

STATEMENT TO THE CITY OF URBANDALE

Since 1921, the Polk-Des Moines Taxpayers Association, a non-partisan, non-profit private organization, has been diligently working in the Des Moines metro area in support of good government. Its broad-based membership has encouraged sound fiscal policy by analyzing municipal budgets, following local governmental policies and practices, and performing independent research. The Association holds as its purpose the promotion of effective and efficient government that is conducted in full public view.

On February 16th, Mayor Andeweg and City Manger Layton and staff met with members of the Taxapyers Association to discuss the proposed 2007/2008 budget and to answer questions concerning a number of budget issues. After some discussion, the Polk-Des Moines Taxpayers Association voted to SUPPORT the proposed FY2007/2008 budget for the City of Urbandale with the following comments.

The increase in tax rate is of concern to the Association but the increase can be justified by the concern for public safety and the need for quicker response times by EMS personnel. It appears the increase in levy rate will be used to increase and equip the staff of the Fire Department that can no longer rely upon the services of paid-on-call volunteers.

The Association was pleased to learn that past actions by the City Council plus a year of lower than average claims has resulted in no major increases in this expense category. The Association urges the City to continue to be proactive in managing its health care costs.

The City of Urbandale continues to be a leader in the use of performance measures and benchmarking. Having these tools as a part of the budget document and actually used in the budget process helps to ensure logical and justifiable decisions. The Association urges the City Manager to constantly review the current measures and modify them as needed. The citizen survey is a good management tool, too. Perhaps in the future there will be a way to survey businesses. As the Rollback continues to shift the burden of property tax to commercial and industrial properties, the City should include in its presentations illustrations showing the affect of the increased tax rate on both Residential and Commercial properties.

The Association is concerned that many local municipal governments have had significant taxable valuation growth but still find it necessary to raise the levy rate. Increases in sewer, storm water, solid waste, and wastewater fees are tax increases, too. Our members understand that development drives both the need for infrastructure and services. Governments must have comprehensive long-term planning in order to deal effectively with these issues. The fact that Urbandale will have a planning session later this summer is encouraging. The Association endorses the use of modeling to anticipate the possibility of a slow down in taxable valuation and the impact of slower growth on future needs.

The Council and Manager have pushed to use technology as a productivity multiplier. There is also a strategic plan for technology. While technology is not cheap, today's operational climate means that it must be incorporated into daily use in order to enhance the effectiveness of the workforce. As you know all too well, salary and benefits constitute the largest share of General Fund expenditures.

On behalf of the members of the Polk-Des Moines Taxpayers Association, I would like to thank Mayor Andeweg for hosting the budget review meeting. I would also like to thank City Manager Layton and his staff for the excellent job that they do and the good working relationship they have with this organization. Finally, thanks to the Council for their attention to these remarks.

