



Budget Summary

Top Frequently Asked Questions

- **What is the City of West Des Moines tax rate?**
 - The tax rate for FY 2022-2023 is \$10.95 per \$1,000 of taxable valuation.

- **What is the City of West Des Moines FY 2022-2023 budget?**
 - The total budget for FY 2022-2023 is \$258,980,781.
 - The General Fund budget for FY 2022-2023 is \$81,240,643.

- **How many full-time employees does the City of West Des Moines have?**
 - There are 542.25 Full-Time Equivalent (FTE) positions budgeted for FY 2022-2023.

- **How many sworn police officers does the City of West Des Moines have?**
 - There are 91 sworn police officers budgeted in FY 2022-2023.

- **How many sworn firefighters does the City of West Des Moines have?**
 - There are 71 sworn firefighters budgeted in FY 2022-2023.

- **What is the City of West Des Moines property valuation?**
 - The January 1, 2021, total valuation for FY 2022-2023 is \$10,126,797,007.
 - The January 1, 2021, taxable valuation for FY 2022-2023 is \$6,739,975,956.

- **What is the Population of the City of West Des Moines?**
 - The population is 68,723 as of the 2020 decennial census.

Goals for the FY 2022-2023 Budget

- Maintain or lower the City Property Tax rate, currently at \$10.95,
- Retain top tier bonds rating from Moody’s and Standard & Poor’s, in order to retain these ratings, it is recommended that General Fund operating reserves are at 30% or more of annual operating expenses,
- Continuing with the City’s preference to be proactive on enterprise funds revenues rather than reactive, the City Council in 2018 approved action indexing stormwater fees through July 1, 2024.
- Emphasis on diversity, equity, and inclusion efforts.

The City of West Des Moines FY 2022-23 proposed budget was presented to City Council in stages at three public workshops prior to being adopted at the City of West Des Moines City Council meeting on March 21, 2022. These workshops and council meeting were held at the West Des Moines City Hall and were also available by Microsoft Teams for individuals who could not or did not want to attend in person.

The first workshop was held on Monday, January 18, 2022, after the regularly scheduled City Council meeting. This workshop focused on presenting revenue projections, parameters set by the State of Iowa such as property rollback percentages, pension rates, valuations, and the FY 2022-23 city property tax rate that was proposed to remain at \$10.95 per thousand dollars of taxable valuation.

The second budget workshop was held on Saturday, February 5th beginning at 8:00 AM. The proposed budget was presented to Council and each department provided an update on their department, their plans for the upcoming budget year, and justification for the FY 2022-23 budget request and changes in spending.

The third and final workshop was held on Monday, February 7, 2022, after the regularly scheduled City Council meeting. At the workshop staff presented the proposed FY 2022-23 Capital Improvement Program to the Mayor and City Council, which included the Capital Improvement Program process overview, the recommended Parks department projects, the projects recommended by Engineering Services, and the financing for the projects.

As a result of the three workshops the City Council recommended no changes to the proposed FY 2022-23 budget. The FY 2022-23 tax rate will be \$10.95 per thousand of taxable valuation.

Fiscal Year 2022-2023						
Balanced Budget Scenarios	General Funds	Debt Service Funds	Special Revenue Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds
Revenues = Expenditures						
Revenues > Expenditures			X			X
Revenues + Appropriated Fund Balance = Expenditures						
Revenues + Appropriated Fund Balance > Expenditures	X	X		X	X	

The FY 2022-23 Operating and Capital Improvement Budgets were drafted under guidelines listed on the previous pages. Below are significant assumptions utilized in developing these budgets:

Revenue

- The proposed budget maintains the current City property tax rate of \$10.95 per thousand of taxable valuation.
- Taxable valuations for operating levies have increased by 4.74%.
- Building permit revenue is projected to be \$2,715,000, which is estimated based on recent history and knowledge of upcoming large-scale development projects.
- Local Options Sales and Services Tax (LOSST) revenue is projected to be \$12,578,748, with 50% of the revenues to be applied directly to the general fund to reduce the property tax levy. The amount is estimated based on projections performed by the State of Iowa Department of Revenue, along with staff's evaluation of historical performance.
- Hotel/Motel tax revenue is projected to be \$4,000,000, which represents approximately 90% of pre-COVID revenue levels.
- The City will receive approximately \$8.6 million dollars in Road Use Tax Funds. Approximately \$6.7 million are being utilized for street related expenditures (CIP and operating). The remaining funds will be used for street lighting and repayment of debt related to the Iowa Highway 5 construction.
- Continuing with the City's preference to be proactive on enterprise funds revenues rather than reactive, the City Council in 2018 approved action indexing stormwater fees through July 1, 2024.
- Investment interest income will be minimal as interest rates continue to remain low.

Expenditures

- Fifteen (15) new full-time positions are being recommended in the budget, with five (5) of the positions being funded entirely from the General Fund as follows:
 - Two (2) police officers in the patrol division - starting no earlier than January 1, 2023
 - Two (2) firefighters in the suppression division – starting no earlier than January 1, 2023
 - One (1) Public Services operations specialist in the traffic division
 - One (1) Public Services utility locator in the sanitary sewer fund
 - Two (2) EMS paramedic lieutenants in the EMS Alliance operations division – approximately 40% of these positions are funded by outside sources through an agreement with Unity Point Hospitals
 - Two (2) EMS paramedics in the EMS Alliance operations division -- approximately 40% of these positions are funded by outside sources through an agreement with Unity Point Hospitals
 - One (1) Westcom logistics supervisor – approximately 60% of this position is funded by other cities through the Westcom intergovernmental agreement
 - Three (3) Westcom dispatchers – with two (2) starting no earlier than January 1, 2023 – approximately 60% of these positions are funded by other cities through the Westcom intergovernmental agreement
 - One (1) Community Development Coordinator – 100% of this position will be funded by the Historic West Des Housing program.

- Employee compensation calculations will follow past practice or expected results of negotiations for bargaining unit contracts covering approximately 289 union employees. There are also approximately 253 full time employees not covered under union contracts. Pension benefits are under the purview of the State of Iowa.
- Bargaining unit employees are expected to receive cost-of-living adjustments ranging from 3.00% to 4.00% in agreement with the terms of their respective contracts. In addition to cost-of-living adjustments, bargaining unit employees who are not at the maximum pay of their pay range may be eligible to receive “step” increases dependent upon performance and classification.
- Non-union employees who have not reached their maximum pay level may be eligible on July 1, 2022, to receive an increase based solely upon job performance.
- The proposed budget reflects a decrease in the contribution rate for the Municipal Fire and Police Retirement Systems of Iowa (MFPRSI). The City’s contribution rate of covered wages for FY 2022-23 will be 23.90% as compared to 26.18% for FY 2021-22. The proposed budget also reflects no change in contribution in the contribution rate for the Iowa Public Employees Retirement System (IPERS). The City’s contribution rate for FY 2022-23 will remain at 9.44%. Of the City’s 542.25 full-time equivalent employees, 162 employees participate in the Municipal Fire and Police Retirement System of Iowa plan, 1 employee, the City Manager has opted out of retirement plans, instead receiving a deferred compensation package, and the remaining 379.25 employees are enrolled in the Iowa Public Employees Retirement System plan.

Fund Balance

- The General Fund total revenues are \$86,270,165 and total expenditures are \$91,228,128. The proposed budget reflects the carryover of cash to ensure the FY 2022-23 budget maintains prudent general fund balances which protect the City’s financial integrity. The projected General Fund composite balance on June 30, 2023, will be \$36,314,938, which represents 44.70% of annual General Fund Operating Expenditures. The Council has adopted a policy to maintain a year-ending General Fund Cash Reserve balance over 30%.

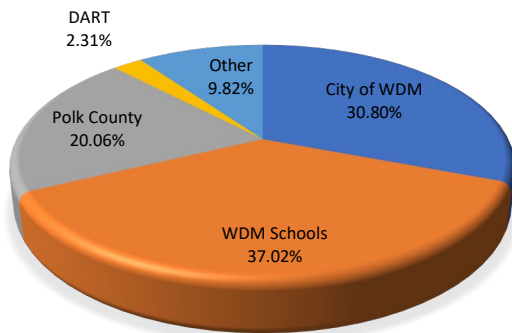
Consolidated Tax Rate

The City of West Des Moines corporate limits cover parts of four counties, Polk, Dallas, Warren, and Madison and within the corporate limits are portions of six different community school districts: West Des Moines, Waukee, Des Moines, Norwalk, Van Meter, and Winterset. Each county and community school district has its own tax levy, resulting in the City of West Des Moines having eight different consolidated tax rates within the city. The two largest taxing areas are Polk County/West Des Moines Community Schools and Dallas County/Waukee Community Schools. The tax levy for other entities includes levies for Des Moines Area Community College, county hospitals, county assessors, ag extensions, the State of Iowa, and the Badger Creek Watershed area. Below are the FY 2021-22 tax levies currently in place.

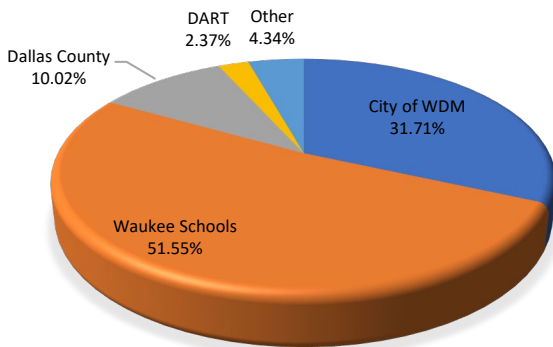
City of West Des Moines - Consolidated Tax Rates FY 2021-22

County/School District	City	School	County	Transit	Other	Total
Polk County/West Des Moines Schools	\$ 10.95	\$ 13.16	\$ 7.13	\$ 0.82	\$ 3.49	\$ 35.55
Polk County/Des Moines Schools	\$ 10.95	\$ 16.06	\$ 7.13	\$ 0.82	\$ 3.49	\$ 38.45
Dallas County/Waukee Schools	\$ 10.95	\$ 17.80	\$ 3.46	\$ 0.82	\$ 1.50	\$ 34.53
Dallas County/West Des Moines Schools	\$ 10.95	\$ 13.16	\$ 3.46	\$ 0.82	\$ 1.50	\$ 29.89
Dallas County/Van Meter Schools	\$ 10.95	\$ 16.08	\$ 3.46	\$ 0.82	\$ 1.50	\$ 32.81
Madison County/Van Meter Schools	\$ 10.95	\$ 16.08	\$ 5.92	\$ 0.82	\$ 3.97	\$ 37.74
Madison County/Winterset Schools	\$ 10.95	\$ 17.22	\$ 5.92	\$ 0.82	\$ 5.05	\$ 39.96
Warren Count/Norwalk Schools	\$ 10.95	\$ 18.77	\$ 6.67	\$ 0.82	\$ 1.29	\$ 38.50

