

STATEMENT TO THE CITY OF WEST DES MOINES

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. That's why elected officials devote little time addressing government spending. Generally, every new spending plan is simply piled on top of previous spending programs. What we get is government by accretion. Government acquires more and more functions because very few dare strip away any of the existing functions. Programs, even those that are outmoded or ineffective are hard to end. There is an unstated presumption that gradual growth of government is unthreatening. As the population increases, taxes for additional FTE's will rise. The increases could be substantial. The fact is that we need to debate all possible consequences, and not be complicit in the outcomes.

The Polk-Des Moines Taxpayers Association voted to SUPPORT the City of West Des Moines budget IF the Council cuts the current tax levy rate by .10/\$1000, with the difference in Revenue to be deducted from the Ending Balance.

- The taxpayers in West Des Moines saw their tax rate increase when DART started their own levy.
- The City's investment in TIF will pay off big in FY2009/2010 and again in FY2014/2015. The taxpayers deserve a little return on their investment in the growth of the community.
- The General Fund Balance is budgeted to be at 26%, above the 25% recommended by the International City/County Management Association. City staff has assured us that the City's AAA S & P Bond rating – reaffirmed this year - will not be affected by this small decrease in the Ending Balance.

Why not take this opportunity to lower the rate?

The CIP budget has us concerned. For the next three years the CIP budget is already committed, and the major focus is on new development. We'll repeat what we stated last year - all quarters of the city need equal attention, particularly parks, streets management, and city property management. The estimated replacement value in today's dollars, for the entire city public street network is \$523 million. 34.5% of that is estimated to be in average or below average condition. It is critical to keep this issue a priority while doing

long-range planning, and not be constantly focused on development and other short-term objectives.

The Polk-Des Moines Taxpayers highly recommends that your CIP planning process become a long-term focus, similar to Urbandale, who plans out the next ten years. The Parks Board, for example, has produced a list of needs totaling \$16 million. Also, we strongly recommend that you look at what Ankeny's accomplished at Prairie Ridge with their public/private partnership. Large needs such as these can be accomplished using private contributions as well as tax dollars.

An issue from last year is the need to communicate with businesses. The City survey is an excellent tool in hearing from homeowners. It is also important to hear from business owners, since the Rollback shifts the property tax burden to them. We are encouraged to find out that Mayor Gaer and City Manager Pomeranz have been talking to major business in response to our past comments. Please continue with your efforts to listen to the source of 60% of the City's Taxable Valuation

The Association appreciates the steps the City takes in its numerous collaborative endeavors. The City Manager's *Executive Overview* lists the many successful ventures in which West Des Moines takes part and, in many cases, leads the effort.

Mayor Gaer told us that Iowa's cities need alternative sources of revenue. The Association couldn't agree more. We have been a long-time advocate of this policy and will support West Des Moines' efforts in this direction, while always keeping in mind the overall tax burden on the citizens.

Besides growing in area and valuation, West Des Moines is also growing in population. This puts new requirements on the services provided to the citizens. To protect the citizens, Public Safety comes under scrutiny. There has been a shift from paid-on-call volunteers to a fulltime Fire/EMS force. The numbers of Police FTE's have also increased in response to this growth. Since people are the largest part of expenditures, care must be taken to control the growth of FTE's wherever and whenever possible. In addition, we encourage the City's efforts to align its wellness programs with the business model. Savings here mean savings for the taxpayers.

Finally, the Association wants to recognize the overall excellent job the Administration does in managing the city. The budget binder is outstanding. The additional material supplied to the Association's members is always very informative. Requests for information are handled in the most professional manner possible. From top to bottom, City staff is exceptional to work with, and the Association appreciates the relationship.

