

## 2009 STATEMENT TO THE CITY OF DES MOINES

For 88 years, the Polk-Des Moines Taxpayers Association's philosophy has been based on the principle that good government is the business of every citizen. The Association promotes sound fiscal policies that are tied to effective and efficient government. The Association strives to promote taxpayer awareness and foster intergovernmental cooperation.

The purpose of a budget is to provide a statement expressed in financial terms, which serves as the primary tool for planning and controlling operations. To achieve this basic purpose, a comprehensive budget must be developed, and then approved, to insure that the objectives of planning, coordinating, evaluation and control are obtained.

The Polk-Des Moines Board of Directors voted to SUPPORT the proposed budget for FY 2009/2010. The Association commends the City Council for taking their stand to keep the total levy rate for the next fiscal year the same as it is this year. Times of crisis lead to times of change. With strong leadership from the Council, and good management from the administration, the City of Des Moines can come out of this current economic situation stronger and better than ever.

Terminating employees is always a difficult thing to do. The Association believes that this time it was the right thing to do. Des Moines MUST get leaner and more efficient to stay competitive. The Association continues to encourage the council and administration to look for better ways to provide the services that you do, since across-the-board cuts are NOT the way to balance a budget. Privatization can be a good route to take, but it is not a panacea. Contracts must be carefully written and the contractor's performance be monitored and evaluated.

The Association is pleased to understand that starting early this spring you will be looking for suggestions from the public, internally, and perhaps even from outside experts on how to control expenses and become even more effective. Your benchmarking and performance measures should enable the City to identify problems in the process, analyze the workforce, provide feedback to your workers, eliminate duplication and overlapping job responsibilities, and help set priorities that lead to solutions on the issues that are facing you.

The Des Moines budget workshops are a great tool and provide an excellent example for the rest of the metro area communities. This year the City of Ankeny has replicated your efforts. Our members want to thank all of you for the time you take to be involved in these discussions.

The Association commends, and continues to support, your efforts at the Legislature to diversify the revenue streams that are available to Iowa's cities. Cities are the economic development engine that drives the state's economy. They need more tools if they are to continue to be strong and vibrant.

The Association was concerned when it first heard that \$1 million of Gaming funds - funds that are now currently being used for repair and construction of roads and bridges - was being transferred to the Operational budget. We have been assured that these funds will not go toward on-going salaries and benefits, but will instead be used for materials only.

The City of Des Moines faces challenges with its limited growth in Taxable Valuation. The change in the Rollback back to 45.6% will help a little to offset possible decreases in Residential Value due to foreclosures and other issues caused by the economy. The vacancy rate in the downtown office buildings also is a concern to our members. The positive manner in which the City Manager addressed our questions on these matters mitigated our unease with this situation.

For many, many years, the Association has promoted collaboration among the metro area governments. Every year we urge that all of the local governments in the metro area seek ways to cooperate. We'd be remiss if we did not thank you for your past efforts and once again exhort the City of Des Moines to keep a positive attitude, be a leader, and find ways to team up with other entities, for all of central Iowa is in this together.