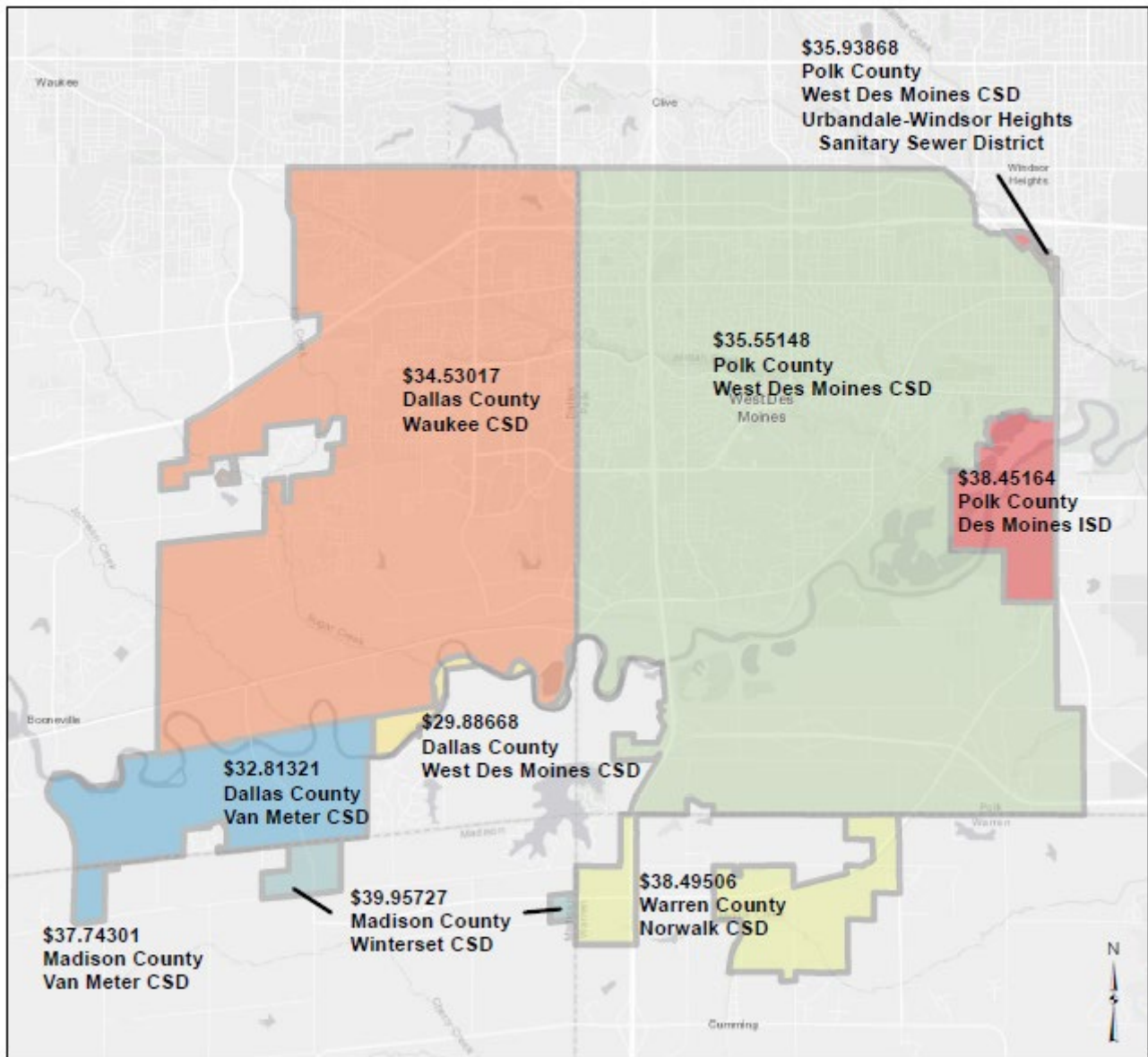
**FY 2021-22 Consolidated Levy %
Polk County/WDM Schools**



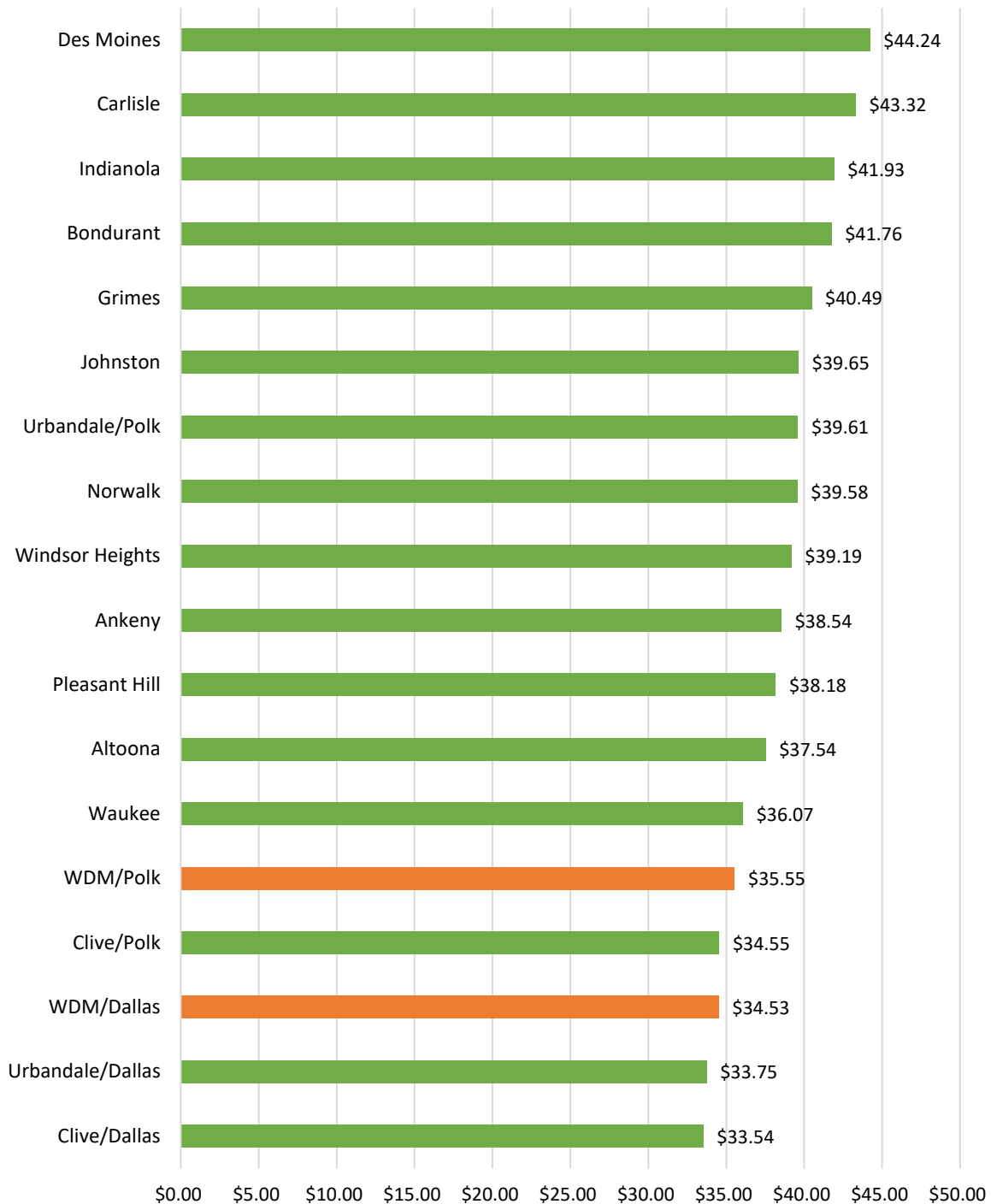
**FY 2021-22 Consolidated Levy %
Dallas County/Waukee Schools**



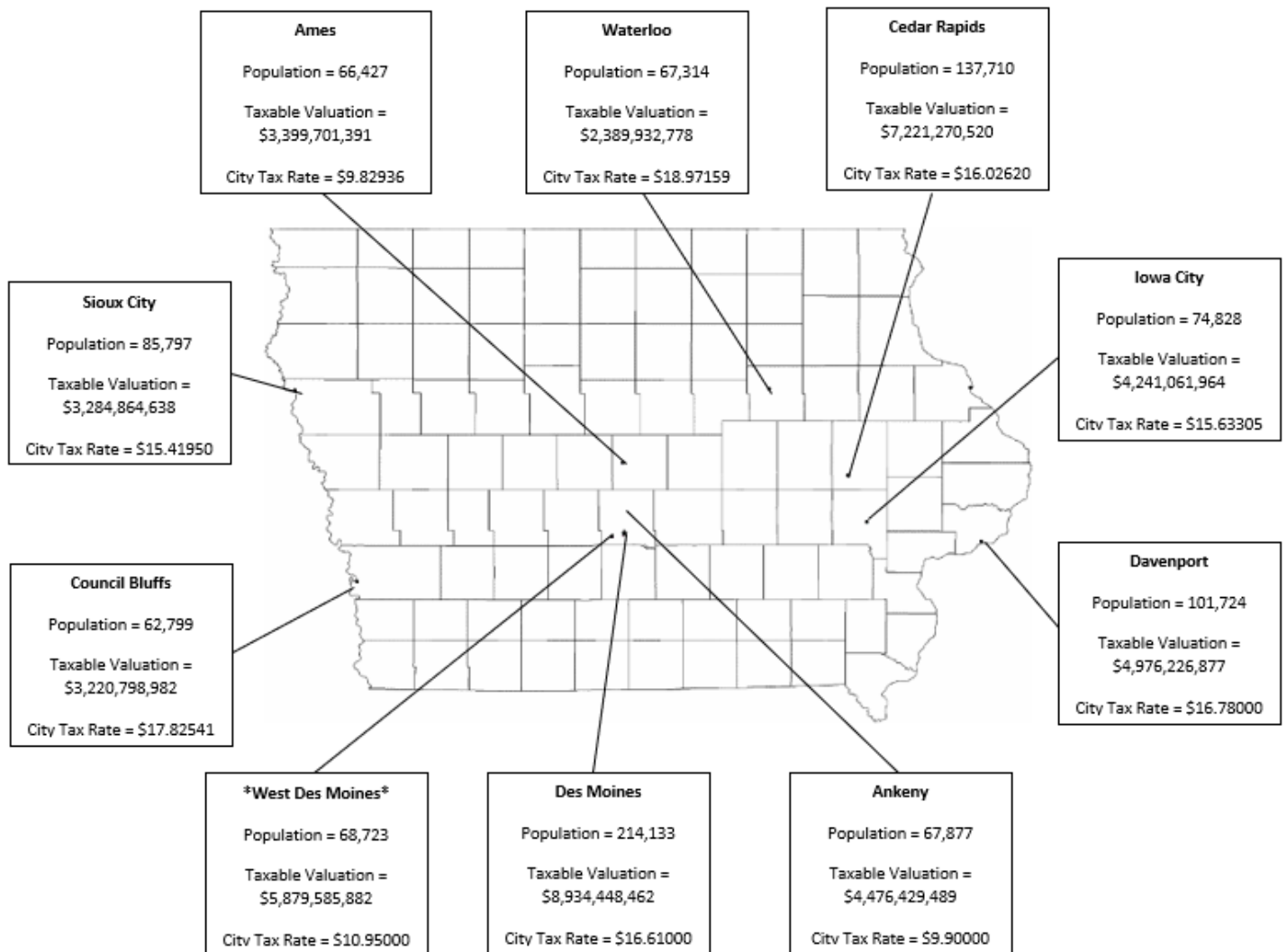
West Des Moines Consolidated Tax Rate Map FY 2021-22



