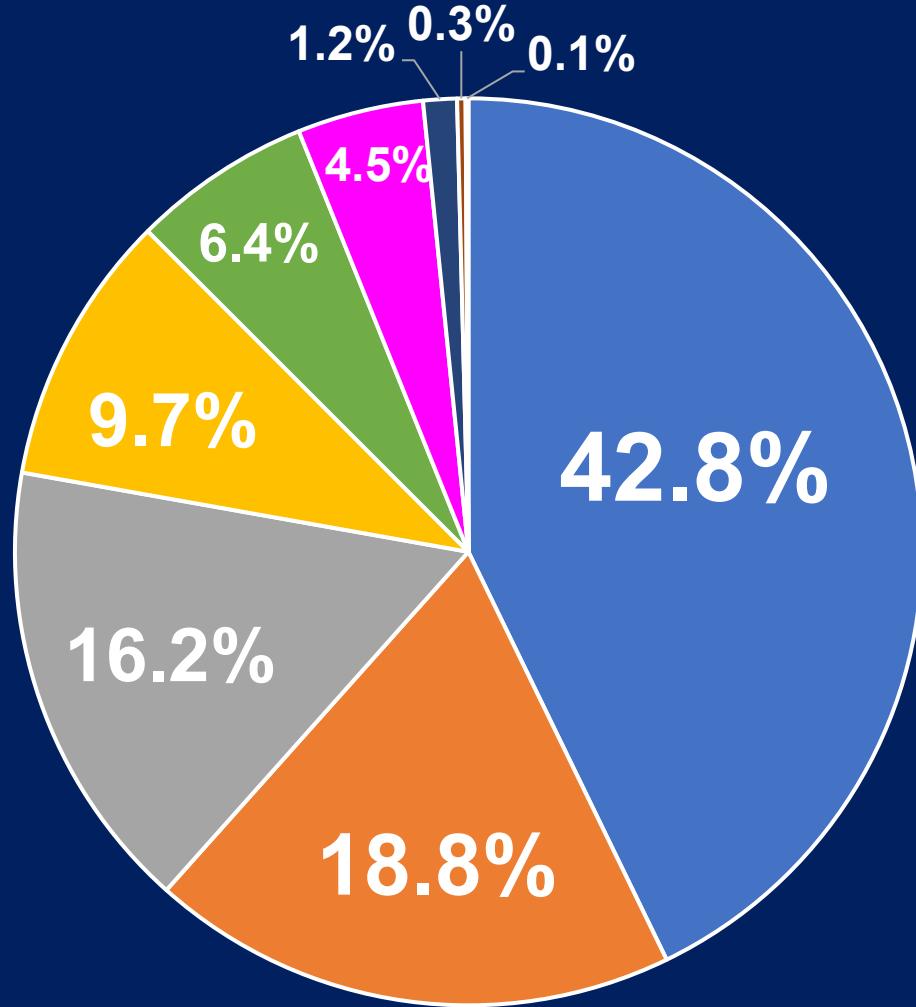
FY25 Consolidated Tax Rate



Recommended FY2026 City Budget: \$276,430,089



General Fund Expenditures



- Public Safety 42.8%
- Culture & Recreation 18.8%
- General Government 16.2%
- Public Works 9.7%
- Community & Economic Development 6.4%
- Other 4.5%
- Health & Social Services 1.2%
- Capital Projects 0.3%
- Debt Service 0.1%

City Property Tax Rate: FY2022 – FY2025



	Tax Rate Change	Cost Change for Avg. Homeowner
FY2022	-2.5%	0%
FY2023	-1.74%	+3%
FY2024	+1.96%	+3%
FY2025	+0.25%	+5%

Proposed FY2026 City Property Tax Levy



	FY2025	Proposed FY2026	% Change
Total Tax Levy	\$28,233,757	\$29,861,901	5.77%
Tax Rate	\$9.92638	\$10.06372	1.38%