**CITY OF WEST DES MOINES
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
TOTAL VALUATION	\$4,165,809,819	\$4,338,594,882	4.1%	\$4,963,553,808	14.4%	\$5,269,296,213	6.2%	\$5,693,347,823	\$424,051,610	8.0%
REGULAR TAXABLE VALUATION	2,847,315,920	2,951,937,488	3.7%	3,343,564,823	13.3%	3,594,665,835	7.5%	3,820,324,623	225,658,788	6.3%
TIF VALUATION	323,611,438	328,601,519	1.5%	480,857,196	46.3%	517,187,118	7.6%	462,944,940	(54,242,178)	-10.5%
LEVY RATE	11.70000	11.72541	0.2%	11.95000	1.9%	12.05000	0.8%	12.05000	0.00	0.0%
PROPERTY TAX LEVY:	29,553,518	30,634,935	3.7%	34,337,982	12.1%	37,530,923	9.3%	40,783,461	3,252,538	8.7%
% OF OPERATING REVENUE	39.3%	41.5%	5.7%	38.5%	-7.1%	39.1%	1.4%	43.0%	3.9%	10.0%
TOTAL REVENUE	78,384,131	79,956,547	2.0%	94,081,783	17.7%	99,240,815	5.5%	124,060,802	24,819,987	25.0%
TOTAL EXPENDITURE	109,137,271	83,166,132	-23.8%	87,683,056	5.4%	114,571,518	30.7%	117,540,233	2,968,715	2.6%
TOTAL FUND BALANCE	72,115,109	68,905,524	-4.5%	75,304,251	9.3%	59,973,548	-20.4%	66,494,117	6,520,569	10.9%
FUND BALANCE RESERVE	66.1%	82.9%	25.4%	85.9%	3.7%	52.3%	-39.0%	56.6%	4.2%	8.1%
BEGINNING GENERAL FUND BALANCE	\$8,100,995	\$8,620,778	6.4%	\$9,081,908	5.3%	\$10,282,552	13.2%	\$10,143,301	(\$139,251)	-1.4%
REVENUE	31,532,131	38,785,194	23.0%	42,803,943	10.4%	35,954,990	-16.0%	39,522,933	3,567,943	9.9%
EXPENDITURE	33,340,723	38,324,064	14.9%	41,603,299	8.6%	42,711,741	2.7%	44,665,216	1,953,475	4.6%
TRANSFERS IN/OUT	2,328,375	-	-100.0%	-	0.0%	6,617,500	0.0%	1,473,452	(5,144,048)	-77.7%
ENDING GENERAL FUND BALANCE	8,620,778	9,081,908	5.3%	10,282,552	13.2%	10,143,301	-1.4%	11,616,753	1,473,452	14.5%
GENERAL FUND BALANCE RESERVE	25.9%	23.7%	-8.3%	24.7%	4.3%	23.7%	-3.9%	26.0%	2.3%	9.5%
OPERATING REVENUE	\$75,262,626	\$73,804,578	-1.9%	\$89,085,530	20.7%	\$96,023,815	7.8%	\$94,820,802	(\$1,203,013)	-1.3%
OPERATING EXPENDITURE	46,478,032	50,320,299	8.3%	57,987,009	15.2%	65,795,833	13.5%	63,129,814	(2,666,019)	-4.1%
POPULATION:	50,230	52,076	3.7%	51,896	-0.3%	52,768	1.7%	53,945	1,177.00	2.2%
TAX REVENUE (per capita)	\$588	\$588	0.0%	\$662	12.5%	\$711	7.5%	\$756	\$45	6.3%
SALARIES & BENEFITS:	\$24,328,402	\$26,133,722	7.4%	\$28,812,619	10.3%	\$33,248,518	15.4%	\$33,647,151	\$398,633	1.2%
% OF OPERATING EXPENDITURES	52.3%	51.9%	-0.8%	49.7%	-4.3%	50.5%	1.7%	53.3%	2.8%	5.5%
EMPLOYEES (FTE)	331.10	336.10	1.5%	355.35	5.7%	361.10	1.6%	363.85	3	0.8%
AVERAGE PER FTE	\$73,478	\$77,756	5.8%	\$81,082	4.3%	\$92,076	13.6%	\$92,475	400	0.4%
LONG-TERM BONDED DEBT:										
LEGAL LIMIT	\$208,290,491	\$216,929,744	4.1%	\$248,177,690	14.4%	\$263,464,811	6.2%	\$250,665,968	1,953,475	-4.9%
DEBT OUTSTANDING	163,977,830	163,548,597	-0.3%	141,537,978	-13.5%	150,912,269	6.6%	150,912,269	1,953,475	0.0%
% OF LEGAL LIMIT	78.7%	75.4%	-4.2%	57.0%	-24.4%	57.3%	0.4%	60.2%	2.9%	5.1%