**Consolidated Tax Rates - DM Metro Comparison
Fiscal Year 2021-22**



Comparison of Iowa's Ten Largest Cities by Population

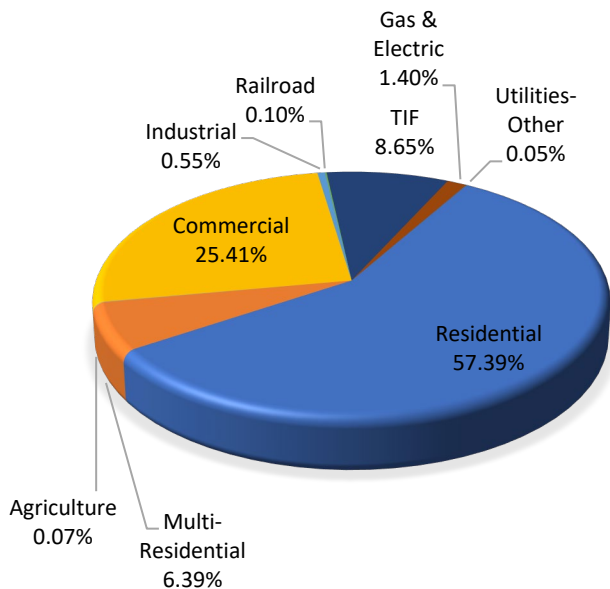


City	2020 Population	Square Miles	2022-23 City Tax Rate	2021-22 Consolidated Tax Rate	Local Option Sales Tax	Electric Franchise Tax	Gas Franchise Tax
Des Moines	214,133	90.66	\$16.61000	\$44.23787	Yes	5%	5%
Cedar Rapids	137,710	72.07	\$16.02620	\$39.11412	Yes	3%	3%
Davenport	101,724	65.94	\$16.78000	\$39.37037	Yes	None	None
Sioux City	85,797	59.62	\$15.41950	\$35.52165	Yes	5%	5%
Iowa City	74,828	26.14	\$15.63305	\$38.33084	No	1%	1%
West Des Moines	68,723	48.07	\$10.95000	\$35.55148	Yes	None	None
Ankeny	67,877	30.10	\$9.95000	\$38.53708	No	2%	2%
Waterloo	67,314	63.22	\$18.97159	\$40.15223	Yes	4%	4%
Ames	66,427	27.68	\$9.82936	\$31.18672	Yes	None	None
Council Bluffs	62,799	45.59	\$17.82541	\$44.26506	Yes	2%	2%

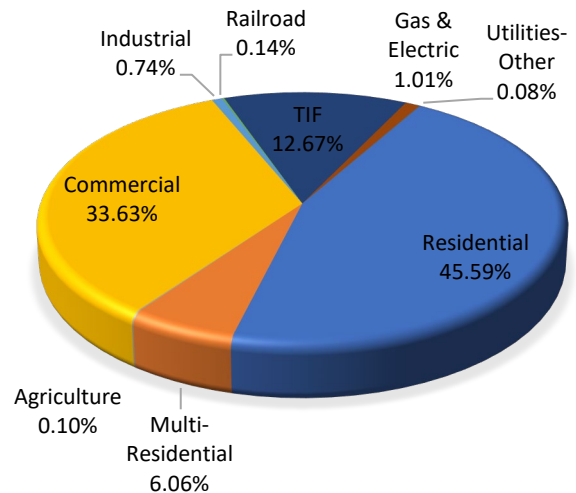
Property Tax Valuations and Rollback Rates

Property Tax Classification	January 1, 2020 - Fiscal Year 2021-2022			January 1, 2021 - Fiscal Year 2022-2023			
	100% Value	Taxable Value	Rollback %	100% Value	Taxable Value	Rollback %	Taxable % Change
Residential	\$ 5,341,538,923	\$ 2,947,297,092	56.4094%	\$ 5,814,651,563	\$ 3,075,431,583	54.1302%	4.35%
Multi-Residential	500,722,374	334,599,146	67.5000%	646,872,225	408,264,323	63.7500%	22.02%
Commercial	2,515,203,217	2,219,916,079	90.0000%	2,572,924,080	2,266,645,488	90.0000%	2.11%
Industrial	45,964,659	41,304,122	90.0000%	55,269,803	49,627,093	90.0000%	20.15%
Railroads	9,729,266	8,756,339	90.0000%	10,303,778	9,273,400	90.0000%	5.90%
Utilites-Gas & Electric	120,861,650	57,298,684	-	141,550,375	67,912,484	-	18.52%
Utilites-Other	7,195,627	7,091,212	-	5,244,699	5,244,699	-	-26.04%
Sub-Total	\$ 8,541,215,716	\$ 5,616,262,674		\$ 9,246,816,523	\$ 5,882,399,070		4.74%
Less: Military	(2,957,644)	(2,957,644)	-	(2,813,188)	(2,813,188)	-	-4.88%
Total Regular Valuation	\$ 8,538,258,072	\$ 5,613,305,030	-	\$ 9,244,003,335	\$ 5,879,585,882	-	4.74%
Tax Increment	815,728,178	794,131,630	-	875,531,002	853,923,295	-	7.53%
Debt Service Valuation	\$ 9,353,986,250	\$ 6,407,436,660	-	\$ 10,119,534,337	\$ 6,733,509,177	-	5.09%
Agricultural Land	\$ 8,328,890	\$ 6,998,795	84.0305%	\$ 7,262,670	\$ 6,466,779	89.0412%	5.96%
Grand Total	\$ 9,362,315,140	\$ 6,414,435,455	-	\$ 10,126,797,007	\$ 6,739,975,956	-	5.08%

**TOTAL VALUATION BY PROPERTY CLASS
FY 2022-23**



**TAXABLE VALUATION BY PROPERTY CLASS
FY 2022-23**



Historical West Des Moines Property Tax Rates

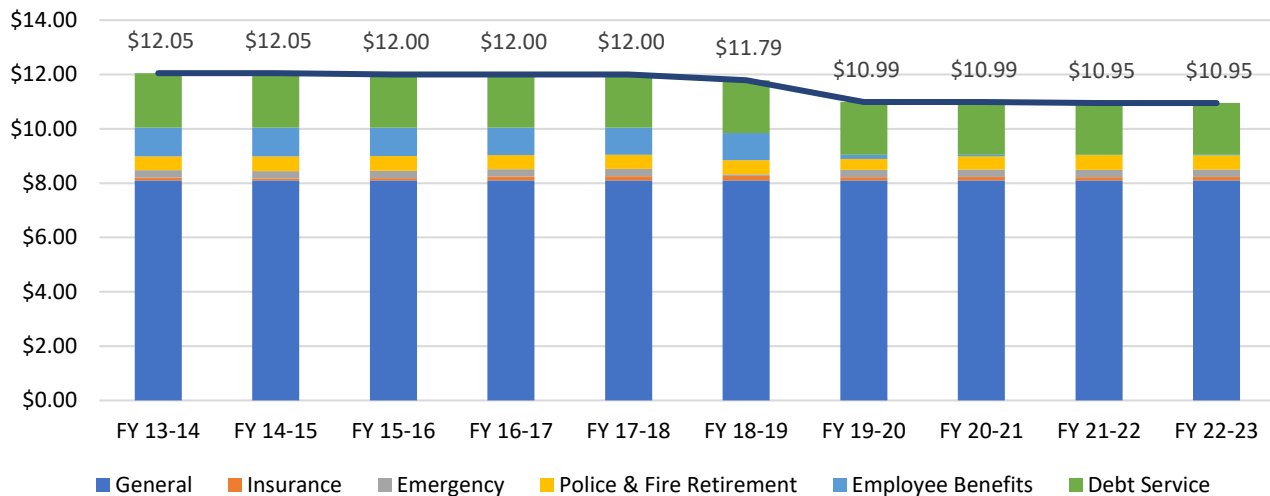
	Fiscal Year				
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Property Tax Levy Rates					
General	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000
Insurance	0.16478	0.11457	0.13145	0.11448	0.12698
Emergency	0.06000	0.27000	0.27000	0.27000	0.27000
Police & Fire Retirement	0.51405	0.40431	0.48085	0.55218	0.52602
Other Employee Benefits	1.00117	0.15112	0.05770	0.00334	0.01700
Debt Service	1.95000	1.95000	1.95000	1.91000	1.91000
Total Property Tax Levy Rate	\$ 11.79000	\$ 10.99000	\$ 10.99000	\$ 10.95000	\$ 10.95000
Increase (Decrease)	\$ (0.21)	\$ (0.80)	\$ -	\$ (0.04)	\$ -
Other Levy Rates					
Ag Land	\$ 3.00375	\$ 3.00375	\$ 3.00375	\$ 3.00375	\$ 3.00375

Property Tax Dollars By Levy					
General	\$ 38,766,564	\$ 41,916,749	\$ 43,564,906	\$ 45,467,771	\$ 47,624,646
Insurance	788,636	592,913	707,010	642,636	746,597
Emergency	287,160	1,397,225	1,452,164	1,515,592	1,587,470
Ag Land	20,960	20,242	21,219	21,023	19,425
Police & Fire Retirement	2,460,256	2,092,292	2,586,183	3,099,545	3,092,717
Other Employee Benefits	4,791,612	782,008	310,333	18,748	100,012
Debt Service	10,564,743	11,177,523	11,875,190	12,238,204	12,860,993
Total Property Tax Dollars	\$ 57,679,931	\$ 57,978,952	\$ 60,517,005	\$ 63,003,519	\$ 66,031,860

Other Tax Rates					
Hotel/Motel Tax	7.00%	7.00%	7.00%	7.00%	7.00%
Cable Television Franchise Tax	3.00%	3.00%	3.00%	3.00%	3.00%
Electric Utility Franchise Tax	-	-	-	-	-
Natural Gas Utility Franchise Tax	-	-	-	-	-
Local Option Sales Tax	*1.00%	1.00%	1.00%	1.00%	1.00%
State Sales Tax	6.00%	6.00%	6.00%	6.00%	6.00%

* Dallas County portion of West Des Moines Only

Property Tax Levy History



Other Taxing Entities Historical Tax Rates

Entity	Fiscal Year				
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
School District					
West Des Moines Schools	\$ 13.27000	\$ 13.16229	\$ 13.15863	\$ 13.15921	\$ 13.16000
Waukee Schools	17.85658	17.85609	17.80043	17.80270	17.80237
Des Moines Schools	18.60074	18.60686	18.61192	16.05937	15.34420
Norwalk Schools	19.68416	18.93926	18.86940	18.77356	18.55000
Van Meter Schools	16.03000	15.90279	16.09271	16.08574	16.09053
Winterset School	17.24000	17.22658	17.22479	17.22000	16.97000
Polk County					
County	\$ 7.30880	\$ 7.30880	\$ 7.30880	\$ 7.13383	\$ 6.80099
Ag Extension	0.03690	0.03689	0.03502	0.03486	0.03328
Assessor	0.25471	0.25455	0.24836	0.19192	0.22542
Hospital-Broadlaw ns	2.77513	2.77513	2.67405	2.57740	2.57722
Total Polk County	\$ 10.37554	\$ 10.37537	\$ 10.26623	\$ 9.93801	\$ 9.63691
Dallas County					
County	\$ 4.22888	\$ 4.16317	\$ 3.70231	\$ 3.41612	\$ 3.05184
Ag Extension	0.06898	0.06314	0.05999	0.05732	0.08590
Assessor	0.25251	0.27842	0.24430	0.22521	0.21526
Hospital	0.54001	0.39971	0.44912	0.52950	0.54482
Total Dallas County	\$ 5.09038	\$ 4.90444	\$ 4.45572	\$ 4.22815	\$ 3.89782
Madison County					
County	\$ 5.84050	\$ 5.82044	\$ 5.85661	\$ 5.91940	\$ 4.86475
Ag Extension	0.32700	0.27655	0.26318	0.26361	0.25146
Assessor	0.45465	0.42759	0.39735	0.37936	0.32819
Hospital	2.64064	2.64064	2.64064	2.64064	2.64064
Total Madison County	\$ 9.26279	\$ 9.16522	\$ 9.15778	\$ 9.20301	\$ 8.08504
Warren County					
County	\$ 5.64089	\$ 6.67724	\$ 6.87984	\$ 6.66241	\$ 6.18246
Ag Extension	0.13774	0.13427	0.12841	0.12507	0.13388
Assessor	0.40098	0.49728	0.49501	0.47976	0.44944
Hospital	NA	NA	NA	NA	NA
Total Warren County	\$ 6.17961	\$ 7.30879	\$ 7.50326	\$ 7.26724	\$ 6.76578
Other					
Des Moines Area Regional Transit	\$ 0.78300	\$ 0.80800	\$ 0.81300	\$ 0.82377	\$ 0.83939
Des Moines Area Community College	0.69468	0.65249	0.63533	0.67789	0.69448
State of Iowa	0.00290	0.00028	0.00270	0.00260	TBD
Special Districts					
Badger Creek Watershed	\$ 1.08000	\$ 1.08000	\$ 1.08000	\$ 1.08000	\$ 0.50000
Urbandale/W.H. Sanitary Sewer	0.42000	0.42000	0.39000	0.38720	0.37846