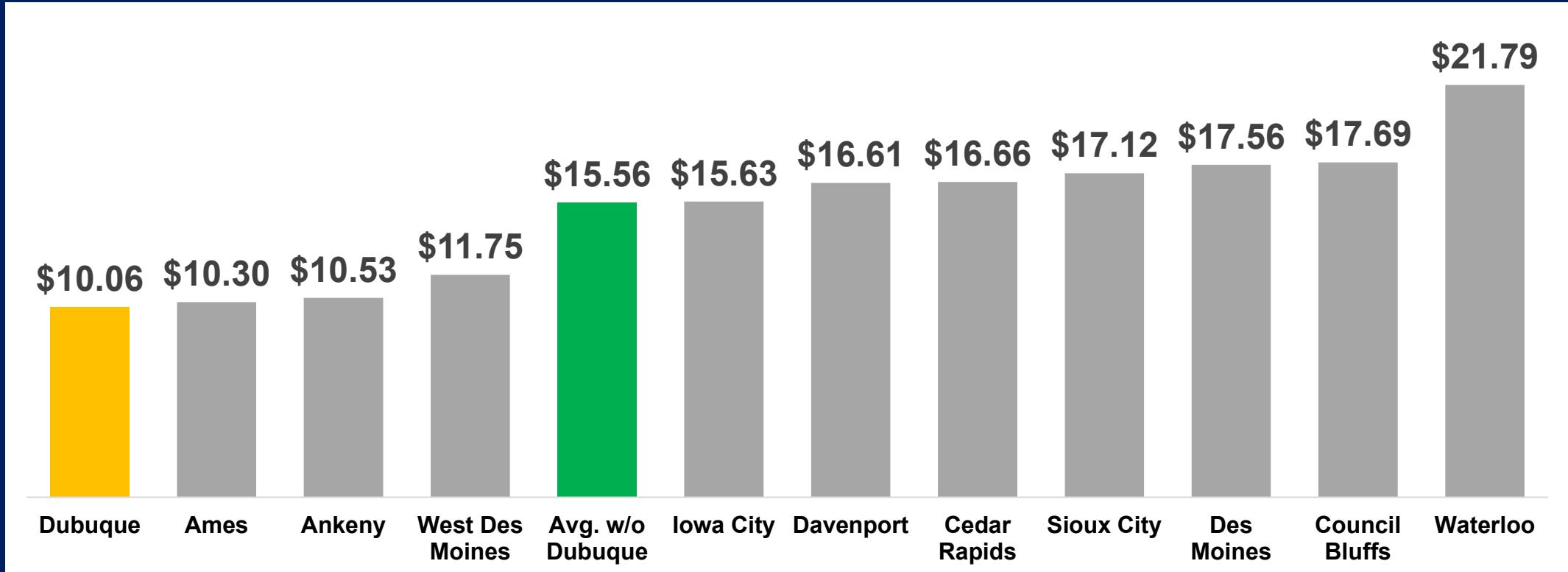
Proposed Property Tax Levy

	% Change from FY25	\$ Change from FY25
Property Tax Rate	1.38%	\$0.14
Property Tax Asking	5.77%	\$1,628,144
Avg. Residential Property	3.90%	\$33.38
Avg. Commercial Property	1.78%	\$74.26
Avg. Industrial Property	1.71%	\$85.68

Impact Across Property Types

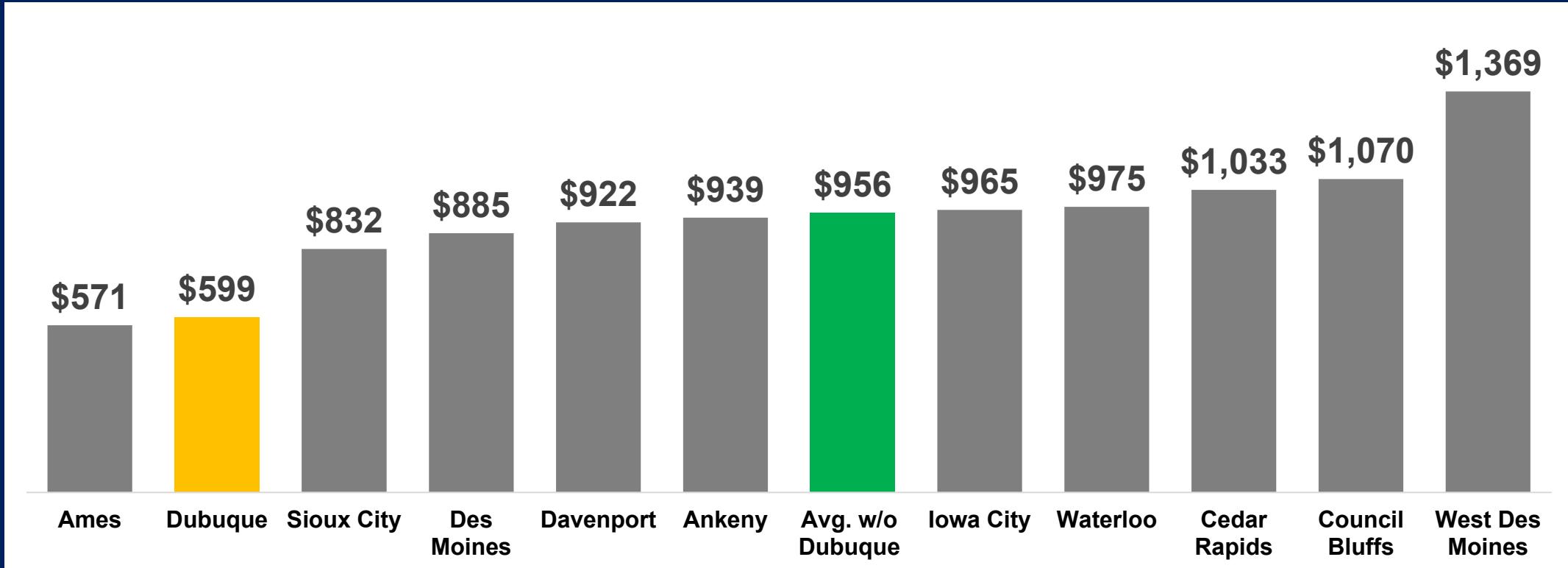
Property Type	FY25 City Property Tax Payment	FY26 City Property Tax Payment	Cost Change	Percent Change	No. of Properties
Residential: Avg. value = \$196,508	\$855.82	\$889.20	+\$33.38	+3.9%	-
Commercial: \$150,000 value and below	\$690.02	\$716	+\$25.98	+3.8%	648
Commercial: \$150,001 - \$300,000 value	\$2,030.08	\$2,074.61	+\$44.53	+2.2%	265
Commercial: \$301,000 - \$450,000 value	\$3,370.14	\$3,433.21	+\$63.07	+1.9%	149
Commercial: Avg. value = \$540,594	\$4,179.41	\$4,253.75	+\$74.25	+1.8%	66
Industrial: Avg. value = \$632,952	\$5,004.59	\$5,090.27	+\$85.67	+1.7%	-

City Property Tax Rate Comparison



Dubuque has the **LOWEST** property tax rate of the 11 largest cities in the state. The highest rate (Waterloo) is 116% higher than Dubuque's rate, and the average is 55% higher than Dubuque's rate.

Taxable Value per Capita Comparison



Dubuque is the **SECOND LOWEST** taxes per capita as compared to the 11 largest cities in the state. The highest (West Des Moines) is 128% higher than Dubuque's taxes per capita, and the average is 67% higher than Dubuque.

