State of the City

City of East Dubuque - October 2026

A Message to East Dubuque Residents

Over the past three years, with leadership from the City Council and active citizens, East Dubuque has undergone a remarkable transformation. Through responsible financial management, strategic investments, and a commitment to transparency, the City has moved from uncertainty to financial stability and cut property taxes while making investments in public safety, infrastructure, and economic development.

This report highlights the progress we've made and the strong foundation we've built together.

Mayor John Digman

Financial Stability

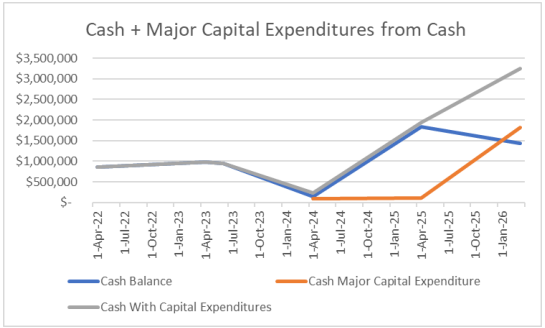
In 2023, the City's financial outlook was bleak:

- The Operating Budget was more than **$1 million in deficit**.
- The Sewer Fund operated at a **$170,000 deficit**.
- The Economic Development Fund (½-cent Sales Tax Fund) was nearly **$500,000 in deficit**.
- City account balances did not meet state-required TIF reserve obligations for infrastructure and economic development.
- Financial conditions were so strained that lenders were unwilling to provide financing to the City.

Today: A Strong Financial Position

Three years later, East Dubuque's finances have been stabilized and strengthened.

- **City property taxes have been cut 5%** each of the last two years.
- The Operating Budget now maintains a **positive balance approaching $150,000**.
- All City accounts are balanced.
- Combined City accounts hold a **positive balance exceeding $2.3 million**.
- TIF accounts maintain balances exceeding **$1.7 million**.
- A dedicated vehicle replacement reserve has been established for future purchases.
- The City has invested available funds, generating additional returns for taxpayers.



Responsible Debt Reduction

In 2023, the City anticipated borrowing substantial amounts for critical public safety and equipment needs:

- More than **$10 million** for new police and fire facilities.
- Approximately **$1.5 million** for replacement fire apparatus that alone would have raised city property taxes 24%.
- Approximately **$80,000** for police vehicle replacements.

Since Then

The City has focused on reducing debt while continuing to invest in essential services.

Accomplishments include:

- Funding the renovation and expansion of the Emergency Services Building for approximately **$4.5 million** through a combination of cash and bond financing.
- Paying off the City Hall mortgage ahead of schedule.
- Paying off the sweeper truck ahead of schedule.
- Preparing to pay off the Vactor truck ahead of schedule.
- Replacing two 1996 fire trucks, with only a partial zero-interest loan remaining on one vehicle.
- Purchasing a new police cruiser with cash.
- Purchasing a new plow/dump truck with cash.
- Constructing a new downtown parking lot with cash.
- Establishing reserves for future vehicle purchases to minimize borrowing.



By the end of the current fiscal year, the City's only market-rate debt will be the Emergency Services Building bond. Remaining obligations will consist primarily of low-interest state financing at approximately 1% interest.

Commitment to Transparency and Accountability

Transparency and accountability are essential components of good government.

In 2023

- Monthly financial records could not be balanced.
- Annual audits were delayed nearly a year.

- City Council meetings were frequently cancelled.

In 2026

- Financial records are balanced and reconciled every month.
- Annual independent audits are completed and have been clean.
- Budget updates are publicly reviewed at least quarterly.
- No City Council meeting has been cancelled in more than three years.

These improvements ensure residents have regular access to the information needed to understand how public resources are being managed.



Economic Development and Community Growth

For nearly fifteen years, little to no new commercial construction occurred within East Dubuque's business district.

That trend has changed dramatically.

Recent Achievements

- Two new commercial buildings have been constructed within the past two years.
- These developments have created space for **four new businesses**.
- Private investment in new construction and restoration projects has exceeded **$10 million** in the downtown business district.
- More than a dozen local businesses have participated, or plan to participate, in the City's Façade Improvement Grant Program.
- Significant improvements to storefronts and building exteriors are enhancing the appearance and vitality of the downtown area.

Looking Ahead

The River Ridge Estates development represents one of the most significant residential investments in recent years.

The project is expected to:

- Add more than **30 new homes** to the community.
- Generate over **$12 million in private investment**.
- Expand housing opportunities for current and future residents.



Emergency Services Building:

Preserving History, Enhancing Public Safety

One of the City's most significant accomplishments has been the completion of the Emergency Services Building project.

The facility will:

- Serve as the home of both the Police Department and Fire Department.
- Provide a large gathering space for community organizations and events.
- Enhance coordination between emergency service agencies.
- Preserve one of East Dubuque's most recognizable historic structures.

Saving Millions Through Innovation

The City reduced project costs substantially by:

- Restoring the original 1892 Fire Station rather than demolishing it.
- Connecting the historic station to the current fire station.
- Consolidating police and fire operations in a single shared facility.

Prior plans had called for demolition of the historic 1892 fire station and replacement with a basic pole-style structure. The City instead chose to preserve a landmark that has been part of East Dubuque's identity for more than a century.

The alternative approach also would have scattered government functions across multiple locations, potentially occupying valuable business district properties. By consolidating operations in a single building, East Dubuque preserved downtown space for private investment and business growth.

Today, the restored 1892 Fire Station once again serves as a centerpiece of city history while helping meet the public safety needs of future generations.

Looking Forward

East Dubuque's story over the past three years is one of responsible stewardship, fiscal discipline, and community investment.

From balancing budgets and reducing debt to strengthening public safety and encouraging private investment, the City has created a foundation for long-term success. While challenges always remain, East Dubuque is better positioned than it has been in many years to pursue growth, maintain excellent public services, and preserve the character that makes our community a special place to live, work, and raise a family.

Together, we are building a stronger East Dubuque.

We're moving forward together!