Calculation of City Property Tax Dollars for West Des Moines Residential Property

	Actual FY 2021-22	Budget FY 2022-23	Actual FY 2021-22	Budget FY 2022-23
Assessed Valuation	\$ 100,000	\$ 100,000	\$ 150,000	\$ 150,000
Rollback %	56.4094%	54.1302%	56.4094%	54.1302%
Taxable Value	\$ 56,409	\$ 54,130	\$ 84,614	\$ 81,195
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Gross City Tax	\$ 617.68	\$ 592.73	\$ 926.52	\$ 889.09
Less: City Share of Homestead Tax Credit	\$ (58.00)	\$ (58.00)	\$ (58.00)	\$ (58.00)
Total City Property Tax	\$ 559.68	\$ 534.73	\$ 868.52	\$ 831.09
Assessed Valuation	\$ 200,000	\$ 200,000	\$ 250,000	\$ 250,000
Rollback %	56.4094%	54.1302%	56.4094%	54.1302%
Taxable Value	\$ 112,819	\$ 108,260	\$ 141,024	\$ 135,326
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Gross City Tax	\$ 1,235.37	\$ 1,185.45	\$ 1,544.21	\$ 1,481.81
Less: City Share of Homestead Tax Credit	\$ (58.00)	\$ (58.00)	\$ (58.00)	\$ (58.00)
Total City Property Tax	\$ 1,177.37	\$ 1,127.45	\$ 1,486.21	\$ 1,423.81
Assessed Valuation	\$ 300,000	\$ 300,000	\$ 350,000	\$ 350,000
Rollback %	56.4094%	54.1302%	56.4094%	54.1302%
Taxable Value	\$ 169,228	\$ 162,391	\$ 197,433	\$ 189,456
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Gross City Tax	\$ 1,853.05	\$ 1,778.18	\$ 2,161.89	\$ 2,074.54
Less: City Share of Homestead Tax Credit	\$ (58.00)	\$ (58.00)	\$ (58.00)	\$ (58.00)
Total City Property Tax	\$ 1,795.05	\$ 1,720.18	\$ 2,103.89	\$ 2,016.54
Assessed Valuation	\$ 400,000	\$ 400,000	\$ 450,000	\$ 450,000
Rollback %	56.4094%	54.1302%	56.4094%	54.1302%
Taxable Value	\$ 225,638	\$ 216,521	\$ 253,842	\$ 243,586
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Gross City Tax	\$ 2,470.73	\$ 2,370.90	\$ 2,779.57	\$ 2,667.27
Less: City Share of Homestead Tax Credit	\$ (58.00)	\$ (58.00)	\$ (58.00)	\$ (58.00)
Total City Property Tax	\$ 2,412.73	\$ 2,312.90	\$ 2,721.57	\$ 2,609.27
Assessed Valuation	\$ 500,000	\$ 500,000	\$ 550,000	\$ 550,000
Rollback %	56.4094%	54.1302%	56.4094%	54.1302%
Taxable Value	\$ 282,047	\$ 270,651	\$ 310,252	\$ 297,716
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Gross City Tax	\$ 3,088.41	\$ 2,963.63	\$ 3,397.26	\$ 3,259.99
Less: City Share of Homestead Tax Credit	\$ (58.00)	\$ (58.00)	\$ (58.00)	\$ (58.00)
Total City Property Tax	\$ 3,030.41	\$ 2,905.63	\$ 3,339.26	\$ 3,201.99

Calculation of City Property Tax Dollars for West Des Moines Commercial Property

	Actual FY 2021-22	Budget FY 2022-23	Actual FY 2021-22	Budget FY 2022-23
Assessed Valuation	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 1,000,000
Rollback %	90.0000%	90.0000%	90.0000%	90.0000%
Taxable Value	\$ 450,000	\$ 450,000	\$ 900,000	\$ 900,000
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Total City Property Tax	\$ 4,928	\$ 4,928	\$ 9,855	\$ 9,855
Assessed Valuation	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000	\$ 10,000,000
Rollback %	90.0000%	90.0000%	90.0000%	90.0000%
Taxable Value	\$ 4,500,000	\$ 4,500,000	\$ 9,000,000	\$ 9,000,000
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Total City Property Tax	\$ 49,275	\$ 49,275	\$ 98,550.0	\$ 98,550.0
Assessed Valuation	\$ 15,000,000	\$ 15,000,000	\$ 20,000,000	\$ 20,000,000
Rollback %	90.0000%	90.0000%	90.0000%	90.0000%
Taxable Value	\$ 13,500,000	\$ 13,500,000	\$ 18,000,000	\$ 18,000,000
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Total City Property Tax	\$ 147,825	\$ 147,825	\$ 197,100	\$ 197,100
Assessed Valuation	\$ 25,000,000	\$ 25,000,000	\$ 30,000,000	\$ 30,000,000
Rollback %	90.0000%	90.0000%	90.0000%	90.0000%
Taxable Value	\$ 22,500,000	\$ 22,500,000	\$ 27,000,000	\$ 27,000,000
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Total City Property Tax	\$ 246,375	\$ 246,375	\$ 295,650	\$ 295,650
Assessed Valuation	\$ 35,000,000	\$ 35,000,000	\$ 40,000,000	\$ 40,000,000
Rollback %	90.0000%	90.0000%	90.0000%	90.0000%
Taxable Value	\$ 31,500,000	\$ 31,500,000	\$ 36,000,000	\$ 36,000,000
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Total City Property Tax	\$ 344,925	\$ 344,925	\$ 394,200	\$ 394,200
Assessed Valuation	\$ 45,000,000	\$ 45,000,000	\$ 50,000,000	\$ 50,000,000
Rollback %	90.0000%	90.0000%	90.0000%	90.0000%
Taxable Value	\$ 40,500,000	\$ 40,500,000	\$ 45,000,000	\$ 45,000,000
City Tax Rate per \$1,000	\$ 10.95000	\$ 10.95000	\$ 10.95000	\$ 10.95000
Total City Property Tax	\$ 443,475	\$ 443,475	\$ 492,750	\$ 492,750

BUDGET SUMMARY

FY 2022-23 BUDGET BY FUND

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Operating Revenues				
Property Taxes	\$ 49,401,098	\$ 3,155,855	\$ 12,731,290	\$ -
TIF Revenue	-	23,781,974	-	-
Other City Taxes	4,797,040	12,615,622	129,703	-
Licenses and Permits	3,026,600	-	-	-
Use of Money & Property	646,976	12,601	-	-
Intergovernmental	5,061,610	10,687,180	531,411	3,080,000
Charges for Services	6,687,950	68,000	-	-
Special Assessments	-	-	-	10,000
Miscellaneous	1,212,725	372,780	-	10,000
Sub-total Operating Revenue	\$ 70,833,999	\$ 50,694,012	\$ 13,392,404	\$ 3,100,000
Other Financing Sources				
Sale of Surplus Assets & Equipment	\$ 25,000	\$ -	\$ -	\$ -
Proceeds of Long-Term Debt	-	-	-	59,992,796
Total Revenue	\$ 70,858,999	\$ 50,694,012	\$ 13,392,404	\$ 63,092,796
Transfers In (Local Option Sales Tax)	9,427,757	234,342	-	-
Transfers In	5,984,859	2,402,211	23,826,040	51,400,500
Total Transfers In	\$ 15,412,616	\$ 2,636,553	\$ 23,826,040	\$ 51,400,500
Total Revenue & Other Sources	\$ 86,271,615	\$ 53,330,565	\$ 37,218,444	\$ 114,493,296
Operating Expenses				
Personal Services	\$ 54,516,343	\$ 3,767,070	\$ -	\$ -
Supplies & Services	22,466,724	3,867,752	10,000	-
Replacement Charges	2,232,178	-	-	-
Capital	2,025,398	263,000	-	-
Sub-total Operating Expenses	\$ 81,240,643	\$ 7,897,822	\$ 10,000	\$ -
Debt Service Expenditures	\$ -	\$ 203,661	\$ 37,208,444	\$ 10,000
Capital Improvement Expenditures	\$ -	\$ -	\$ -	\$ 54,490,500
Total Expenditures	\$ 81,240,643	\$ 8,101,483	\$ 37,218,444	\$ 54,500,500
Transfers Out	\$ 8,957,485	\$ 40,773,174	\$ 777,050	\$ 67,663,668
Transfer Out (Major Capital)	1,030,000	-	-	-
Total Transfers Out	\$ 9,987,485	\$ 40,773,174	\$ 777,050	\$ 67,663,668
Total Expenditures & Transfers Out	\$ 91,228,128	\$ 48,874,657	\$ 37,995,494	\$ 122,164,168
Net Increase (Decrease) in Fund Balance	\$ (4,956,513)	\$ 4,455,908	\$ (777,050)	\$ (7,670,872)
Beginning Fund Balance	\$ 39,402,259	\$ 8,805,848	\$ 1,960,687	\$ 27,156,941
Ending Fund Balance	\$ 34,445,746	\$ 13,261,756	\$ 1,183,637	\$ 19,486,069
Fund Balance % of Expenditures	42.40%	163.70%	3.18%	35.75%

BUDGET SUMMARY**FY 2022-23 BUDGET BY FUND**

	Enterprise Funds	Internal Service Funds	Budget FY 202-23
Operating Revenues			
Property Taxes	\$ -	\$ -	\$ 65,288,243
TIF Revenue	-	-	23,781,974
Other City Taxes	-	-	17,542,365
Licenses and Permits	500	-	3,027,100
Use of Money & Property	2,160,989	195,000	3,015,566
Intergovernmental	5,534,690	31,500	24,926,391
Charges for Services	19,509,897	-	26,265,847
Special Assessments	-	-	10,000
Miscellaneous	733,416	12,604,275	14,933,196
Sub-total Operating Revenue	\$ 27,939,492	\$ 12,830,775	\$ 178,790,682
Other Financing Sources			
Sale of Surplus Assets & Equipment	\$ -	\$ 30,000	\$ 55,000
Proceeds of Long-Term Debt	-	-	59,992,796
Total Revenue	\$ 27,939,492	\$ 12,860,775	\$ 238,838,478
Transfers In (Local Option Sales Tax)	-	-	\$ 9,662,099
Transfers In	41,643,668	300,000	125,557,278
Total Transfers In	\$ 41,643,668	\$ 300,000	\$ 135,219,377
Total Revenue & Other Sources	\$ 69,583,160	\$ 13,160,775	\$ 374,057,855
Operating Expenses			
Personal Services	\$ 7,118,502	\$ -	\$ 65,401,915
Supplies & Services	13,148,394	10,597,440	50,090,310
Replacement Charges	379,157	-	2,611,335
Capital	4,866,300	2,452,500	9,607,198
Sub-total Operating Expenses	\$ 25,512,353	\$ 13,049,940	\$ 127,710,758
Debt Services Expenditures	\$ 213,750	\$ -	\$ 37,635,855
Capital Improvement Expenditures	\$ 39,143,668	\$ -	\$ 93,634,168
Total Expenditures	\$ 64,869,771	\$ 13,049,940	\$ 258,980,781
Transfers Out	\$ -	\$ -	\$ 118,171,377
Transfer Out (Major Capital)	16,018,000	-	17,048,000
Total Transfers Out	\$ 16,018,000	\$ -	\$ 135,219,377
Total Expenditures & Transfers Out	\$ 80,887,771	\$ 13,049,940.0	\$ 394,200,158.0
Net Increase (Decrease) in Fund Balance	\$ (11,304,611)	\$ 110,835	\$ (20,142,303)
Beginning Fund Balance	\$ 183,164,849	\$ 30,454,609	\$ 290,945,193
Ending Fund Balance	\$ 171,860,238	\$ 30,565,444	\$ 270,802,890
Fund Balance % of Expenditures	264.93%	234.22%	104.56%