Average Annual Increase: 1989-2026



- Since 1989, the average homeowner has averaged an annual increase in costs in the City portion of their property taxes of +1.45%, or about +\$9.28 a year.
- If the State had been fully funding the Homestead Tax Credit, the increase would have averaged about +\$6.62 a year.

Enterprise Funds

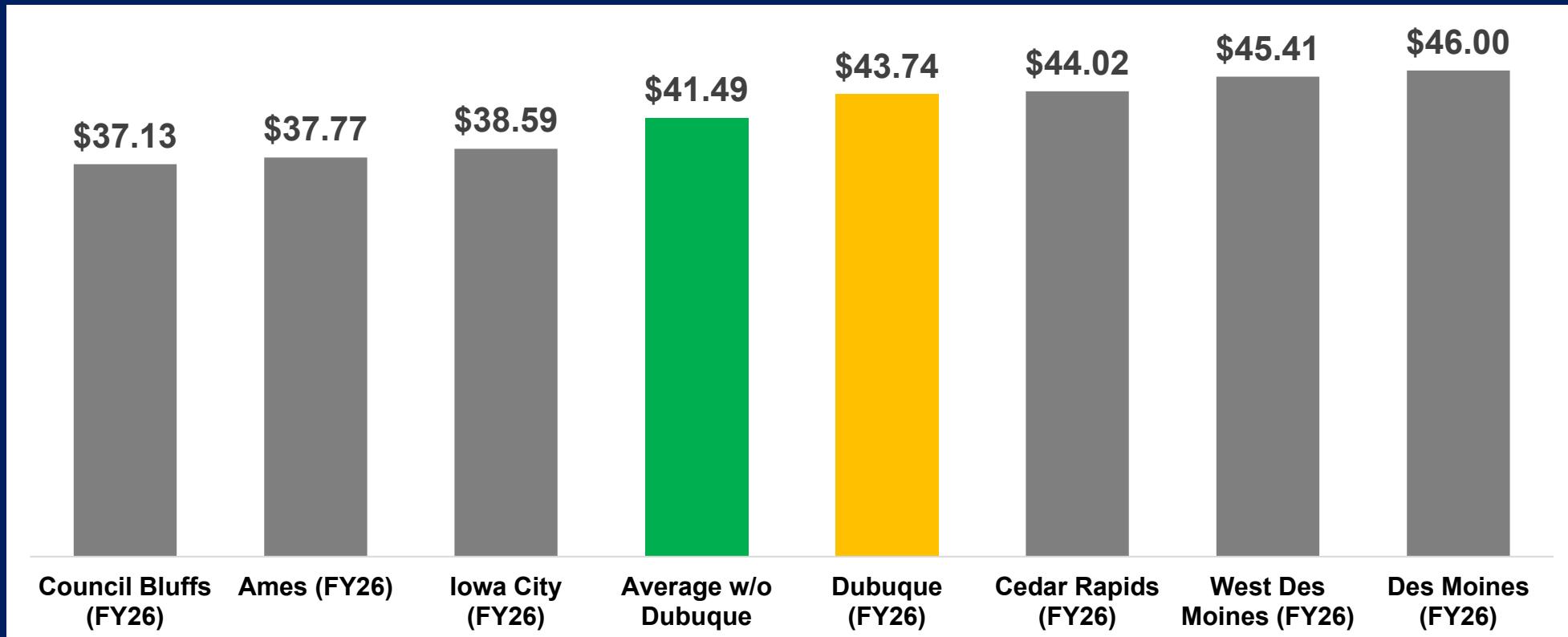
Recommended FY 2026 Rates & Fees



	FY2025 Rate	Recommended FY2026 Rate	% Change	Avg. Monthly Cost Change
Water	\$40.14	\$43.74	9%	+\$3.60
Sanitary Sewer	\$54.78	\$59.70	9%	+\$4.92
Curbside Collection	\$17.25	\$18.11	5%	+\$0.86
Stormwater	\$10.50	\$11.03	5%	\$0.53

Average monthly cost for City utilities would increase by \$9.91.
*The City offers income-qualified residential customers a base fee reduction
for all four utilities of up to 50%.*

Water Rate Comparison



The highest rate (Des Moines) is 5.2% higher than Dubuque's rate, and the average is 5.2% lower than Dubuque.

