

## STATEMENT TO THE ANKENY COMMUNITY SCHOOL DISTRICT

In the past three months, some Association members have met up to three times with Dr. Hansel. During those meetings he has done his best to keep our members up to date on the Debt Service fund, the Cash Reserve Levy, the revenue changes in State Foundation Aid that is received by the Ankeny district, facilities, and a large number of other issues. The Membership appreciates the relationship that has developed with the administration and all of the time that they commit to meeting with us. When the District tells us that they understand that this proposed property tax increase hurts the public, we say that “yes, probably even more that you imagine”. When we tell you that this is a very bad time to propose a tax increase, you told us you were in complete agreement. What we are facing in the Ankeny school district is a proposal for a maximum tax rate of \$22.35 – the highest school district tax levy rate in Polk County.

When the Polk-Des Moines Taxpayers Association reviews a government entity’s budget, the Association uses one of three recommendations. It can SUPPORT, ACCEPT or PROTEST a proposed budget. By supporting a budget, the Association believes that the entity has done a very good job of balancing needs with revenue. On the other extreme, when the evidence is established that policies were ignored or the budget lacks justification, the Association may protest a proposed budget. The middle ground of accepting a budget is that the Association understands and is assured that public officials have done a good job of due diligence. However, there is concern with some aspect of the budget such that the Association is not comfortable with actively supporting the budget. After the review of the Ankeny Community School District’s budget, the Association has voted to ACCEPT the budget.

The membership possesses a very good understanding the District’s current financial position. It understands the role of past decisions of the District, of the legislature’s - \$2.8 million in underfunding - and Governor’s actions – \$3.5 million reduction in expected State Aid - and the increase in the number of students attending the District – over \$2 million needed. We commend the steps that have been taken in the past to reduce expenditures and control the tax levy rate, and are very appreciative of the many actions that will be taken in the next fiscal year. But there has to be more done to reduce expenditures. We can't emphasize enough the deleterious effect this tax increase will have on the community. Residential property makes up 67% of the school district’s Taxable Valuation. The Rollback just went up to 47%, already making in effect, an increase in property taxes. Commercial property pays 100% making any tax increase twice as costly. This will seriously affect every company’s competitive advantage of being open for business in Ankeny and could possibly lead to higher unemployment in the community.

The City did its part to hold the line for 2010/2011. This was a year where they too faced challenges with pressing needs and long-term plans to move forward on capital projects. However, they took a hard line on spending and prioritized their needs, resulting in no increase in the levy rate.

What more can the school district do? The Association suggests that between now and the end of May, the Board consider a levy lower than the published maximum amount based on any new information that come to light or new ideas that may be suggested. The Association asks the Board to consider postponing the occupancy of the planned facilities by one year which will allow for a smaller increase – spreading \$4 million over four years instead of three. Furthermore: Are you able to put off the purchase of any high ticket items that are paid for out of the General Fund? Are there more cost-effective ways to do continuing education for the teachers? Are there people within the District that have the knowledge and skills and time that could do what outside consultants have done.

There is concern on the part of the Association that the cuts in revenue from the State may not be a temporary matter. The economy will get better to be sure, but there are many pressing issues

for the State, ranging from economic development to replenishing State reserves, in addition to K-12 funding. It is vital to prepare for future cuts now than be forced to react in a crisis mode, as Districts did this year.

Again, the Association appreciates the relationship that has developed between this group and the administration. We would like to thank Andy and Leslie for their time and comments at our Budget Review meeting that was held last week. I'd like to thank the Board for their attention to these comments.