BUDGET SUMMARY

FY 2022-23 BUDGET ALL FUNDS

Revenues & Expenditures by Category

	Actual 2019-20	Actual 2020-21	Revised 2021-22	Budget FY 2022-23	Increase (Decrease)	% Increase (Decrease)
Operating Revenues						
Property Taxes	\$ 56,925,868	\$ 60,294,567	\$ 62,376,085	\$ 65,288,243	\$ 2,912,158	4.67%
TIF Revenue	15,674,198	19,753,584	22,136,480	23,781,974	1,645,494	7.43%
Other City Taxes	17,227,878	12,961,987	15,364,860	17,542,365	2,177,505	14.17%
Licenses and Permits	2,287,151	4,486,165	3,055,550	3,027,100	(28,450)	-0.93%
Use of Money & Property	4,273,954	1,631,973	3,806,253	3,015,566	(790,687)	-20.77%
Intergovernmental	22,419,040	25,366,289	30,090,421	24,926,391	(5,164,030)	-17.16%
Charges for Services	23,269,776	26,744,968	25,494,764	26,265,847	771,083	3.02%
Special Assessments	20,315	18,759	20,000	10,000	(10,000)	-50.00%
Miscellaneous	24,612,959	40,113,849	14,755,570	14,933,196	177,626	1.20%
Sub-total Operating Revenue	\$ 166,711,139	\$ 191,372,141	\$ 177,099,983	\$ 178,790,682	\$ 1,690,699	0.95%
Other Financing Sources						
Sale of Surplus Assets & Equipment	\$ 868,725	\$ (46,419)	\$ 10,000	\$ 55,000	\$ 45,000	450.00%
Proceeds of Long Term Debt	13,830,358	21,178,607	100,321,000	59,992,796	(40,328,204)	-40.20%
Total Revenue	\$ 181,410,222	\$ 212,504,329	\$ 277,430,983	\$ 238,838,478	\$ (38,592,505)	-13.91%
Transfers In (Local Option Sales Tax)	\$ 10,004,211	\$ 10,837,254	\$ 9,127,449	\$ 9,662,099	\$ 534,650	5.86%
Transfers In	95,486,068	71,738,273	163,889,433	125,557,278	(38,332,155)	-23.39%
Total Transfers In	\$ 105,490,279	\$ 82,575,527	\$ 173,016,882	\$ 135,219,377	\$ (37,797,505)	-21.85%
Total Revenue & Other Sources	\$ 286,900,501	\$ 295,079,856	\$ 450,447,865	\$ 374,057,855	\$ (76,390,010)	-16.96%
Operating Expenses						
Personal Services	\$ 50,136,497	\$ 54,554,257	\$ 62,123,443	\$ 65,401,915	\$ 3,278,472	5.28%
Supplies & Services	41,389,666	43,160,010	50,070,511	50,090,310	19,799	0.04%
Replacement Charges	1,916,725	1,912,232	2,322,284	2,611,335	289,051	12.45%
Capital	8,957,360	12,001,371	10,440,047	9,607,198	(832,849)	-7.98%
Sub-total Operating Expenses	\$ 102,400,248	\$ 111,627,870	\$ 124,956,285	\$ 127,710,758	\$ 2,754,473	2.20%
Debt Service/Leases	\$ 31,281,933	\$ 32,454,357	\$ 34,349,263	\$ 37,635,855	\$ 3,286,592	9.57%
Capital Improvements	\$ 82,753,127	\$ 45,285,096	\$ 163,756,927	\$ 93,634,168	\$ (70,122,759)	-42.82%
Total Expenditures	\$ 216,435,308	\$ 189,367,323	\$ 323,062,475	\$ 258,980,781	\$ (64,081,694)	-19.84%
Transfers Out	\$ 88,009,257	\$ 70,172,381	\$ 158,916,369	\$ 118,171,377	\$ (40,744,992)	-25.64%
Transfer Out (Major Capital)	17,481,023	12,403,145	14,100,513	17,048,000	2,947,487	-
Total Transfers Out	\$ 105,490,280	\$ 82,575,526	\$ 173,016,882	\$ 135,219,377	\$ (37,797,505)	-21.85%
Total Expenditures & Transfers Out	\$ 321,925,588	\$ 271,942,849	\$ 496,079,357	\$ 394,200,158	\$ (101,879,199)	-20.54%
Net Increase (Decrease)	\$ (35,025,087)	\$ 23,137,007	\$ (45,631,492)	\$ (20,142,303)	\$ 25,489,189	-55.86%
Beginning Fund Balance	\$ 348,464,765	\$ 313,439,678	\$ 336,576,685	\$ 290,945,193	\$ 270,802,890	
Ending Fund Balance	\$ 313,439,678	\$ 336,576,685	\$ 290,945,193	\$ 270,802,890	\$ 296,292,079	
Fund Balance % of Expenditures	144.82%	177.74%	90.06%	104.56%		

BUDGET SUMMARY

FY 2022-23 BUDGET ALL FUNDS

Revenues & Expenditures by Fund

	Actual 2019-20	Actual 2020-21	Revised 2021-22	Budget FY 2022-23	Increase (Decrease)	% Increase (Decrease)
Fund Revenues						
General Fund	\$ 71,641,691	\$ 83,150,727	\$ 84,518,247	\$ 86,271,615	\$ 1,753,368	2.07%
Special Revenue Funds	43,436,443	46,906,824	49,918,600	53,330,565	3,411,965	6.84%
Debt Service Funds	29,377,383	30,950,564	35,368,150	37,218,444	1,850,294	5.23%
Capital Project Funds	80,923,133	57,675,349	204,981,498	114,493,296	(90,488,202)	-44.14%
Enterprise Funds	49,604,731	65,271,283	63,430,956	69,583,160	6,152,204	9.70%
Internal Service Funds	11,917,120	11,125,109	12,230,414	13,160,775	930,361	7.61%
Total Fund Revenues	\$ 286,900,501	\$ 295,079,856	\$ 450,447,865	\$ 374,057,855	\$ (76,390,010)	83.04%
Fund Expenditures						
General Fund	\$ 74,650,000	\$ 73,028,135	\$ 92,166,007	\$ 91,228,128	\$ (937,879)	-1.02%
Special Revenue Funds	56,032,063	51,717,723	49,050,200	48,874,657	(175,543)	-0.36%
Debt Service Funds	30,822,396	32,002,118	34,055,798	37,995,494	3,939,696	11.57%
Capital Project Funds	115,458,889	63,398,407	208,469,124	122,164,168	(86,304,956)	-41.40%
Enterprise Funds	34,512,490	39,754,338	98,795,622	80,887,771	(17,907,851)	-18.13%
Internal Service Funds	10,449,750	12,042,128	13,542,606	13,049,940	(492,666)	-3.64%
Total Fund Expenditures	\$ 321,925,588	\$ 271,942,849	\$ 496,079,357	\$ 394,200,158	\$ (101,879,199)	-20.54%
Excess (Deficiency) of Revenues Over Expenditures	\$ (35,025,087)	\$ 23,137,007	\$ (45,631,492)	\$ (20,142,303)	\$ 25,489,189	-55.86%
Beginning Fund Balance	\$ 348,464,765	\$ 313,439,678	\$ 336,576,685	\$ 290,945,193	\$ 270,802,890	
Ending Fund Balance	\$ 313,439,678	\$ 336,576,685	\$ 290,945,193	\$ 270,802,890	\$ 296,292,079	
Fund Balance % of Expenditures	97.36%	123.77%	58.65%	68.70%		

BUDGET SUMMARY**BUDGET TO ACTUAL****Comparison of Amended Budget to Actual**

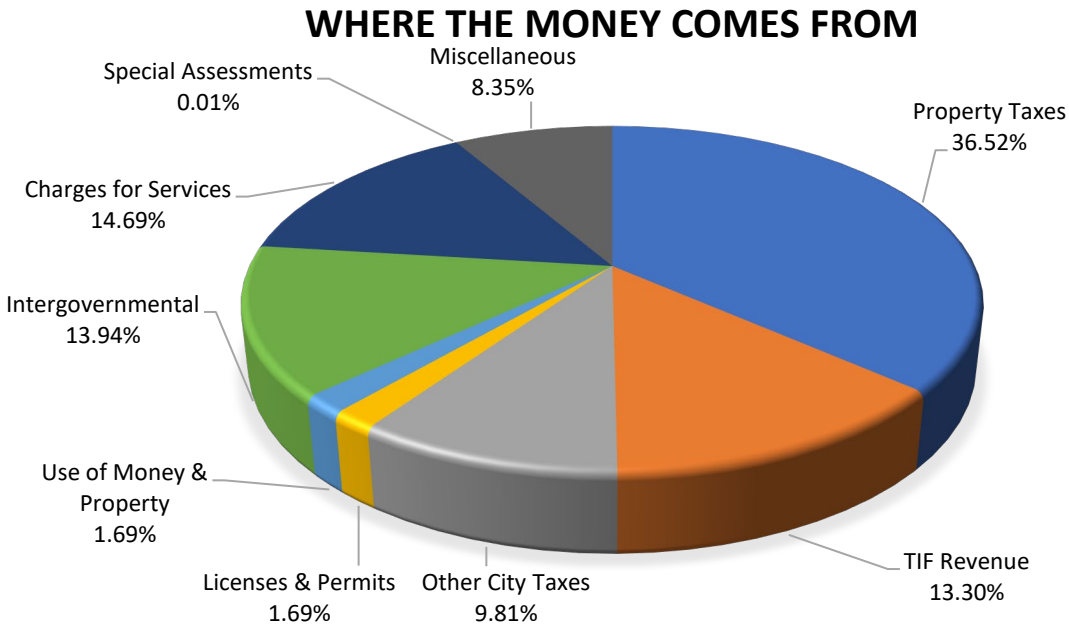
	Amended Budget FY 2019-20	Actual FY 2019-20	Variance Favorable (Unfavorable)	Amended Budget FY 2020-21	Actual FY 2020-21	Variance Favorable (Unfavorable)
Revenues						
Property Taxes	\$ 57,410,675	\$ 56,925,868	\$ (484,807)	\$ 59,978,003	\$ 60,294,567	\$ 316,564
TIF Revenues	16,052,263	15,674,198	(378,065)	19,782,703	19,753,584	(29,119)
Other City Taxes	19,503,619	17,227,878	(2,275,741)	14,567,425	12,961,987	(1,605,438)
Licenses and Permits	1,755,800	2,287,151	531,351	3,065,850	4,486,165	1,420,315
Use of Money and Property	2,155,019	4,273,954	2,118,935	3,905,798	1,631,973	(2,273,825)
Intergovernmental	22,753,718	22,419,040	(334,678)	30,948,623	25,366,289	(5,582,334)
Charges for Services	22,945,133	23,269,776	324,643	25,239,350	26,744,968	1,505,618
Special Assessments	125,000	20,315	(104,685)	20,000	18,759	(1,241)
Miscellaneous	12,751,065	24,612,959	11,861,894	19,251,769	40,113,849	20,862,080
Total Revenues	\$ 155,452,292	\$ 166,711,139	\$ 11,258,847	\$ 176,759,521	\$ 191,372,141	\$ 14,612,620
Expenditures						
Public Safety	\$ 34,467,710	\$ 31,215,616	\$ 3,252,094	\$ 38,305,162	\$ 34,343,279	\$ 3,961,883
Public Works	11,335,205	10,397,403	937,802	12,538,038	11,199,019	1,339,019
Health and Social Services	1,352,190	1,135,730	216,460	1,328,588	1,048,859	279,729
Culture & Recreation	11,249,324	9,950,981	1,298,343	11,942,048	10,075,206	1,866,842
Community & Economic Development	11,091,087	8,173,014	2,918,073	11,192,583	8,833,033	2,359,550
General Government	11,148,419	10,019,340	1,129,079	11,546,675	10,343,646	1,203,029
Debt Service	30,034,160	30,040,495	(6,335)	34,265,611	30,745,751	3,519,860
Capital Outlay	115,009,859	82,657,622	32,352,237	71,305,395	42,305,047	29,000,348
Business Type	67,867,727	22,395,357	45,472,370	86,168,643	28,513,194	57,655,449
Internal Service	10,390,965	10,449,750	(58,785)	14,030,828	11,960,289	2,070,539
Total Expenditures	\$ 303,946,646	\$ 216,435,308	\$ 87,511,338	\$ 292,623,571	\$ 189,367,323	\$ 103,256,248
Excess (Deficiency) of Revenues Over Expenditures	\$(148,494,354)	\$ (49,724,169)	\$ 98,770,185	\$ (115,864,050)	\$ 2,004,818	\$ 117,868,868
Other Financing Sources, Net	\$ 30,558,762	\$ 14,699,084	\$ (15,859,678)	\$ 51,095,549	\$ 21,132,189	\$ (29,963,360)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures & Other Financing Uses	\$(117,935,592)	\$ (35,025,085)	\$ 82,910,507	\$ (64,768,501)	\$ 23,137,007	\$ 87,905,508