Water Cost for Lower Consumption Households

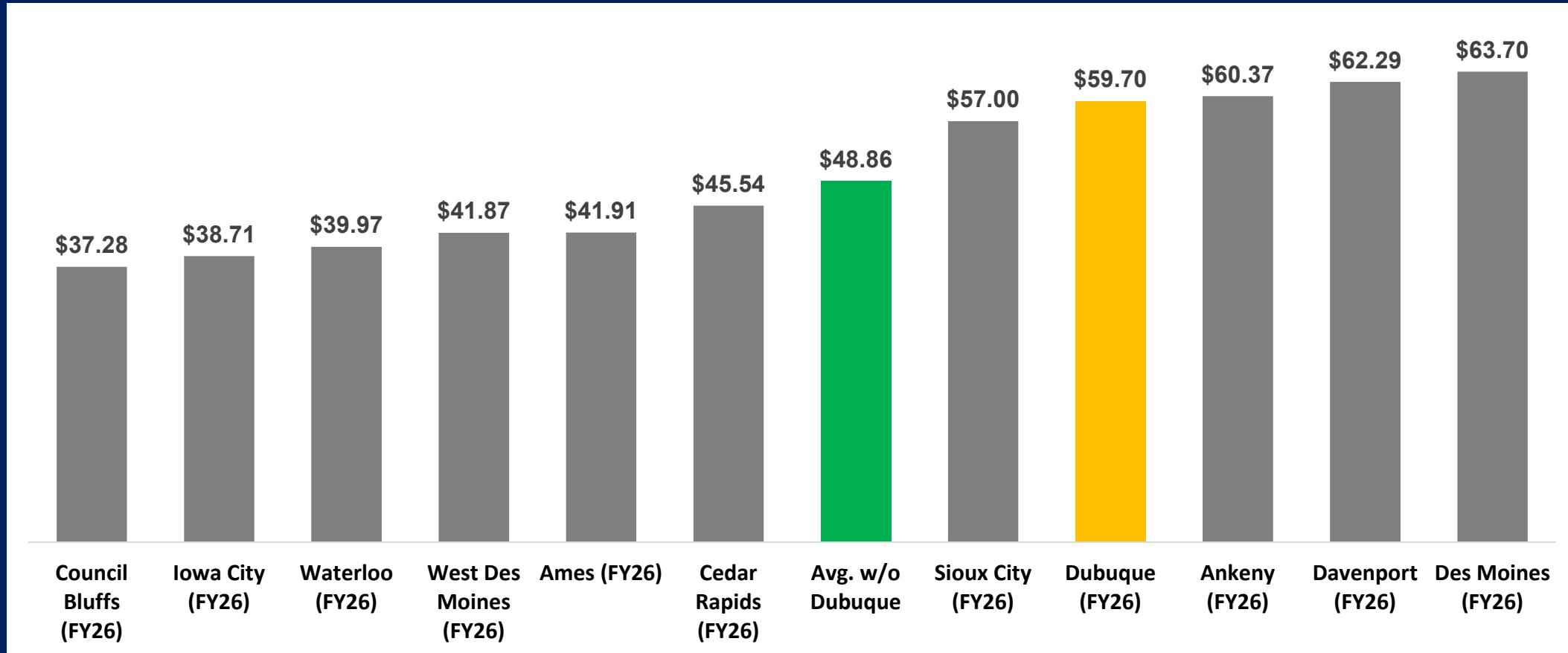


Customers only pay for the water they use.

The average monthly water use is 6,000 gallons per month, but smaller households may only use 3,000 gallons.

***Monthly FY2026 water cost estimate for lower consumption households = \$29.87
(a \$1.80 per month increase over FY2025)***

Sewer Rate Comparison



The highest rate (Des Moines) is 6.7% higher than Dubuque's rate, and the average is 18.2% lower than Dubuque.

Sewer Cost for Lower Consumption Households

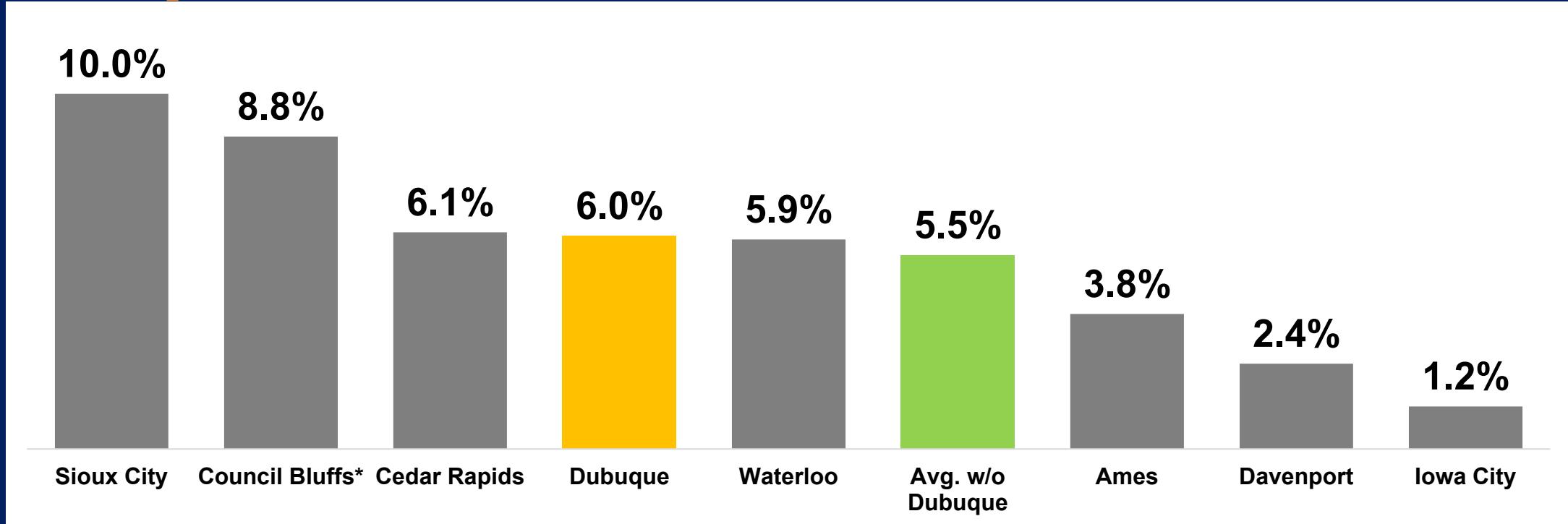


Customers only pay for the wastewater they generate.

The average monthly water use (the basis for sewer cost calculations) is 6,000 gallons per month, but smaller households may only use 3,000 gallons.

