

STATEMENT TO THE CITY OF ANKENY

Last year at the Public Hearing on the proposed FY2009/10 budget, the Association commented favorably on the workshops that lead up to the final proposed document. Again this year we've found that the workshops and the day-long retreat to be valuable tools. The data and the discussions have been beneficial for everyone – Council, staff, and the public. You have the Association's support as you continue down the road to becoming a more efficient and effective government.

The Association wants to thank the City's union employees and staff for the end result on negotiations on the next set of contracts. The position that "we're all in this together" works to strengthen the entire fabric of the City. The efforts and attitudes of the non-union staff are also deeply appreciated. We'd also like to thank everyone for the money-saving ideas they've submitted to the staff. These could pay large dividends and will help with controlling costs in the years to come. The savings in health care costs is another positive action taken by the City. With only a budgeted 5% increase in Health Insurance, the City is doing an outstanding job controlling costs in this area.

FY2011/12 gives us cause for concern. Based on the current CIP, there may be the need for increases in the Debt Service Levy. The Council must continue to review the projected new facilities when it involves the Civic Trust Fund, focusing on priorities rather than "wants". Even with an increasing Rollback there may not be the increases in Taxable Valuation that Ankeny is used to seeing. This lack of growth adds additional stress on the budget. Capital purchases cannot be deferred forever. There have been preliminary discussions on adding staff. Along with the already approved increased in fees, the local tax burden may be approaching a critical threshold. The Council and administrators certainly have more hard work and tough decisions ahead of them.

A long-term worry is the effect of benefits and pension costs on the City's finances. Private sector employers have moved to defined contribution plans for some valid reasons. It is becoming more difficult to justify to your constituents – the taxpayers – the generous retirement benefits that are offered as a public sector employer. While pension contribution increases are out of the control of the City, the Association urges Ankeny to work hard to convince those decision makers at the next level to make incremental changes in the system immediately so that drastic changes do not need to be made later. Without changes to the current pension system, the day will come when either much more drastic changes must be made to the pension plan or Iowa's cities will be forced to be even more diligent to look for ways to reduce salary & benefit expenses.

**CITY OF ANKENY
BUDGET SUMMARY**

	ACTUAL FY06/07	ACTUAL FY07/08	% OF CHANGE	ACTUAL FY08/09	% OF CHANGE	RE-EST FY09/10	% OF CHANGE	PROPOSED FY10/11	AMOUNT CHANGE	% OF CHANGE
TOTAL VALUATION	\$2,448,438,412	\$2,761,087,066	12.8%	\$3,082,425,578	11.6%	\$3,270,172,872	6.1%	\$3,550,758,217	\$280,585,345	8.6%
REGULAR TAXABLE VALUATION	1,392,188,577	1,547,601,937	11.2%	1,687,233,461	9.0%	1,831,059,633	8.5%	1,939,329,047	108,269,414	5.9%
TIF VALUATION	137,270,000	139,675,000	1.8%	156,191,910	11.8%	156,056,000	-0.1%	171,913,600	15,857,600	10.2%
LEVY RATE	10.33956	10.28956	-0.5%	10.52956	2.3%	11.17646	6.1%	11.17646	0.00%	0.0%
PROPERTY TAX LEVY:	14,506,396	16,004,043	10.3%	17,827,956	11.4%	20,679,028	16.0%	21,871,531	1,192,503	5.8%
% OF OPERATING REVENUE	34.3%	30.0%	-12.6%	36.1%	20.5%	33.2%	-8.0%	29.7%	-3.53%	-10.6%
TOTAL REVENUE	90,706,332	93,544,187	3.1%	108,471,906	16.0%	81,399,838	-25.0%	104,618,335	\$23,218,497	28.5%
TOTAL EXPENDITURE	69,602,123	92,837,874	33.4%	123,335,167	32.9%	95,550,070	-22.5%	104,125,219	8,575,149	9.0%
TOTAL FUND BALANCE	67,083,983	67,790,296	1.1%	52,927,035	-21.9%	38,776,803	-26.7%	39,269,919	493,116	1.3%
FUND BALANCE RESERVE	96.4%	73.0%	-24.2%	42.9%	-41.2%	40.6%	-5.4%	37.7%	-2.87%	-7.1%
BEGINNING GENERAL FUND BALANCE	4,519,904	5,153,574	14.0%	5,548,536	7.7%	5,726,279	3.2%	5,001,979	(\$724,300)	-12.6%
REVENUE	16,042,566	17,218,585	7.3%	18,024,787	4.7%	18,303,632	1.5%	19,417,940	1,114,308	6.1%
EXPENDITURE	15,408,896	16,823,623	9.2%	17,847,044	6.1%	18,706,732	4.8%	19,129,769	423,037	2.3%
TRANSFERS IN/OUT	-	-	0.0%	-	0.0%	(321,200)	0.0%	(325,450)	(4,250)	1.3%
ENDING GENERAL FUND BALANCE	5,153,574	5,548,536	7.7%	5,726,279	3.2%	5,001,979	-12.6%	4,964,700	(37,279)	-0.7%
GENERAL FUND BALANCE RESERVE	33.4%	33.0%	-1.4%	32.1%	-2.7%	26.7%	-16.7%	26.0%	-0.79%	-2.9%
OPERATING REVENUE	\$42,295,877	\$53,372,151	26.2%	\$49,350,095	-7.5%	\$62,249,838	26.1%	\$73,656,335	\$11,406,497	18.3%
OPERATING EXPENDITURE	29,119,397	32,362,041	11.1%	34,323,871	6.1%	36,318,638	5.8%	37,594,379	1,275,741	3.5%
POPULATION:	38,726	40,582	4.8%	41,300	1.8%	42,000	1.7%	43,000	\$1,000	2.4%
TAX REVENUE (per capita)	\$375	\$394	5.3%	\$432	9.5%	\$492	14.1%	\$509	16	3.3%
SALARIES & BENEFITS:	\$14,512,608	\$16,001,126	10.3%	\$16,875,709	5.5%	\$18,568,388	10.0%	\$18,930,571	\$362,183	2.0%
% OF OPERATING EXPENDITURES	49.8%	49.4%	-0.8%	49.2%	-0.6%	51.1%	4.0%	50.4%	-0.8%	-1.5%
EMPLOYEES (FTE)	182.75	195.50	7.0%	197.75	1.2%	204.25	3.3%	204.25	-	0.0%
AVERAGE PER FTE	\$79,412	\$81,847	3.1%	\$85,339	4.3%	\$90,910	6.5%	\$92,683	1,773	2.0%
LONG-TERM BONDED DEBT:										
LEGAL LIMIT	\$122,421,921	\$138,054,353	12.8%	\$154,121,279	11.6%	\$163,508,644	6.1%	\$177,537,911	14,029,267	8.6%
DEBT OUTSTANDING	95,010,000	117,415,000	23.6%	126,695,000	7.9%	134,102,000	5.8%	132,742,000	(1,360,000)	-1.0%
% OF LEGAL LIMIT	77.6%	85.0%	9.6%	82.2%	-3.3%	82.0%	-0.2%	74.8%	-7.25%	-8.8%