BUDGET SUMMARY**PROGRAM BASIS BUDGET****FY 2022-23 Expenditures Stated on a Program Basis**

	General Funds	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise/ Internal Service Funds	FY 2022-23 Budget
Expenditures & Other Financing Uses						
Public Safety	\$ 36,330,760	\$ 3,852,115	\$ -	\$ -	\$ -	\$ 40,182,875
Public Works	12,320,295	716,400	-	-	-	13,036,695
Health & Social Services	1,281,188	216,200	-	-	-	1,497,388
Culture & Recreation	12,746,324	350,000	-	-	-	13,096,324
Community & Economic Development	6,280,952	2,802,128	-	-	-	9,083,080
General Government	12,281,124	-	-	-	-	12,281,124
Debt Service Funds	-	164,640	37,218,444	-	-	37,383,084
Capital Project Funds	-	-	-	54,500,500	-	54,500,500
Total Government Activities	\$ 81,240,643	\$ 8,101,483	\$ 37,218,444	\$ 54,500,500	\$ -	\$ 181,061,070
Business-Type/Enterprise Funds	\$ -	\$ -	-	-	\$ 77,919,711	\$ 77,919,711
Total Business Type/Enterprise	\$ -	\$ -	\$ -	\$ -	\$ 77,919,711	\$ 77,919,711
Total Expenditures	\$ 81,240,643	\$ 8,101,483	\$ 37,218,444	\$ 54,500,500	\$ 77,919,711	\$ 258,980,781

Revenue Highlights

The City of West Des Moines continues to build on its reputation as a growing city suburb adjacent to Des Moines, Iowa. A strong commercial base, coupled with a growing residential market makes West Des Moines a desirable place to both live and work. In FY 2022-23 total operating revenues are projected to increase by approximately 0.95%.



Property Taxes

The City of West Des Moines proposes to maintain the property tax rate of \$10.95 per \$1,000 of taxable valuation in Fiscal Year 2022-23. The proposed ad valorem taxes levied against real and personal property in FY 2022-23 will generate approximately \$65,288,243 which accounts for approximately 36.52% of the total operating revenue budget for the city. This projection is based on actual taxable valuations on January 1, 2021, as supplied by the Polk, Dallas, Warren, and Madison County Auditors. As in past years, property taxes continue to be not only the main revenue source for the city, but also one of the most stable. However, this stability is continually challenged by the erosion of the city’s tax base due to state mandated rollbacks on commercial, residential, and multi-residential property.

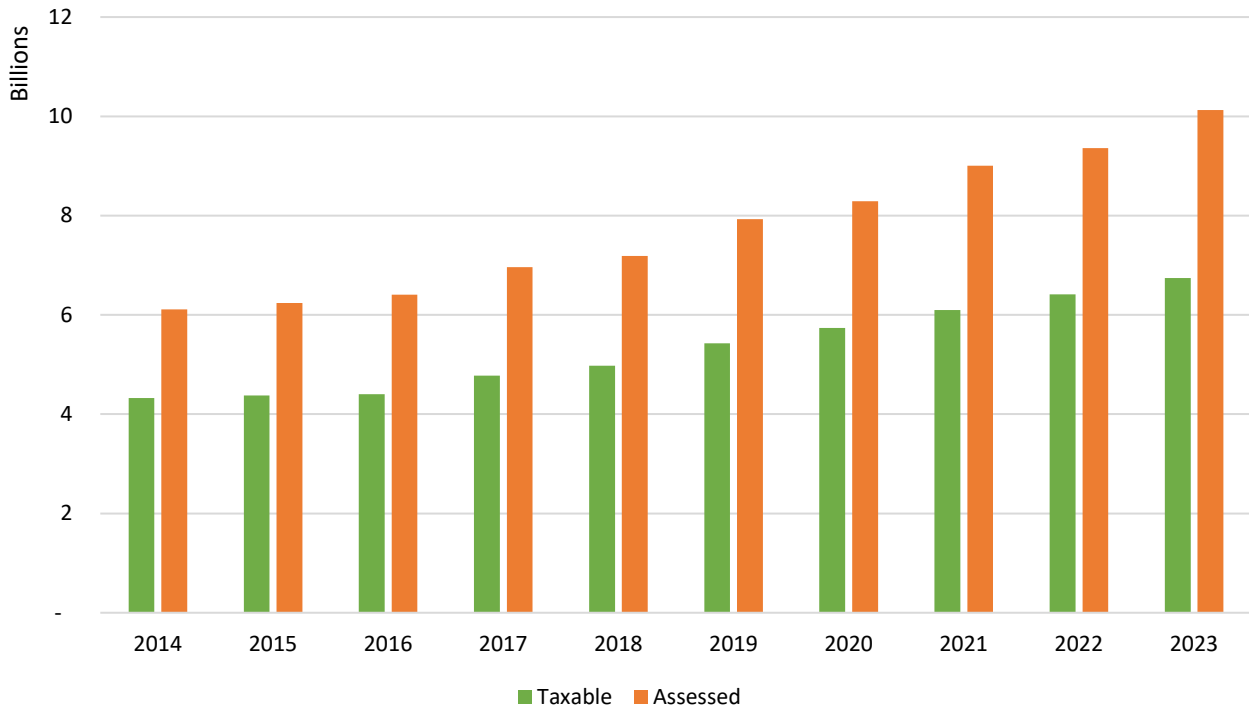
Residential Rollback

Taxable property in Iowa is categorized into distinct classes such as residential, multi-residential, commercial, industrial, or agricultural with each category having different procedures for assessing value for taxing purposes. To reduce the opportunity for dramatic tax shifts between classes from year to year a statutory limit of 3% growth a year has been imposed, (commonly called the growth limitation). For example, if statewide growth is any one class of property in any year exceeds 3%, the taxable value is reduced by a percentage so that growth of taxable valuation is at the 3% ceiling. This percentage is called the “rollback.” Furthermore, residential property cannot exceed the growth in agricultural property. In other words, the taxable growth of residential property is either 3% or equal to the growth in agricultural property, whichever is lower. Since the

growth in agricultural property has been stagnant for several years (less than 1% a year), taxable residential property valuations have been artificially suppressed. This has brought to light one of the major limitations of the rollback formula in that it does not recognize the unique valuation characteristics present in different regions of the state. Because of this fact, economic development in some communities has been stifled and in all communities a shifting of tax burdens from residential properties to other classes of property has occurred.

In spite of the budgetary constraints posed by the state rollbacks, West Des Moines, through a combination of favorable economic conditions and judicious management over the past ten years has experienced sustained increases of 2.14% to 10.32% per year in the City’s tax base. These increases have been invaluable in defraying the effects of the rollback. While it can be clearly seen from the chart below actual property valuation in FY 2022-2023 has increased over 65% since FY 2013-2014, the effects of the state mandated rollbacks can also be seen. Due to a decline in the economy, numerous properties have received reductions from the county assessors, or in some cases county or state review boards over the past few years.

Property Valuations
For Fiscal Years Ending June 30



In FY 2022-23, the taxable value of residential properties will decrease from 56.41% to 54.13%, the taxable value for multi-residential properties will decrease from 67.50% to 63.75%, and the taxable value of commercial properties will remain at 90.00%. Multi-residential was a new property class for FY 2016-17, in prior years multi-residential property was considered commercial property. The following table is a ten-year history of the residential, multi-residential, and commercial rollbacks in Iowa.

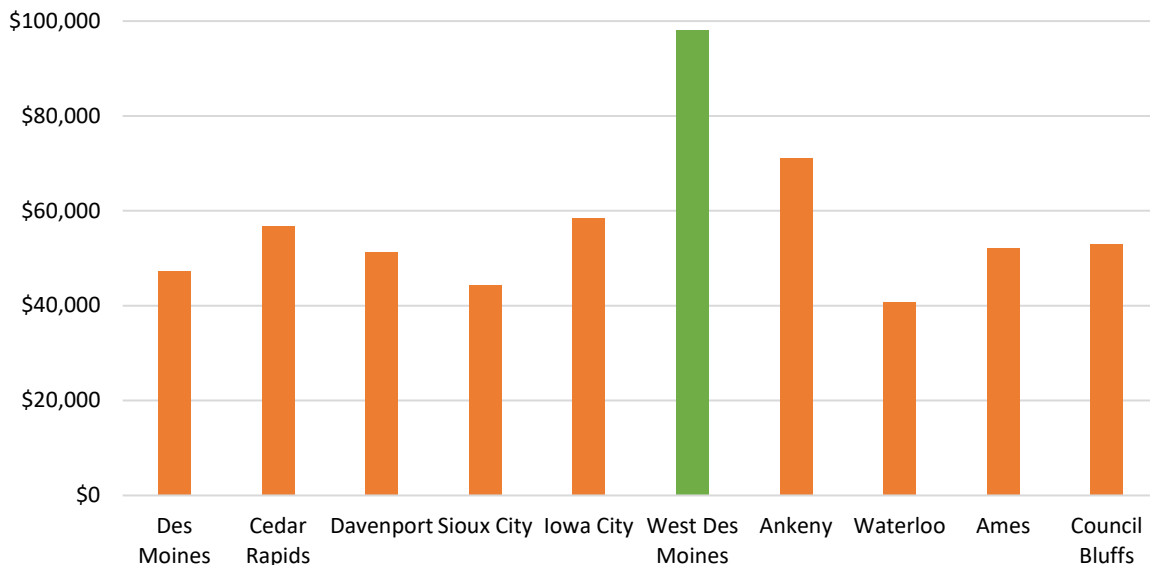
Rollback Rate History

Fiscal Year	Residential	Multi-Residential	Commercial
2013-14	52.82%	-	100.00%
2014-15	54.40%	-	95.00%
2015-16	55.73%	-	90.00%
2016-17	55.63%	86.25%	90.00%
2017-18	56.94%	82.50%	90.00%
2018-19	55.62%	78.75%	90.00%
2019-20	56.92%	75.00%	90.00%
2020-21	55.07%	71.25%	90.00%
2021-22	56.41%	67.50%	90.00%
2022-23	54.13%	63.75%	90.00%

