

STATEMENT TO POLK COUNTY

In February, Association members met with County representatives to discuss the proposed budget for FY2010/2011. While there are several issues that cause much concern, overall the Association holds the opinion that the Supervisors have provided good leadership and that the administration has done an outstanding job. The County's AAA Bond Rating reflects well on the actions of both. Therefore, the Taxpayers Association voted to SUPPORT the proposed FY2010/2011 budget.

The Association recommends that all local governments engage in cooperative measures with their neighboring governments where and when possible. Collaboration usually means providing better service to the taxpayers at a lower cost. While Polk County does have a large number of 28E agreements with surrounding governments, it is the Association's opinion that there are still many more opportunities available. Dallas, Story, Jasper, and Warren counties no doubt offer possibilities that the Supervisors and staff should seriously investigate.

Our discussion on the future of property tax valuations generates apprehension among the members in the near-term. Zero or little growth in that revenue stream will make it extremely hard to balance the budget in the face of increasing demands on the services provided by the County due to the recession's ripple effect through the economy. Mental Health and the Jail are other examples of potential additional demands. Your Reserves, currently still in good shape, are not endless, and must be carefully and wisely spent in order to maintain your AAA bond rating and preserve sufficient dollars for cash flow.

The effect of benefits and pension costs on the County's finances is increasing. 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 County, the Association urges Polk County 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. As the largest county, Polk County should be a leader in educating legislators, the members of the plans, and the general public, in that these plans are not sustainable without substantial costs increases to every other government in Iowa. 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 governments will be forced to be even more diligent to look for ways to reduce salary and benefit expenses.

Hy Vee Hall and the Wells Fargo Arena continue to be a success story for Polk County. The update shared at the February 24 workshop contained much good news on Revenues. The Association wants to thank the Supervisors for their decision and Global Spectrum for their hard work and dedication to making it such an achievement.

Polk County also has a history of many positive accomplishments in the area of economic development. The Balanced Growth idea has worked well as have grants or loans to various groups. The Association encourages you to continue to look for ways to expand business, housing, and the tax base.

Every organization, from Apple to Xerox in business, and governments at every level, needs benchmarking data and performance measures so it can tell how well it is doing its job. Each department, whether under an Elected Official or under the Supervisors, needs to develop a list, then make that a part of their budget presentation along with their Accomplishments. As an example of how valuable this can be, the operation of the Jail has certainly benefited from the data collected by the Sheriff's Office.

In closing, I'd like to thank Supervisor's Brownell and Giovannetti and Mr. Olson and MS. Anderson for meeting with us. The Association values the professional relationship we have with numerous employees throughout Polk County and with the Elected Officials.

