

STATEMENT TO POLK COUNTY

The Polk-Des Moines Taxpayers Association was founded in 1921. It is a private, independent, non-partisan organization whose purpose is the promotion of efficient and economical local government. The Association's philosophy is that good government is the business of every citizen. Sound fiscal policies are promoted and supported by an informed, broad-based membership, made up of community leaders and taxpayers.

Budgets are not just numbers. They express political choices. What should government do and who should pay? Many taxpayers complain, but overall don't seem bothered; otherwise we'd have more taxpayers who attend local government Public Hearings. Without Polk County having a very clear statement of its core mission, it is difficult to evaluate new spending that is piled on top of previous spending programs. Programs, even those that are outmoded or ineffective, are hard to end. Government acquires more and more functions because very few dare strip away any of the existing functions. There is an unstated presumption that gradual growth of government is unthreatening. The fact is we need to debate all possible consequences, and not be complicit in the outcomes.

The Polk-Des Moines Taxpayers Association voted to SUPPORT the proposed FY 2008/2009 budget with the expectation that there is a .10/\$1000 reduction in the levy rate OR that a solid plan to move forward on Polk County's core mission is developed, but that the General Fund Balance not be increased over the recommended 25% of Expenditures.

The Association is very pleased with County Manager Olson's work. The Supervisors made a wise choice when they hired him. We are delighted to learn of the work on a 5-year financial plan, are looking forward to the development of a business plan, and want to acknowledge the format change in the departmental budget presentations. The separation of the Operating budgets and the CIP is a positive step. The working relationship between Mr. Olson, his staff, and the Association has been very good.

The next twelve months will be interesting. Having no increase in Health Insurance costs for 2008/09 was a nice surprise, but one that will probably not happen again for the following year. What will happen to the local economy will also have an impact on next year. Jail operations cost estimates are still soft, but manageable, thanks to the hard work of Bill Vaughn, the Sheriff, and the Supervisors. Polk County will see changes thanks to the opening of the River Place facility. The members of the Taxpayers Association are looking forward to the new report on the Convention Complex. In addition there is the upcoming referendum on the courthouse issue.

In light of all of these factors, the Taxpayers Association recommends that the Supervisors and all Elected Officials look for ways to mitigate possible consequences and continue to collaborate and share services or functions. Now is the time to start talks with Dallas, Warren, and the other surrounding counties to find ways to work together. Now is the time to foster the talks between Polk County and the other local governments within its boundaries. Des Moines City Manager Rick Clark has indicated that he is

willing to meet with Mr. Olson to seek additional ways to work together, building on the foundation that was started a couple of years ago. Let's make progress every day.

The Association believes that jail should not be the only solution to a number of issues. We commend the fact that Mr. Mauro and Mr. Hockensmith traveled to another facility to view alternatives. We support those and similar efforts by Polk County to learn how to reduce the jail population and encourage all parties to institute programs that are less costly and more effective than incarceration.

Finally, the Association could not comment on the budget without also mentioning that we applaud the AAA bond rating.