**ANKENY COMMUNITY SCHOOL DISTRICT  
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
LEVY RATE	\$16.70202	\$17.90661	7.2%	\$19.58589	9.4%	\$19.84469	1.3%	\$22.34874	\$2,50405	12.6%
REGULAR TAXABLE VALUATION	\$1,576,520,597	\$1,733,617,954	10.0%	\$1,891,308,608	9.1%	\$2,041,628,301	7.9%	\$2,145,527,169	103,898,868	5.1%
TIF VALUATION	\$137,270,000	\$139,675,000	1.8%	\$155,762,910	11.5%	\$154,714,000	-0.7%	\$169,648,600	14,934,600	9.7%
PROPERTY TAX REVENUE:	\$26,402,668	\$31,146,772	18.0%	\$37,242,166	19.6%	\$40,765,506	9.5%	\$48,128,911	7,363,405	18.1%
% OF TOTAL REVENUE	24.4%	30.3%	24.2%	23.7%	-21.9%	40.9%	72.7%	30.0%	-10.9%	-26.6%
UTILITY REPLACEMENT EXCISE TAX	497,048	542,159	0.0%	605,378	0.0%	630,880	0.0%	673,686	42,806	6.8%
PROP TAX WITH UTILITY EXCISE TAX	\$26,899,716	\$31,688,931	17.8%	\$37,847,544	19.4%	\$41,396,386	9.4%	\$48,802,597	7,406,211	17.9%
ALL STATE AID:	\$30,752,286	\$33,703,888	9.6%	\$36,320,702	7.8%	\$32,820,347	-9.6%	\$43,007,254	\$10,186,907	31.0%
% OF REVENUE	28.5%	32.8%	15.4%	23.1%	-29.6%	32.9%	42.5%	26.8%	-6.1%	-18.6%
TOTAL REVENUE	\$108,086,959	\$102,635,575	-5.0%	\$157,160,667	53.1%	\$99,624,560	-36.6%	\$160,325,542	\$60,700,982	60.9%
TOTAL EXPENDITURE	\$84,811,029	\$121,837,194	43.7%	\$112,441,455	-7.7%	\$129,985,014	15.6%	\$169,611,160	39,626,146	30.5%
NET GAIN (LOSS)	\$23,275,930	(\$19,201,619)	-182.5%	\$44,719,212	-332.9%	(\$30,360,454)	-167.9%	(\$9,285,618)	21,074,836	-69.4%
TOTAL ENDING BALANCE*	\$53,501,175	\$34,299,556	-35.9%	\$79,018,768	130.4%	\$48,658,314	-38.4%	\$39,372,696	(9,285,618)	-19.1%
FUND BALANCE	63.1%	28.2%	-55.4%	70.3%	149.6%	37.4%	-46.7%	23.2%	-14.2%	-38.0%
GENERAL FUND REVENUE	\$55,018,028	\$59,794,094	8.7%	\$66,802,608	11.7%	\$67,908,943	1.7%	\$82,217,874	\$14,308,931	21.1%
GENERAL FUND EXPENDITURES	\$55,970,430	\$62,381,403	11.5%	\$69,881,542	12.0%	\$68,073,560	-2.6%	\$83,955,235	\$15,881,675	23.3%
NET GAIN (LOSS)	(\$952,402)	(\$2,587,309)	171.7%	(\$3,078,934)	19.0%	(\$164,617)	-94.7%	(\$1,737,361)	(\$1,572,744)	95.4%
GENERAL FUND BALANCE	\$7,568,221	\$4,980,912	-34.2%	\$1,901,978	-61.8%	\$1,737,361	-8.7%	\$0	(\$1,737,361)	-100.0%
GENERAL FUND BALANCE	13.5%	8.0%	-41.0%	2.7%	-65.9%	2.6%	-6.2%	0.0%	-2.6%	-100.0%
SOLVENCY RATIO	5.5%	3.1%	-43.2%	-0.9%	-129.0%	-4.0%	338.9%	10.0%	14.0%	-353.2%
INSTRUCTION COST:	\$38,250,114	\$42,088,602	10.0%	\$48,496,335	15.2%	\$47,529,195	-2.0%	\$60,728,944	\$13,199,749	27.8%
% OF TOTAL EXPENDITURES	45.1%	34.5%	-23.4%	43.1%	24.9%	36.6%	-15.2%	35.8%	-0.8%	-2.1%
% OF GENERAL FUND EXPENDITURES	68.3%	67.5%	-1.3%	69.4%	2.9%	69.8%	0.6%	72.3%	2.5%	3.6%
STUDENT (WEIGHTED) BUDGET ENROLLMENT	7,746	8,004	3.3%	8,339	4.2%	8,585	2.9%	8,956	371	4.3%
STATE AID: Allowable Growth in Cost Per Student	\$5,128	\$5,333	4.0%	\$5,546	4.0%	\$5,768	4.0%	\$5,883	\$115	2.0%
SALARIES & BENEFITS:	\$39,396,949	\$49,284,818	25.1%	\$54,072,135	9.7%	\$56,412,593	4.3%	\$59,181,655	\$2,769,062	4.9%
% OF EXPENDITURE	70.4%	79.0%	12.2%	77.4%	-2.1%	82.9%	7.1%	70.5%	-12.4%	-14.9%
EMPLOYEES (FTE):										
ADMINISTRATION	29.0	32.0	10.3%	32.0	0.0%	33.0	3.1%	32.0	(1.0)	-3.0%
INSTRUCTORS	482.2	508.3	5.4%	539.1	6.1%	542.6	0.6%	553.7	11.1	2.0%
SUPPORT	307.0	318.1	3.6%	325.1	2.2%	351.0	8.0%	402.0	51.0	14.5%
TOTAL STAFF	818.2	858.4	4.9%	896.2	4.4%	926.6	3.4%	987.7	61.1	6.6%
LONG-TERM BONDED DEBT:	\$22,524,368	\$18,550,000	-17.6%	\$82,770,000	346.2%	\$82,770,000	0.0%	\$82,770,000	\$0	0.0%