Rollback Effect in Comparable Cities

While the rollbacks have had a significant budgetary impact on the city, they have not been as devastating as in other cities that rely heavily on the residential tax base to support city services. The precipitous decline of residential tax bases has forced most Iowa cities to increase rates just to support existing services. Approximately 84% of Iowa cities are at the maximum levy rate for the general fund. The maximum general fund levy rate of \$8.10 has not changed since 1975. Even at maximum rates, nearly 300 Iowa cities are facing declining revenues since actual residential growth cannot make up for rollback losses. West Des Moines is fortunate in having a strong commercial tax base and is not subject to erratic swings in property tax revenues as in some communities. In fact, West Des Moines is one of the few communities in the state where Commercial/Industrial property generates more tax revenues than residential property. This is further evidenced when you compare taxable property valuations per capita of Iowa's ten largest cities. West Des Moines' taxable valuation per capita is not only the highest of any of Iowa's ten largest cities, in cases it is more than double the per capita valuation of some cities with a greater population.

Comparison of Taxable Property Valuations per capita for Iowa's Ten Largest Cities



Long Term Forecast

Presently the City’s economic base could be classified as strong and diversified with no major employer or type of business dominating role. However, the city must be cautious and realize there are many factors that could directly or indirectly influence its tax base. International issues such as the consumption of oil, consumer demands for products, regional entertainment patterns, increased competition from neighboring communities, changes in federal policies, and foremost, unfunded state mandates, can restrict tax collections in any given year.

Changes in the Iowa Legislature will continue to have a dramatic effect on revenues. Particularly impactful will be the be the rollback program for commercial and due to a high concentration of multi-residential property in West Des Moines, the change in classification from commercial to multi-residential has negatively impacted revenues and will be felt even more in Fiscal Year 2023-24 when the multi-residential property class will be eliminated and then such properties will move to the residential property class. The city has been very successful over the past 10-20 years in building adequate cash reserves and would be in a position to absorb a certain amount of change for the immediate term, but the results of a long-term structural deficit may result in increased fees/taxes or the reduction of certain services and programs.

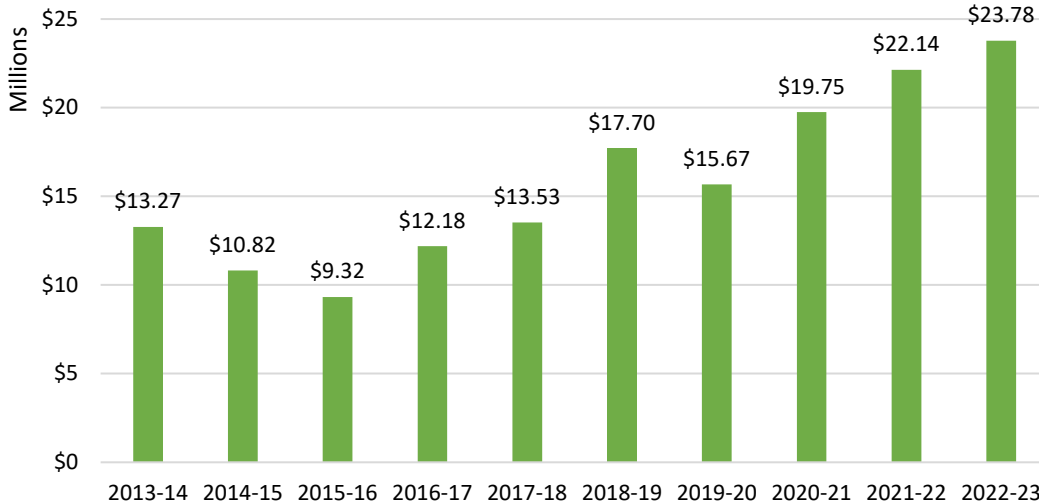
Rollback Rate Projections

Fiscal Year	Residential	Multi-Residential	Commercial
2023-24	55.32%	55.32%	90.00%
2024-25	53.68%	53.68%	90.00%
2025-26	54.90%	54.90%	90.00%

Tax Increment Financing

Tax increment financing revenue is property tax levied on the incremental valuation in an urban renewal area created by the City Council for economic development purposes. These revenues finance public improvement projects or economic development incentives for businesses located within the urban renewal area. By December 1st of each year the city certifies its tax increment revenue requirements with each county. The increase in FY 2022-23 TIF revenue is primarily due to the capturing of valuation within the Westtown V, Osmium, and the 8300 Mills Parkway urban renewal districts.

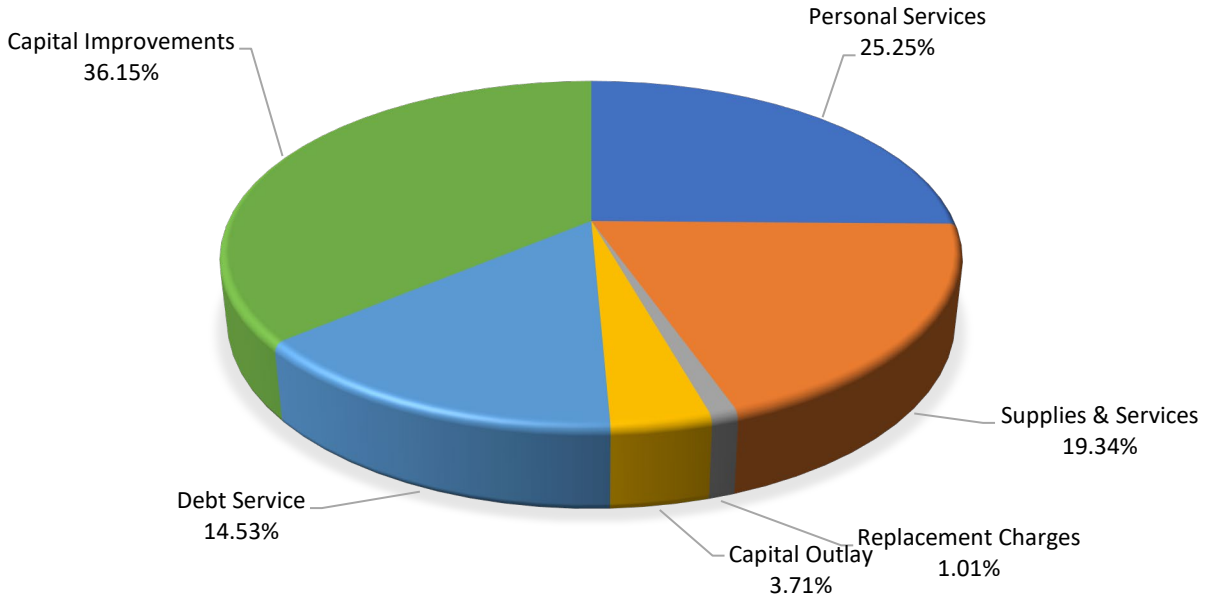
Tax Increment Financing Revenue



Expenditure Highlights

Total expenditures for FY 2022-2023 are projected to decrease by 19.84% when compared to the revised budget for FY 2021-2022. The decrease is due to reduction of capital improvement program spending, partially related to the completion of infrastructure projects and the MidAmerican Energy Company RecPlex. The city’s operating budget denotes an increase of 2.20% in operating expenses over the revised budget for FY 2021-2022 which is primarily due to increased personnel costs.

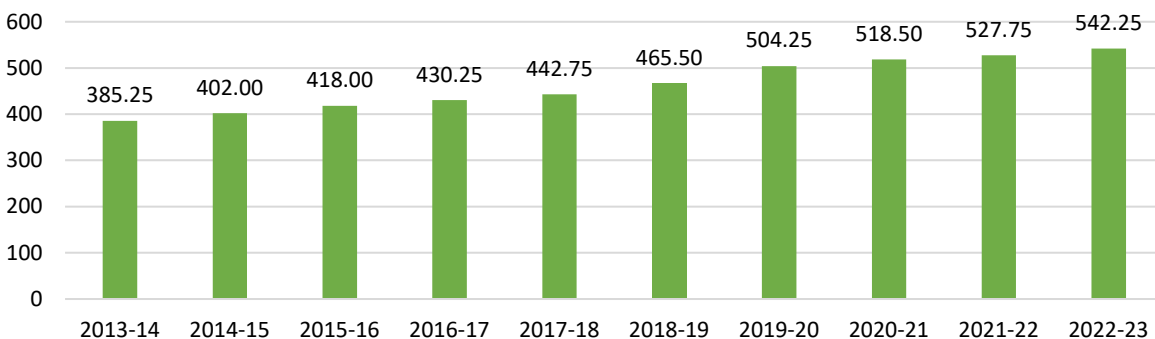
WHERE THE MONEY GOES



Personal Services

The city measures both full and regular part-time positions based on full-time equivalents (FTE), which is the total estimated annual person hours required to fill a position for all or a portion of a year, divided by 2,080 hours. It should be noted that, due to the seasonal nature of employment temporary, season, intermittent, and volunteer workers are not included in this calculation. In FY 2022-23, FTE(s) are proposed to increase by 14.50 positions, bringing the city’s total to 542.25 full-time equivalent positions. This represents a roughly a 41% increase in FTE(s) since FY 2013-14. With the passage of the Local Option Sales and Services Tax in Polk County in 2019, a portion of revenue collected from that tax is being used to fund seven police officers and five fire fighters.

