

## STATEMENT TO THE CITY OF WEST DES MOINES

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 Friday, February 9<sup>th</sup>, the Association met with City staff and the Mayor to learn about the Revenues and Expenditures in the proposed budget for FY2007/2008 and to question the staff on why certain decisions and recommendations were made to the Council. As a result of the budget review session, the Taxpayers Association voted to SUPPORT the proposed FY2007/08 for the City of West Des Moines.

Surveys have always been an excellent tool for governments. The City of West Des Moines should be congratulated not only for having one done to assist in providing direction from the residents of West Des Moines to the elected officials and staff, but also for the very high level of satisfaction expressed by the citizens. This reflects well on the job that the Council and administrators are doing. The Association encourages the City to survey the business community since the commercial property comprises over 54% of the total taxable valuation in West Des Moines and is a leading contributor to the success of West Des Moines as highlighted on the financial Report Card prepared by the administration.

Last year the Association commented on the high costs of health insurance faced by all governments. West Des Moines has taken steps to become pro-active in reducing costs associated with health care for its employees. It appears the staff is working to find the best balance of wellness plans and incentives to motivate employees to stay healthy, and thus keep costs as low as possible. The Association suggests that perhaps programs used by one of the many West Des Moines businesses be studied so that limited tax dollars are spent wisely. The Taxpayers Association encourages the City to develop a plan where both the City and each employee share in the costs as well as the benefits of an effective insurance & wellness plan.

The City of West Des Moines participates in many cooperative ventures in the metro area. The Association has pushed this idea for many years and is pleased that this City has taken that advice to such an extent. However, cooperation with other governments is a journey and opportunities should be taken advantage of whenever possible.

This budget document contains performance measures for the various departments. Congratulations for doing that. The next step is to expand the number of meaningful measures, adjust those measures that are tracked when needed, and carefully analyze the results so that improvements in efficiency and savings in tax dollars are made the following year. If significant growth in population, valuations, and revenues suddenly slows or stops, by using benchmarking and performance measures it will be easier to plan for and make budget adjustments.

The Association noted the steps the staff is taking to reorganize some of the City's departments. The Association, upon discussing this with the City Manager, agrees that this step will provide benefits to the operation in these areas. One of the very important tasks of a manager is to constantly re-evaluate the operation and make changes when needed.

The City of West Des Moines has experienced dramatic growth. As a result, the citizens expect certain amenities and improvements in many areas including parks and other recreational venues. The Association reminds the City of West Des Moines not to forget this important quality-of-life issue. Also, perhaps it is time to create a separate, comprehensive, long-term CIP spending and construction document. The Association asks that you consider for FY2008/2009 two budget books – one for Operations and one for CIP.

West Des Moines continues to have an enviable ratio of Commercial & Industrial property taxable valuation to Residential taxable valuation. Because of that ratio and the heavy reliance of the property tax revenues stream to fund City functions, the Association again encourages the City to pay close attention to the effect of property taxes on these properties, continue to include in your illustrations the affect of any rate increase on both Residential and Commercial properties, and to take the lead in reforming Iowa's property tax system.

Finally, the Association could not comment on the Budget and the manner in which the City is managed without mentioning and praising the City for earning its AAA Bond rating from S & P.