***Monthly FY2026 sewer cost estimate for lower consumption households = \$21.29
(a \$2.47 per month increase over FY2025)***

Annual Sewer Rate Increase Comparison



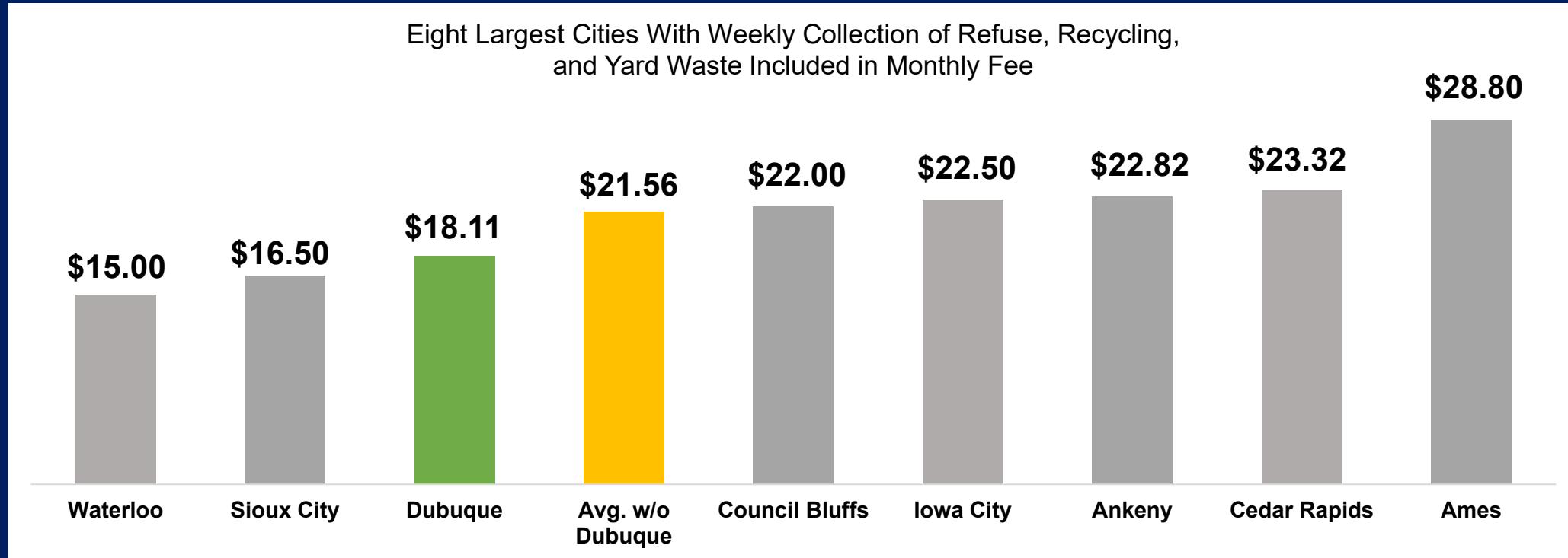
Including the recommended 9% increase for FY2026, Dubuque's average annual increase over the last 6 years is fourth highest. The average for the other large cities with wastewater treatment facilities is 5.46%, which is 9% lower than Dubuque's average.

Breakdown of Sanitary Sewer Revenue by User Class

	FY2025*
Residential	40.9%
Industrial	36.0%
Commercial	21.4%
Other	1.6%

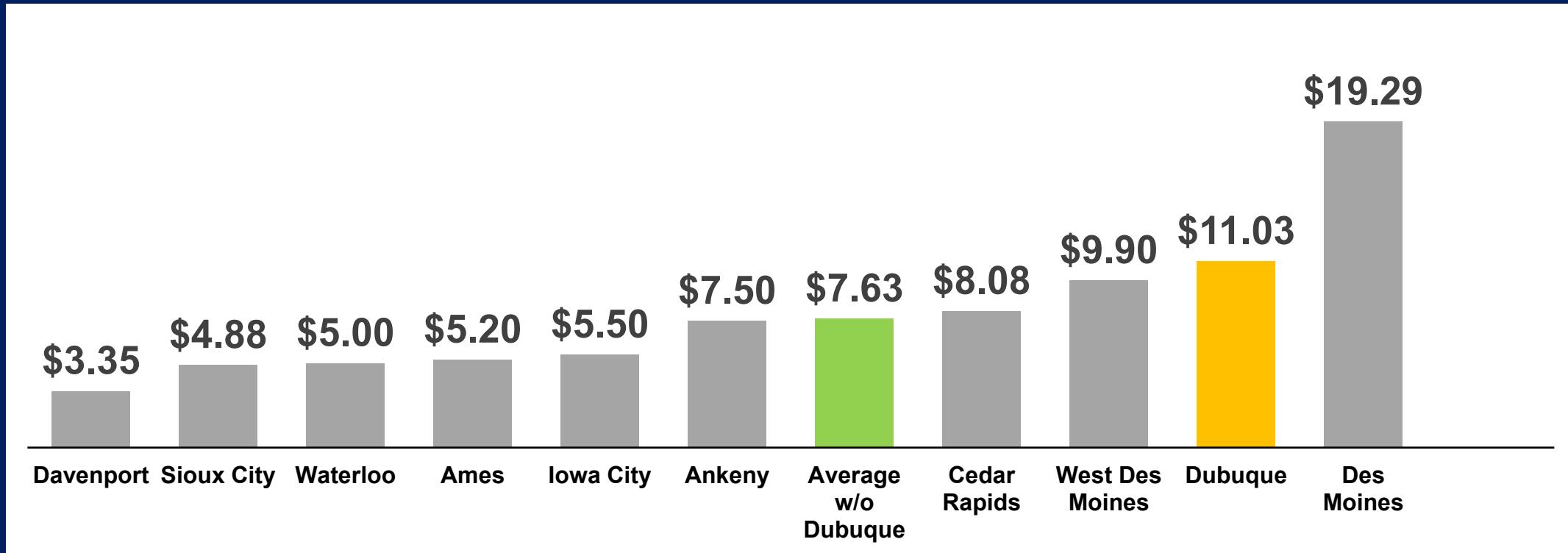
*As of March 25, 2025

Solid Waste Collection Fee Comparison



The highest rate (Ames) is 59% higher than Dubuque's rate, and the average is 19% higher than Dubuque.