Full-Time Equivalent Positions



BUDGET SUMMARY

EXPENDITURE SUMMARY

City of West Des Moines Personnel by Affinity Group and Department

	Budget 2019-20	Budget 2020-21	Budget 2021-22	Budget 2022-23	Change From 2021-22
<u>Community Enrichment</u>					
Human Services	13.75	10.00	10.00	9.50	(0.50)
Library	30.00	31.00	32.50	32.50	-
Parks & Recreation	19.00	24.00	24.00	24.00	-
Sub-total Community Enrichment	62.75	65.00	66.50	66.00	(0.50)
<u>Public Safety</u>					
Emergency Medical Services	66.45	66.45	66.20	70.20	4.00
Fire Department	79.50	80.50	80.50	82.50	2.00
Police Department	98.00	99.00	99.00	101.00	2.00
Westcom Dispatch	34.30	36.30	36.30	40.30	4.00
WestPet Animal Control	4.00	4.00	4.00	4.00	-
Sub-total Public Safety	282.25	286.25	286.00	298.00	12.00
<u>Public Services</u>					
Community & Economic Development	5.00	5.00	5.00	6.00	1.00
Development Services	20.00	20.00	20.00	20.00	-
Engineering Services	20.00	21.00	22.00	22.00	-
Public Services	69.00	74.00	80.00	82.00	2.00
Sub-total Public Services	114.00	120.00	127.00	130.00	3.00
<u>Support Services</u>					
City Manager's Office	5.00	5.00	5.00	5.00	-
City Clerk	3.00	3.00	3.00	3.00	-
Diversity, Equity, & Inclusion	-	1.00	1.00	1.00	-
Finance	7.75	8.75	8.75	8.75	-
Human Resources	6.50	6.50	7.50	7.50	-
Information Technology Services	18.00	18.00	18.00	18.00	-
Legal	5.00	5.00	5.00	5.00	-
Sub-total Public Services	45.25	47.25	48.25	48.25	-
Total Full-time Employees	504.25	518.50	527.75	542.25	14.50
<u>Authorized Personnel by Fund</u>					
General Funds	451.80	456.61	465.76	474.76	9.00
Special Revenue Funds	1.75	1.69	1.79	2.29	0.50
Enterprise Funds	50.70	60.20	60.20	65.20	5.00
Total Authorized Personnel	504.25	518.50	527.75	542.25	14.50
<u>Authorized Personnel by Bargaining Unit</u>					
Non-Union	213.25	219.50	222.00	252.50	30.50
Union	291.00	299.00	305.75	289.75	(16.00)
Total Authorized Personnel	504.25	518.50	527.75	542.25	14.50

BUDGET SUMMARY

EXPENDITURE SUMMARY

New/Additional Employees for FY 2022-23

Department	Position	Number of Positions	Funding Source	Start Date	Budgetary Impact
Police	Police Officer	2.00	General	January-23	\$ 103,790
Fire	Firefighter	2.00	General	January-23	\$ 103,702
Emergency Medical Services	Paramedic - Lieutenant	2.00	General/EMS Alliance	July-22	\$ 263,782
Emergency Medical Services	Paramedic	2.00	General/EMS Alliance	July-22	\$ 150,290
Westcom Dispatch	Logistics Supervisor	1.00	Westcom Enterprise	July-22	\$ 110,022
Westcom Dispatch	Dispatcher	1.00	Westcom Enterprise	July-22	\$ 87,078
Westcom Dispatch	Dispatcher	2.00	Westcom Enterprise	January-23	\$ 87,078
Community & Economic Development	Community Development Coordinator	1.00	Historic WDM Housing	July-22	\$ 151,208
Public Services	Operations Specialist-Traffic	1.00	General	July-22	\$ 91,570
Public Services	Utility Locator	1.00	Sanitary Sewer	July-22	\$ 82,776
Total		15.00			\$ 1,231,296

Less:

UnityPoint Share of Paramedic-Lieutenants (40%)	\$ (105,513)
UnityPoint Share of Paramedics (40%)	\$ (60,116)
Other Westcom Cities Share of Logistics Supervisor (60%)	\$ (66,013)
Other Westcom Cities Share of Dispatchers (60%)	\$ (104,494)
Net West Des Moines Budgetary Impact	\$ 895,160

Employees Reductions for FY 2022-23

Department	Position	Number of Positions	Funding Source	End Date	Budgetary Impact
Human Services	Rapid Re-Housing Assistant <i>(Iowa Finance Authority grant funded position, grant will not be renewed in 2023)</i>	0.50	Housing Solutions	June-22	\$ 26,527
Total		0.50			\$ 26,527

Key Assumptions for FY 2022-2023 Personal Services

Salary Increases

Employee compensation will follow past practice in that the city has bargaining unit contracts for approximately 290 employees, while 252.50 employees are not represented by unions. New employees continue to be enrolled in the city’s tiered health insurance plans, if allowed by bargaining agreements, and pension benefits are under the purview of the State.

Bargaining unit employees will receive a 3.50% to 4.00% cost of living adjustment in agreement with the terms of their respective contracts on July 1st. All bargaining units are currently under four-year contracts through June 30, 2026. In addition to cost-of-living increases, bargaining unit employees are eligible to receive step increases in they are not at the maximum of their pay scale.

Non-represented employees who have not reached the maximum of pay level may be eligible to receive a pay increase based upon job performance on July 1st.

Medical Insurance Rates

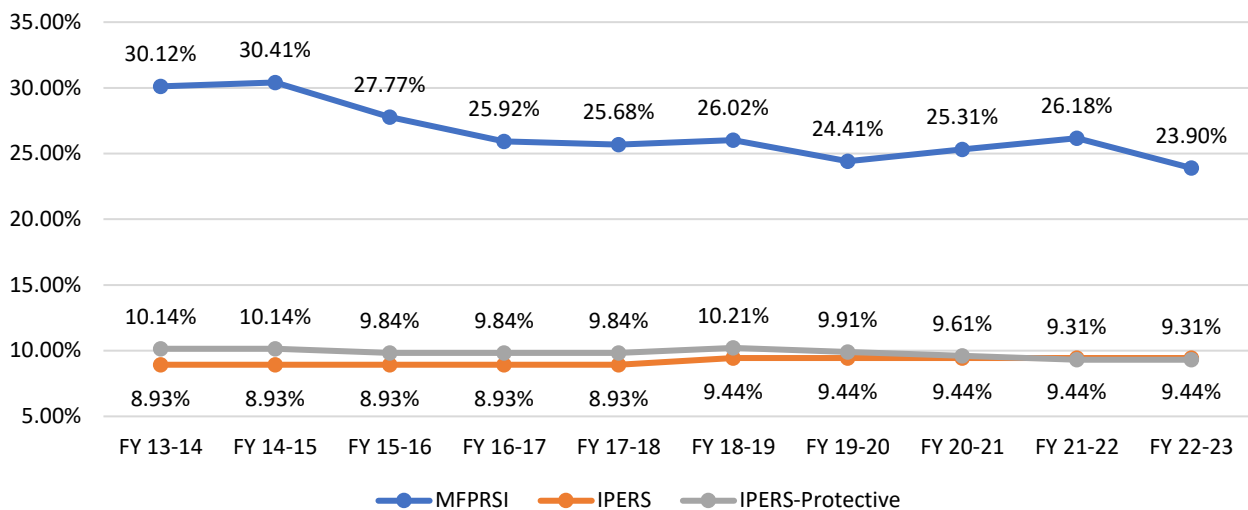
Medical insurance rates are projected to increases by 10.00% from FY 2021-2022 actual rates.

Pension and Retirement Benefits

The city contribution rates for FY 2022-2023 are as follows:

- 23.18% for sworn police officers and full-time fire personnel (MFPRSI)
- 9.31% for part-time firefighters and emergency medical services staff (IPERS-Protective)
- 9.44 % for full and regular part-time personnel (IPERS)

City Pension Contribution Rate History



Other Pay

The other pay category includes vehicle allowances, mobile communication device allowances, longevity pay, union negotiated pays, and other miscellaneous pay categories.

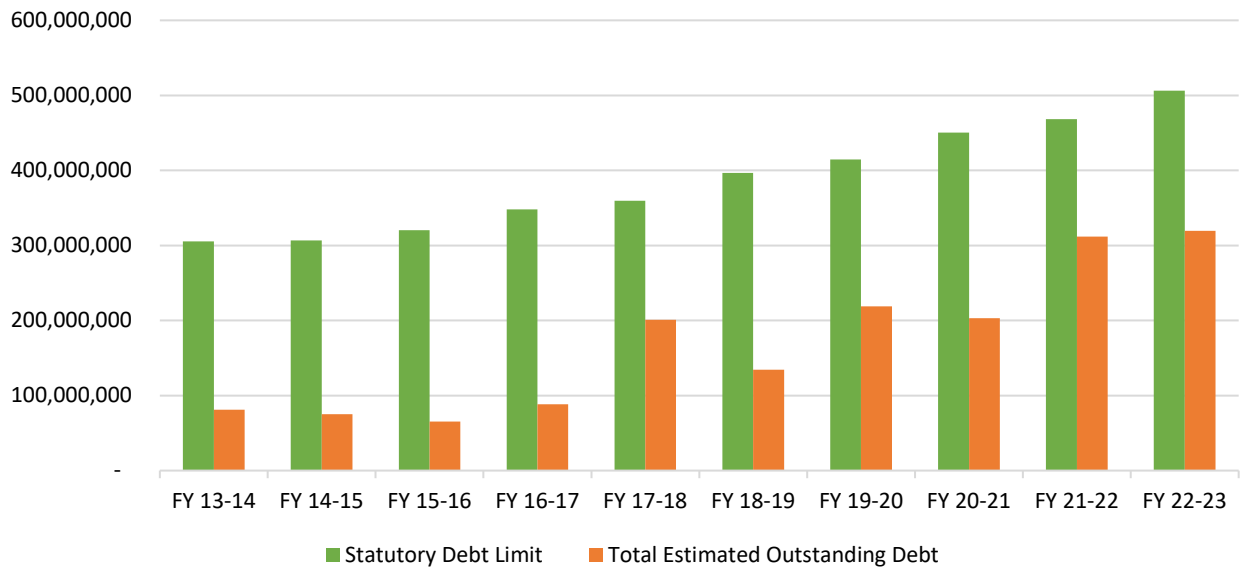
Description of Long-Term Debt Obligations

The City of West Des Moines has experienced a tremendous amount of growth in recent years. Since 1990, the population of West Des Moines has increased by 116.78%, and the area of the city has more than doubled, both of which created an unprecedented demand in West Des Moines for infrastructure and capital projects. As a city expands, its citizens will need more parks, roads, bridges, and public safety facilities, just to name a few examples. This demand for public sector improvements has made the issuance of debt an increasingly important component in city programs. The city utilized on base form of long-term debt, general obligation bonds. General obligations bonds are backed by the full faith and credit (i.e., taxes) of the city.

Debt Management

The planning, development, and implementation of debt management is an important component in a local government's overall capital program. A decision to borrow money can bind a city to a stream of debt service payments that can last twenty years or more. Therefore, it is imperative that cities develop and abide by a debt management policy. The City Council agreed that debt issuance should not require the City's overall property tax rate to exceed \$10.95 per \$1,000 of valuation. Before the issuance of debt, the City Council listens to the recommendation of staff which annually reviews and prioritizes the capital needs of the city. The City Council then determines, as a part of the annual budget, the amount of debt to be issued. Moody's Investors Services and Standard & Poor's rating agencies have issued the City of West Des Moines ratings of AAA, the highest rating issued by the agencies. These high ratings result in a more attractive bidding environment and, therefore, a more favorable interest rates for the city when bonds are sold. Sales of general obligation bonds are usually prepared on a level debt formula which means the total amount of principal and interest due each year is roughly the same.

Historical Debt Limit



Future Budget Concerns

The following items will be reviewed in future budgets:

- House File 2552, a proposal to convert the current business property tax credit into a permanent and automatic rollback reduction on the first \$150,000 of property tax valuation for all commercial, industrial, and rail property owners. Currently the business property tax credit is fully funded by the State of Iowa, the proposed changes would decrease property tax revenue to cities.
- Phasing out of the commercial and industrial backfill provided by the state to the cities. The backfill was reduced in FY 2022-23 and will continue to be reduced each year until the amount will be zero in FY 2026-27.
- Increased demand for Emergency Medical Services, through the spring of 2022 ambulance transports are up 20%. The increase in demand is resulting in additional expenses for fuel and supplies and could possibly lead to employee burnout.
- Growth south of the Raccoon River will require the construction of a public safety station in the southeastern quadrant of the city future budgets will need to include costs of constructing this facility and the eventual staffing. At some point in time after this station is constructed a public safety station may be need in the southwestern quadrant of the city.
- As the Fiber Conduit Networks is completed and become operational, the budget will need to transition from construction of the network to operating the network. This includes generating revenue and maintaining the network.
- Rising interest rates will need to be considered in future budgets as the increase in interest rates will affect how much money can be borrowed for future projects and what projects can the city afford to complete. Cash reserves may also be affected as it may be in the city's best interest to spend down reserves as opposed to issuing debt with higher interest rates.