2-20-2007

**CITY OF URBAN DALE
BUDGET SUMMARY**

	ACTUAL FY03/04	ACTUAL FY04/05	% OF CHANGE	ACTUAL FY05/06	% OF CHANGE	RE-EST FY06/07	% OF CHANGE	PROPOSED FY07/08	AMOUNT CHANGE	% OF CHANGE
TOTAL VALUATION	\$ 2,531,073,053	\$2,252,566,240	-11.0%	\$2,372,572,852	5.3%	\$2,488,560,860	4.9%	\$2,850,775,595	\$362,214,735	14.6%
REGULAR TAXABLE VALUATION	1,489,088,352	1,534,787,772	3.1%	1,661,321,140	8.2%	1,839,837,907	10.7%	1,991,947,802	152,109,895	8.3%
TIF VALUATION	37,797,130	116,881,770	209.2%	92,806,000	-20.6%	117,432,360	26.5%	94,452,760	(22,979,600)	-19.6%
LEVY RATE	9.07000	9.07000	0.0%	9.07010	0.0%	9.07393	0.0%	9.22000	0.14607	1.6%
PROPERTY TAX LEVY:	12,996,990	13,574,751	4.4%	14,636,588	7.8%	16,384,618	11.9%	18,004,530	1,619,912	9.9%
% OF OPERATING REVENUE	40.6%	33.2%	-18.1%	31.0%	-6.8%	40.3%	30.1%	41.0%	0.73%	1.8%
TOTAL REVENUE	\$39,175,338	\$49,908,910	27.4%	\$52,463,511	5.1%	\$46,494,992	-11.4%	\$53,248,807	6,753,815	14.5%
TOTAL EXPENDITURE	35,312,905	49,956,799	41.5%	52,564,416	5.2%	48,575,616	-7.6%	57,171,500	8,595,884	17.7%
TOTAL FUND BALANCE	23,956,041	23,908,152	-0.2%	23,807,247	-0.4%	21,726,623	-8.7%	17,803,930	(3,922,693)	-18.1%
FUND BALANCE RESERVE	67.8%	47.9%	-29.5%	45.3%	-5.4%	44.7%	-1.2%	31.1%	-13.59%	-30.4%
BEGINNING GENERAL FUND BALANCE	\$4,115,994	\$5,448,381	32.4%	\$6,029,512	10.7%	\$6,037,739	0.1%	\$5,909,395	(\$128,344)	-2.1%
REVENUE	15,233,405	15,705,814	3.1%	16,780,112	6.8%	17,797,102	6.1%	19,056,566	1,259,464	7.1%
EXPENDITURE	13,901,018	15,124,683	8.8%	16,771,885	10.9%	17,925,446	6.9%	19,652,921	1,727,475	9.6%
TRANSFERS IN/OUT	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%
ENDING GENERAL FUND BALANCE	5,448,381	6,029,512	10.7%	6,037,739	0.1%	5,909,395	-2.1%	5,313,040	(596,355)	-10.1%
GENERAL FUND BALANCE RESERVE	39.2%	39.9%	1.7%	36.0%	-9.7%	33.0%	-8.4%	27.0%	-5.9%	-18.0%
OPERATING REVENUE	32,047,390	\$40,850,181	27.5%	\$47,281,385	15.7%	\$40,691,623	-13.9%	\$43,915,810	\$3,224,187	7.9%
OPERATING EXPENDITURE	25,329,678	30,371,586	19.9%	35,752,102	17.7%	34,122,567	-4.6%	35,246,065	1,123,498	3.3%
POPULATION:	31,804	33,170	4.3%	34,536	4.1%	35,904	4.0%	36,404	500	1.4%
TAX REVENUE (per capita)	\$409	\$409	0.1%	\$424	3.6%	\$456	7.7%	\$495	\$38	8.4%
SALARIES & BENEFITS:	\$9,821,990	\$10,376,682	5.6%	\$11,569,681	11.5%	\$12,565,241	8.6%	\$13,531,471	\$966,230	7.7%
% OF OPERATING EXPENDITURES	38.8%	34.2%	-11.9%	32.4%	-5.3%	36.8%	13.8%	38.4%	1.6%	4.3%
EMPLOYEES (FTE)	129.00	147.00	14.0%	138.00	-6.1%	144.00	4.3%	151.00	7	4.9%
AVERAGE PER FTE	\$76,139	\$70,590	-7.3%	\$83,838	18.8%	\$87,259	4.1%	\$89,612	\$2,354	2.7%
LONG-TERM BONDED DEBT:										
LEGAL LIMIT	\$126,553,653	\$112,628,312	-11.0%	\$118,628,643	5.3%	\$124,428,043	4.9%	\$142,538,780	\$18,110,737	14.6%
DEBT OUTSTANDING	37,232,317	32,920,000	-11.6%	46,820,000	42.2%	35,525,000	-24.1%	36,775,000	1,250,000	3.5%
% OF LEGAL LIMIT	29.4%	29.2%	-0.7%	39.5%	35.0%	28.6%	-27.7%	25.8%	-2.8%	-9.6%