**CITY OF WEST DES MOINES  
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	\$ 3,783,956,683	\$4,165,809,819	10.1%	\$4,338,594,882	4.1%	\$4,963,553,808	14.4%	\$5,269,296,213	\$305,742,405	6.2%
REGULAR TAXABLE VALUATION	2,282,936,120	2,847,315,920	24.7%	2,951,937,488	3.7%	3,343,564,823	13.3%	3,594,665,835	251,101,012	7.5%
TIF VALUATION	394,366,034	323,611,438	-17.9%	328,601,519	1.5%	480,857,196	46.3%	517,187,118	36,329,922	7.6%
LEVY RATE	11.60000	11.70000	0.9%	11.72541	0.2%	11.95000	1.9%	12.05000	0.10	0.8%
PROPERTY TAX LEVY:	26,708,446	29,553,518	10.7%	30,634,935	3.7%	35,176,833	14.8%	38,092,595	2,915,762	8.3%
% OF OPERATING REVENUE	40.0%	39.3%	-1.7%	41.5%	5.7%	41.7%	0.4%	40.1%	-1.5%	-3.7%
TOTAL REVENUE	109,553,748	78,384,131	-28.5%	79,956,547	2.0%	84,865,103	6.1%	100,941,075	16,075,972	18.9%
TOTAL EXPENDITURE	103,339,921	109,137,271	5.6%	83,166,132	-23.8%	93,020,627	11.8%	109,007,666	15,987,039	17.2%
TOTAL FUND BALANCE	102,868,249	72,115,109	-29.9%	68,905,524	-4.5%	60,750,000	-11.8%	52,683,409	(8,066,591)	-13.3%
FUND BALANCE RESERVE	99.5%	66.1%	-33.6%	82.9%	25.4%	65.3%	-21.2%	48.3%	-17.0%	-26.0%
BEGINNING GENERAL FUND BALANCE	\$8,584,107	\$8,100,995	-5.6%	\$8,620,778	6.4%	\$9,081,908	5.3%	\$9,609,898	\$527,990	5.8%
REVENUE	27,733,802	31,532,131	13.7%	38,785,194	23.0%	33,599,255	-13.4%	35,416,250	1,816,995	5.4%
EXPENDITURE	29,870,830	33,340,723	11.6%	38,324,064	14.9%	38,265,875	-0.2%	41,387,018	3,121,143	8.2%
TRANSFERS IN/OUT	1,653,916	2,328,375	40.8%	-	-100.0%	5,194,610	0.0%	5,972,500	777,890	15.0%
ENDING GENERAL FUND BALANCE	8,100,995	8,620,778	6.4%	9,081,908	5.3%	9,609,898	5.8%	9,611,630	1,732	0.0%
GENERAL FUND BALANCE RESERVE	27.1%	25.9%	-4.7%	23.7%	-8.3%	25.1%	6.0%	23.2%	-1.9%	-7.5%
OPERATING REVENUE	66,844,836	\$75,262,626	12.6%	\$73,804,578	-1.9%	\$84,440,103	14.4%	\$94,936,075	\$10,495,972	12.4%
OPERATING EXPENDITURE	39,420,566	46,478,032	17.9%	50,320,299	8.3%	56,852,035	13.0%	62,054,193	5,202,158	9.2%
POPULATION:	48,551	50,230	3.5%	52,076	3.7%	51,896	-0.3%	52,768	872.00	1.7%
TAX REVENUE (per capita)	\$550	\$588	7.0%	\$588	0.0%	\$678	15.2%	\$722	\$44	6%
SALARIES & BENEFITS:	\$21,658,509	\$24,328,402	12.3%	\$26,133,722	7.4%	\$30,397,747	16.3%	\$33,193,968	\$2,796,221	9.2%
% OF OPERATING EXPENDITURES	54.9%	52.3%	-4.7%	51.9%	-0.8%	53.5%	3.0%	53.5%	0.0%	0.0%
EMPLOYEES (FTE)	322.10	331.10	2.8%	336.10	1.5%	355.35	5.7%	361.10	5.75	1.6%
AVERAGE PER FTE	\$67,242	\$73,478	9.3%	\$77,756	5.8%	\$85,543	10.0%	\$91,925	\$6,381	7.5%
LONG-TERM BONDED DEBT:										
LEGAL LIMIT	\$189,197,834	\$208,290,491	10.1%	\$216,929,744	4.1%	\$248,177,690	14.4%	\$263,464,811	\$15,287,120	6.2%
DEBT OUTSTANDING	174,177,830	163,977,830	-5.9%	163,548,597	-0.3%	141,537,978	-13.5%	150,912,269	9,374,291	6.6%
% OF LEGAL LIMIT	92.1%	78.7%	-14.5%	75.4%	-4.2%	57.0%	-24.4%	57.3%	61.3%	0.4%