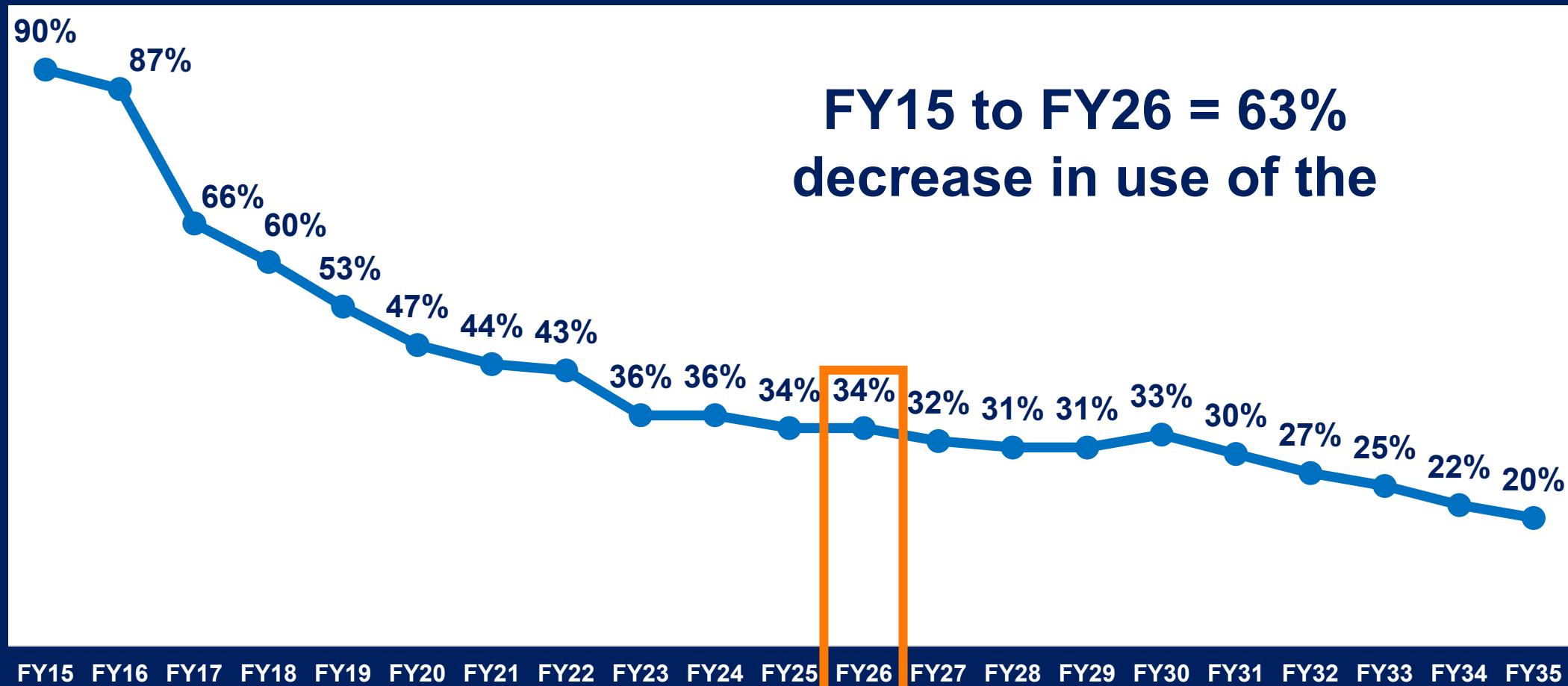
Stormwater Fee Comparison



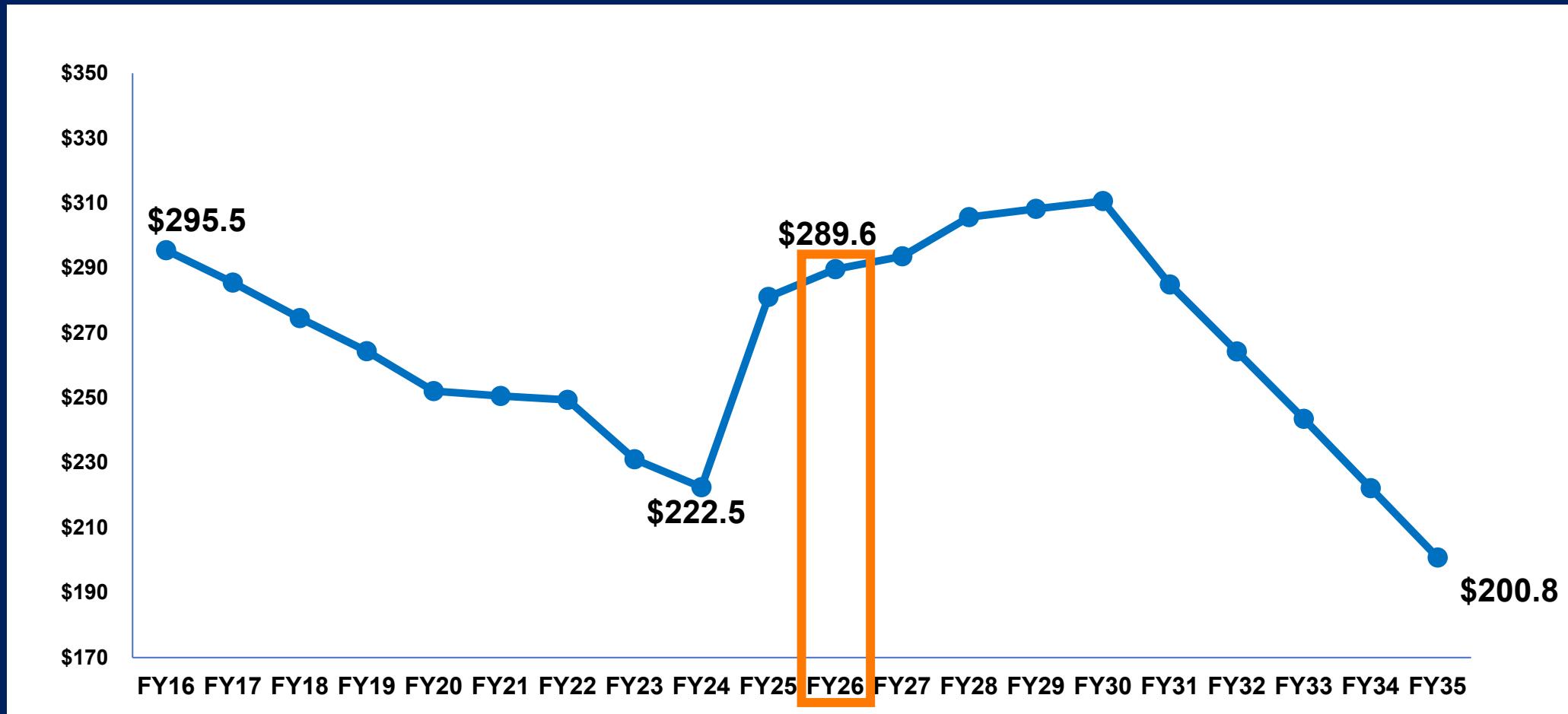
The highest rate (Des Moines) is 75% higher than Dubuque's rate, and the average is 31% lower than Dubuque.

Strategic Use of Debt & General Fund Reserves

Reduction of Statutory Debt Limit Used (FY26 Recommended)



Total Debt (in Millions)



Retired Debt vs. New Debt