**POLK COUNTY
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
100% VALUATION	\$ 24,833,999,239	\$ 25,929,680,753	4.4%	\$ 27,048,598,042	4.3%	\$ 30,896,973,162	14.2%	\$ 31,771,866,763	\$ 874,893,601	2.8%
TAXABLE VALUATION	14,996,069,732	15,569,066,512	3.8%	\$16,411,749,613	5.4%	\$17,228,943,607	5.0%	\$18,011,713,959	\$782,770,352	4.5%
LEVY RATES:										
CITIES	6.34845	6.84207	7.8%	6.84207	0.0%	6.83696	-0.1%	6.82855	(0.008)	-0.1%
TOWNSHIPS	10.94207	11.43569	4.5%	11.43569	0.0%	11.38855	-0.4%	11.38014	(0.008)	-0.1%
PROPERTY TAX LEVY:	98,107,703	109,731,765	11.8%	115,828,105	5.6%	122,080,748	5.4%	127,624,488	5,543,740	4.5%
% OF TOTAL REVENUE	37.2%	53.3%	43.3%	53.4%	0.2%	52.6%	-1.5%	56.0%	3.4%	6.4%
UTILITY REPLACEMENT EXCISE TAX	3,698,640	3,936,202	6.4%	4,176,052	6.1%	4,223,294	1.1%	4,018,376	(204,918)	-4.9%
PROP. TAX REVENUES W/ UTILITY TAX	95,027,678	106,612,981	12.2%	113,017,827	6.0%	118,550,908	4.9%	124,020,777	5,469,869	4.6%
TOTAL REVENUE	\$ 263,824,897	\$ 205,909,818	-22.0%	\$ 216,949,549	5.4%	\$ 232,133,178	7.0%	\$ 228,008,746	\$ (4,124,432)	-1.8%
TOTAL EXPENDITURE	232,067,024	248,092,669	6.9%	238,685,421	-3.8%	244,705,009	2.5%	244,078,472	(626,537)	-0.3%
OTHER FINANCING SOURCES	6,563,701	8,440,616	#REF!	14,703,677	74.2%	14,894,991	1.3%	14,255,468	(639,523)	-4.3%
NET GAIN (LOSS)	38,321,574	(33,742,235)	-188.1%	(7,032,195)	-79.2%	2,323,160	-133.0%	(1,814,258)	(4,137,418)	-178.1%
TOTAL FUND BALANCE	98,936,284	65,194,049	-34.1%	58,161,854	-10.8%	60,485,014	4.0%	58,670,756	(1,814,258)	-3.0%
FUND BALANCE RESERVE	42.6%	26.3%	-38.4%	24.4%	-7.3%	24.7%	1.4%	24.0%	-0.7%	-2.8%
GENERAL FUND REVENUE	\$ 117,362,526	\$ 128,080,623	9.1%	\$ 128,948,574	0.7%	\$ 139,558,072	8.2%	\$ 142,352,552	\$ 2,794,480	2.0%
GENERAL FUND EXPENDITURE	112,780,378	118,303,666	4.9%	129,386,165	9.4%	137,454,100	6.2%	141,370,241	3,916,141	2.8%
OTHER FINANCING SOURCES	(947,984)	(6,730,460)	0.0%	(3,284,133)	0.0%	(3,223,720)	0.0%	(1,256,886)	1,966,834	-61.0%
NET GAIN (LOSS)	3,634,164	3,046,497	-16.2%	(3,721,724)	-222.2%	(1,119,748)	-69.9%	(274,575)	845,173	-75.5%
GENERAL FUND BALANCE	38,006,162	41,052,659	8.0%	37,330,935	-9.1%	36,211,187	-3.0%	35,936,612	(274,575)	-0.8%
FUND BALANCE RESERVE	33.7%	34.7%	3.0%	28.9%	-16.9%	26.3%	-8.7%	25.4%	-0.9%	-3.5%
POPULATION ESTIMATES	404,860	408,714	1.0%	408,888	0.0%	408,888	0.0%	408,888	-	0.0%
TAX REVENUE (per capita)	\$ 242	\$ 268	10.8%	\$ 283	5.5%	\$ 299	5.4%	\$ 312	14	4.5%
SALARIES & BENEFITS:	\$ 77,675,480	\$ 80,918,673	4.2%	\$ 92,023,996	13.7%	\$ 93,255,165	1.3%	\$ 98,115,406	\$ 4,860,241	5.2%
% OF OPERATING EXPENDITURES	43.1%	42.0%	-2.5%	45.2%	7.6%	43.6%	-3.4%	44.9%	1.2%	2.8%
EMPLOYEES (FTE's)	1,072.6	1,083.1	1.0%	1,176.0	8.6%	1,224.0	4.1%	1,224.0	0.0	0.0%
ENTERPRISE FUND (VETS, CONV CTR)	26.5	25.5	-3.8%	12.0	-52.9%	11.0	-8.3%	10.0	-1.0	-9.1%
PART-TIME (FTE's)	42.4	45.6	7.5%	58.3	27.9%	63.7	9.3%	63.2	-0.5	-0.8%
AVERAGE PER FTE	\$ 69,664	\$ 71,692	2.9%	\$ 74,556	4.0%	\$ 72,420	-2.9%	\$ 76,224	\$ 3,804	5.3%
LONG-TERM BONDED DEBT:										
LEGAL LIMIT	\$ 1,241,699,962	\$ 1,296,484,038	4.4%	\$ 1,352,429,902	4.3%	\$ 1,544,848,658	14.2%	\$ 1,588,593,338	\$ 43,744,680	2.8%
DEBT OUTSTANDING	173,953,890	241,561,870	38.9%	230,395,925	-4.6%	213,759,205	-7.2%	194,811,410	(18,947,795)	-8.9%
% OF LEGAL LIMIT	14.0%	18.6%	33.0%	17.0%	-8.6%	13.8%	-18.8%	12.3%	-1.6%	-11.4%