**POLK COUNTY
BUDGET SUMMARY**

| | ACTUAL FY04/05 | ACTUAL FY05/06 | % OF CHANGE | ACTUAL FY06/07 | % OF CHANGE | RE-EST FY07/08 | % OF CHANGE | PROPOSED FY08/09 | AMOUNT CHANGE | % OF CHANGE |
|-----------------------------------|-------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|------------------|-------------|
| 100% VALUATION | \$ 20,691,426,164 | \$ 22,227,988,166 | 7.4% | \$ 24,833,999,239 | 11.7% | \$ 25,929,680,753 | 4.4% | \$ 27,048,598,042 | \$ 1,118,917,289 | 4.3% |
| TAXABLE VALUATION | 12,990,939,250 | 13,991,872,178 | 7.7% | 14,996,069,732 | 7.2% | 15,569,066,512 | 3.8% | 15,833,612,965 | 264,546,453 | 1.7% |
| LEVY RATES: | | | | | | | | | | |
| CITIES | 6.34845 | 6.34845 | 0.0% | 6.34845 | 0.0% | 6.84207 | 7.8% | 6.84207 | 0.0000 | 0.0% |
| TOWNSHIPS | 10.94207 | 10.94207 | 0.0% | 10.94207 | 0.0% | 11.43569 | 4.5% | 11.43569 | 0.0000 | 0.0% |
| PROPERTY TAX LEVY: | 87,952,832 | 91,360,000 | 3.9% | 98,107,703 | 7.4% | 109,731,765 | 11.8% | 115,828,105 | 6,096,340 | 5.6% |
| % OF TOTAL REVENUE | 53.4% | 48.7% | -8.7% | 37.2% | -23.7% | 53.1% | 42.8% | 53.6% | 0.5% | 0.9% |
| UTILITY REPLACEMENT EXCISE TAX | 3,641,531 | 3,601,509 | -1.1% | 3,698,640 | 2.7% | 4,010,994 | 8.4% | 4,176,052 | 165,058 | 4.1% |
| PROP. TAX REVENUES W/ UTILITY TAX | 91,594,363 | 94,961,509 | 3.7% | 95,027,678 | 0.1% | 106,305,353 | 11.9% | 112,823,720 | 6,518,367 | 6.1% |
| TOTAL REVENUE | \$ 164,806,146 | \$ 187,476,912 | 13.8% | \$ 263,824,904 | 40.7% | \$ 206,653,943 | -21.7% | \$ 216,286,539 | \$ 9,632,596 | 4.7% |
| TOTAL EXPENDITURE | 171,140,010 | 201,320,943 | 17.6% | 232,067,022 | 15.3% | 259,306,692 | 11.7% | 225,031,900 | \$ (34,274,792) | -13.2% |
| OTHER FINANCING SOURCES | - | - | N/A | 6,563,691 | N/A | 8,110,300 | 23.6% | 5,954,276 | \$ (2,156,024) | -26.6% |
| NET GAIN (LOSS) | (6,333,864) | (13,844,031) | 118.6% | 38,321,573 | -376.8% | (44,542,449) | -216.2% | (2,791,085) | \$ 41,751,364 | -93.7% |
| TOTAL FUND BALANCE | 40,895,037 | 27,051,006 | -33.9% | 98,936,282 | 265.7% | 54,393,833 | -45.0% | 51,602,748 | (2,791,085) | -5.1% |
| FUND BALANCE RESERVE | 23.9% | 13.4% | -43.8% | 42.6% | 217.3% | 21.0% | -50.8% | 22.9% | 2.0% | 9.3% |
| GENERAL FUND REVENUE | \$ 103,176,947 | \$ 108,445,596 | 5.1% | \$ 117,362,526 | 8.2% | \$ 126,805,785 | 8.0% | \$ 130,316,093 | \$ 3,510,308 | 2.8% |
| GENERAL FUND EXPENDITURE | 94,467,187 | 106,863,401 | 13.1% | 112,780,378 | 5.5% | 121,449,363 | 7.7% | 129,590,129 | 8,140,766 | 6.7% |
| OTHER FINANCING SOURCES | (5,688,326) | 803,051 | -114.1% | - | -100.0% | (5,871,237) | 0.0% | (2,525,764) | 3,345,473 | -57.0% |
| NET GAIN (LOSS) | 3,021,434 | 2,385,246 | -21.1% | 4,582,148 | 92.1% | (514,815) | -111.2% | (1,799,800) | (1,284,985) | 249.6% |
| GENERAL FUND BALANCE | 31,986,751 | 34,371,997 | 7.5% | 38,954,145 | 13.3% | 38,439,330 | -1.3% | 36,639,530 | (1,799,800) | -4.7% |
| FUND BALANCE RESERVE | 33.9% | 32.2% | -5.0% | 34.5% | 7.4% | 31.7% | -8.4% | 28.3% | -3.4% | -10.7% |
| POPULATION ESTIMATES | 397,152 | 401,006 | 1.0% | 404,860 | 1.0% | 408,714 | 1.0% | 408,888 | 174 | 0.0% |
| TAX REVENUE (per capita) | \$ 221 | \$ 228 | 2.9% | \$ 242 | 6.4% | \$ 268 | 10.8% | \$ 283 | \$ 15 | 5.5% |
| SALARIES & BENEFITS: | \$ 67,505,532 | \$ 75,082,232 | 11.2% | \$ 77,675,480 | 3.5% | \$ 81,658,050 | 5.1% | \$ 91,794,141 | \$ 10,136,091 | 12.4% |
| % OF OPERATING EXPENDITURES | 42.3% | 41.5% | -1.9% | 43.1% | 3.9% | 41.5% | -3.7% | 45.9% | 4.3% | 10.5% |
| EMPLOYEES (FTE's) | 1,053.0 | 1,054.0 | 0.1% | 1,072.6 | 1.8% | 1,083.1 | 1.0% | 1,166.0 | 82.9 | 7.7% |
| ENTERPRISE FUND (VETS, CONV CTR) | 72.1 | 28.1 | -61.0% | 26.5 | -5.7% | 25.5 | -3.8% | 26.1 | 0.6 | 2.4% |
| PART-TIME (FTE's) | 34.8 | 39.3 | 12.9% | 42.4 | 7.9% | 45.6 | 7.5% | 58.3 | 12.7 | 27.9% |
| AVERAGE PER FTE | \$ 62,057 | \$ 68,675 | 10.7% | \$ 69,664 | 1.4% | \$ 72,347 | 3.9% | \$ 74,977 | \$ 2,630 | 3.6% |
| LONG-TERM BONDED DEBT: | | | | | | | | | | |
| LEGAL LIMIT | \$ 1,034,571,308 | \$ 1,111,399,408 | 7.4% | \$ 1,241,699,962 | 11.7% | \$ 1,296,484,038 | 4.4% | \$ 1,352,429,902 | \$ 55,945,864 | 4.3% |
| DEBT OUTSTANDING | 313,142,908 | 244,162,200 | -22.0% | 173,953,890 | -28.8% | 241,561,870 | 38.9% | 253,644,310 | 12,082,440 | 5.0% |
| % OF LEGAL LIMIT | 30.3% | 22.0% | -27.4% | 14.0% | -36.2% | 18.6% | 33.0% | 18.8% | 0.1% | 0.7% |