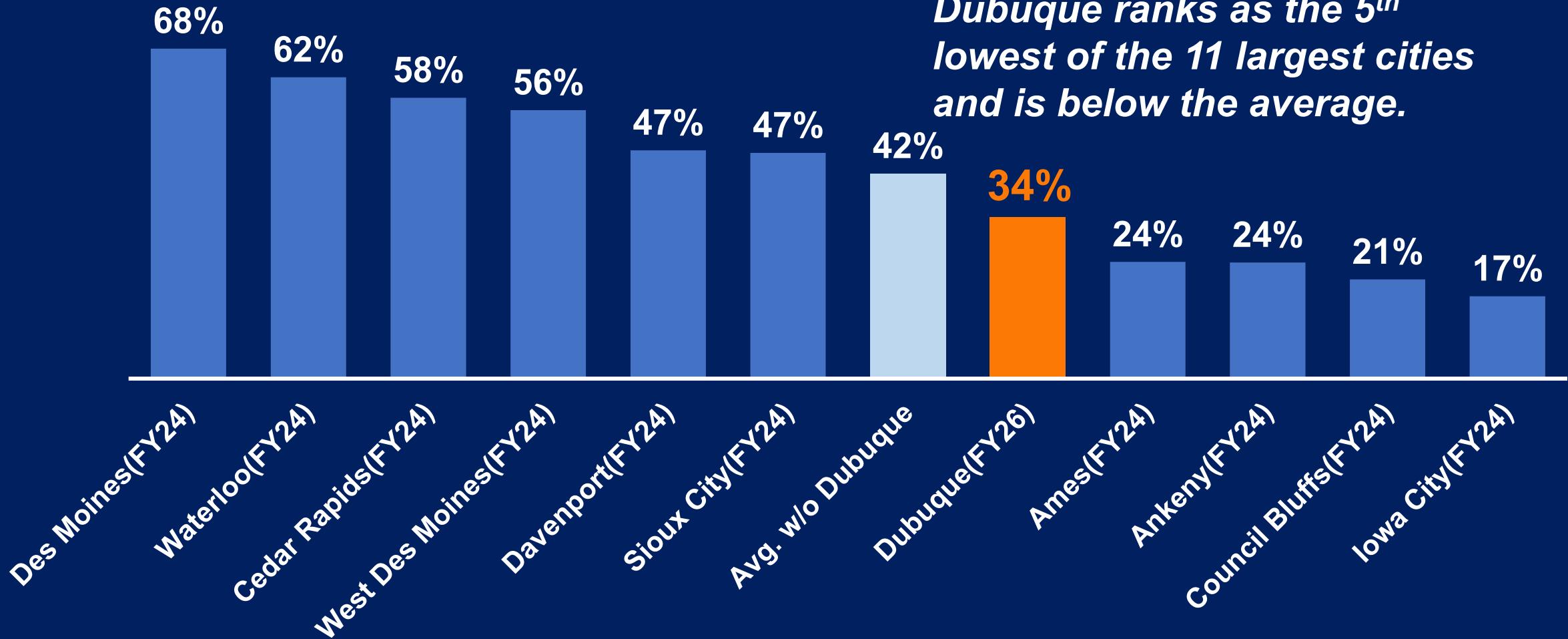


- The total City indebtedness as of June 30, 2026, is projected to be \$289,568,909 (33.50% of statutory debt limit).
- The total City indebtedness as of June 30, 2015, was \$295,561,181 (90% of statutory debt limit).
- The City is projected to have \$8,483,725 more in debt as of June 30, 2026, as compared to 2025.