**CITY OF DES MOINES  
BUDGET SUMMARY**

	ACTUAL FY05/06	ACTUAL FY06/07	% OF CHANGE	ACTUAL FY07/08	% OF CHANGE	RE-EST FY08/09	% OF CHANGE	PROPOSED FY09/10	AMOUNT CHANGE	% OF CHANGE
TOTAL VALUATION	\$ 8,651,185,248	\$ 8,657,621,277	0.1%	\$ 8,831,750,616	2.0%	\$ 9,585,387,264	8.5%	\$ 10,704,281,464	\$ 1,118,894,200	11.7%
REGULAR TAXABLE VALUATION	5,285,047,624	5,523,281,681	4.5%	5,622,177,693	1.8%	5,868,227,590	4.2%	6,006,513,764	148,286,174	2.5%
TIF VALUATION	488,199,515	594,194,445	21.7%	584,899,190	-1.6%	638,614,150	9.2%	711,108,790	72,494,640	11.4%
LEVY RATE	16.52000	16.45083	-0.4%	16.59039	0.8%	16.57606	-0.1%	16.57614	0	0.0%
PROPERTY TAX LEVY:	85,923,452	89,945,310	4.7%	92,723,803	3.1%	97,495,448	5.1%	100,458,459	2,963,011	3.0%
% OF OPERATING REVENUE	23.6%	25.9%	9.7%	26.1%	1.0%	23.1%	-11.5%	25.2%	2.1%	9.3%
TOTAL REVENUE	411,317,893	523,477,057	27.3%	483,325,972	-7.7%	486,637,248	0.7%	485,948,711	\$ (688,537)	-0.1%
TOTAL EXPENDITURE	394,495,189	468,259,540	18.7%	493,967,636	5.5%	558,294,158	13.0%	483,629,718	(74,664,440)	-13.4%
TOTAL FUND BALANCE	90,020,511	174,087,840	93.4%	163,446,176	-6.1%	91,789,266	-43.8%	94,108,259	2,318,993	2.5%
FUND BALANCE RESERVE	22.8%	37.2%	62.9%	33.1%	-11.0%	16.4%	-50.3%	19.5%	3.0%	18.4%
BEGINNING GENERAL FUND BALANCE	\$12,170,305	13,405,772	10.2%	14,445,379	7.8%	14,944,251	3.5%	14,087,010	\$ (857,241)	-5.7%
REVENUE	105,743,403	130,356,567	23.3%	134,288,467	3.0%	110,223,313	-17.9%	112,254,470	2,031,157	1.8%
EXPENDITURE	126,870,366	129,316,960	1.9%	133,789,595	3.5%	133,120,648	-0.5%	135,236,933	2,116,285	1.6%
TRANSFERS IN/OUT	21,452,214	-	0.0%	-	0.0%	22,040,094	0.0%	24,026,802	1,986,708	9.0%
ENDING GENERAL FUND BALANCE	12,495,556	14,445,379	15.6%	14,944,251	3.5%	14,087,010	-5.7%	15,131,349	1,044,339	7.4%
GENERAL FUND BALANCE RESERVE	9.8%	11.2%	13.4%	11.2%	0.0%	10.6%	-5.3%	11.2%	0.6%	5.7%
OPERATING REVENUE	\$364,507,286	\$347,825,129	-4.6%	\$355,003,099	2.1%	\$421,915,911	18.8%	\$397,865,579	\$ (24,050,332)	-5.7%
OPERATING EXPENDITURE	255,659,828	238,748,352	-6.6%	275,000,266	15.2%	302,341,939	9.9%	287,652,754	(14,689,185)	-4.9%
POPULATION:	193,576	193,886	0.2%	196,998	1.6%	196,998	0.0%	196,998	\$ -	0.0%
TAX REVENUE (per capita)	\$444	\$464	4.5%	\$471	1.5%	\$495	5.1%	\$510	\$15	3.0%
SALARIES & BENEFITS:	\$144,984,942	\$134,293,000	-7.4%	\$137,872,000	2.7%	\$142,321,000	3.2%	\$145,256,000	\$ 2,935,000	2.1%
% OF OPERATING EXPENDITURES	56.7%	56.2%	-0.8%	50.1%	-10.9%	47.1%	-6.1%	50.5%	0	7.3%
EMPLOYEES (FTE)	1,826	1,824	-0.1%	1,838	0.8%	1,836	-0.1%	1,741	(95)	-5.2%
AVERAGE PER FTE	\$79,400	\$73,626	-7.3%	\$75,023	1.9%	\$77,529	3.3%	\$83,433	\$5,904	7.6%
LONG-TERM BONDED DEBT:										
LEGAL LIMIT	\$432,559,262	\$432,881,064	0.1%	\$441,587,531	2.0%	\$479,269,363	8.5%	\$535,214,073	\$5,944,710	11.7%
DEBT OUTSTANDING	357,128,186	357,825,000	0.2%	363,820,000	1.7%	379,498,000	4.3%	388,846,000	9,348,000	2.5%
% OF LEGAL LIMIT	82.6%	82.7%	82.7%	82.4%	82.4%	79.2%	79.2%	72.7%	-6.5%	-8.2%