Retired Debt vs. New Debt *(in millions)*



Percentage of Legal Debt Limit Utilized



Dubuque ranks as the 5th lowest of the 11 largest cities and is below the average.

Des Moines is 104% higher and the average is 27% higher than Dubuque

Statutory Debt & Total Debt



FY2015: Dubuque used 90% of statutory debt limit

FY2026 Budget Recommendation: use of statutory debt limit is 33.50%

By the end of the recommended 5-Year CIP budget in FY2030, the Dubuque would be at 32.90% of statutory debt limit.

Projections out 10 years to FY2035 show Dubuque at 19.66% of statutory debt limit

General Fund Reserves

- Moody's Investor Service recommends a 35% General Fund Operating Reserve for "AA" rated cities.
- In July 2023, Moody's Investor Service **upgraded** the City's outstanding general obligation bonds from **Aa3** to **Aa2**, as well as the outstanding Sales Tax Increment Revenue bonds from **A2** to **A1**.
- In January 2025, Moody's Investor Services **affirmed** Dubuque's **Aa2** credit rating

“...the City of Dubuque’s local economy benefits from its role as a regional economic center, with solid resident income and full value per capita. Financial operations are strong and will remain so despite declines in fund balance over the next few years, as it expends funds from the pandemic. Long-term liabilities and fixed cost ratios are moderate and will remain so despite future borrowing needs.”

General Fund Reserve Projections



	City's Spendable General Fund Cash Reserve	% of Projected Revenue	Moody's New Methodology
FY2025	\$38,026,193	44.41%	58.25%
FY2026	\$32,226,193	37.64%	54.09%
FY2027	\$32,226,193	37.64%	49.92%
FY2028	\$32,226,193	37.64%	45.76%
FY2029	\$26,388,917	37.64%	41.59%
FY2030	\$32,226,193	37.64%	39.80%

Recommended 5-Year Capital Improvement Program

Recommended 5-Year CIP

Emphasis is modernization, maintenance, and extension of sanitary sewer system to accommodate growth the City is currently experiencing and anticipating

CIP Budget:

From Jan. 2025 – Dec. 2029, the City will spend over **\$131 million** on sanitary sewer and wastewater treatment plant improvements.

Recommended 5-Year CIP



- City will issue \$152,147,710 in new debt in the recommended 5-year CIP.
- City will retire \$139,519,604 of existing debt
- Increase of City debt by \$12,628,106

Recommended 5-Year CIP



For FY2026, the City's use of the statutory debt limit would be 33.50%.

By the end of the recommended 5-Year CIP budget in FY2030, the City would be at 32.90% of the statutory debt limit.

Recommended 5-Year CIP



Strategic Use of Debt for Infrastructure Projects:

1. The older a piece of infrastructure gets and the more it is allowed to deteriorate, the more costs increase
2. The longer the wait to invest in infrastructure, the more costs are increased by inflation
3. If the investment in infrastructure is not made in this interest rate environment, it will eventually need to be made when interest rates could be potentially higher, thereby increasing costs
4. The massive amount of federal grant money that is being made available

Recommended 5-Year CIP

The City will issue \$152,147,710 in new debt in the Recommended 5-year CIP, mostly for:

- **Sanitary Sewer Projects \$78,399,027**
- **Five Flags Renovation \$22,890,869**
- **Water Projects \$15,956,673**
- **Fire Equipment & Improvements \$7,159,368**
- **Central Ave Corridor \$6,440,000**
- **Federal Building Renovation \$5,640,000**
- **Parking Ramp Maintenance \$5,240,000**
- **Airport Improvements \$2,291,499**
- **Park Development \$2,202,000**

Major Projects Included in 5-Year CIP



- **Catfish Creek Sewershed Interceptor Sanitary Sewer Improvements: \$47 million total**
- **Water & Resource Recovery Center High Strength Waste: \$6.2 million total**
- **Water & Resource Recovery Center Industrial Controls Update: \$3 million total**
- **Water & Resource Recovery Center BOD Capacity Upgrades: \$1.1 million total**

Major Projects Included in 5-Year CIP



- **Southwest Arterial Water Main Extension:** \$1.7 million total
- **Private Lead Water Service Line Replacement Project:** \$5.7 million total
- **Source Water PFAS Reduction Project:** \$9.5 million total
- **Water Third Pressure Zone Connection (from Tanzanite Drive to Olympic Heights):** \$2 million total

Major Projects Included in 5-Year CIP



- Kerper Blvd. Sanitary Sewer Lift Station Replacement: \$1.5 million ARPA Grant (Total project cost = \$1.5 million)
- Bee Branch Gate & Pump Replacement: \$28.2 million total (\$8 million US EDA Grant)
- 14th Street Overpass: \$43 million total
 - \$25 million RAISE Grant
 - \$9.2 million DMATS
 - Support from Dubuque Racing Association

Major Projects Included in 5-Year CIP



Northwest Arterial & US20/Dodge Street Intersection Improvements: \$17.5 million total

- **\$12 million Iowa DOT allocation, \$5.5 million City contribution**

Streets

- **10 miles of asphalt overlay projects by Public Works**
- **14th Street Overpass, Roundabouts, & Related
Improvements: \$43 million**
- **Central Avenue Corridor Improvements: \$8.2 million of \$22
million total**

Improvement Packages



For FY2026 there are \$2,309,628 in general fund improvement **requests**, of which \$1,714,247 are recurring and \$595,380 are non-recurring.

There is \$261,720 **recommended** in non-recurring and \$661,356 in recurring improvements.

If the City Council approves the budget recommendation, it will support continued investment in the 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.