

BUDGET SUMMARY

FY 2013-2014



WEST DES MOINES, IOWA

Our
Purpose...

Mission Statement

Our mission is to serve the people of West Des Moines honestly and effectively. Through a variety of services, we strive to provide the quality of life desired by the community.

City of West Des Moines

OUR VALUE STATEMENT

We, the employees of the City of West Des Moines, through **TEAMWORK** and **COOPERATION**, are **COMMITTED** to provide the highest **QUALITY OF SERVICE** with **HONESTY** and **INTEGRITY** to the community we serve.

We take pride in providing **EFFECTIVE**, **DEPENDABLE** services while striving to achieve **EXCELLENCE** through **VISION** and **INNOVATION**.

THE CITY OF
West Des Moines



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of West Des Moines

Iowa

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Morrell

President

Jeffrey R. Egan

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of West Des Moines, Iowa** for its annual budget for the fiscal year beginning **July 1, 2012**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



TABLE OF CONTENTS



Table of Contents

| | |
|--|----|
| Mission of Document..... | i |
| How to use this Document..... | ii |
| Description of Community | iv |
| Fund Description/Budget Process..... | v |
| Organizational Chart..... | x |
| City Officials..... | xi |
| <i>Executive Overview</i> | |
| City Manager’s Budget Message | 1 |
| <i>Balanced Scorecard</i> | |
| Balanced Scorecard..... | 11 |
| <i>Budget Summary</i> | |
| Financial Policies | 15 |
| FY 2013-14 Budget by Fund | 20 |
| FY 2013-14 Budget all Funds..... | 21 |
| Budget to Actual | 23 |
| Revenue Summary | 25 |
| Expenditure Summary | 30 |
| Consolidated Debt Summary | 33 |
| <i>General Fund</i> | |
| FY 2013-14 Budget..... | 37 |
| Revenue Summary | 38 |
| Expenditure Summary | 46 |
| <i>Community Enrichment</i> | |
| Parks and Recreation..... | 53 |
| Library..... | 59 |
| Human Services | 64 |
| <i>Public Safety</i> | |
| Emergency Medical and Communication Services | 69 |
| Police..... | 74 |
| Fire | 79 |
| <i>Public Services</i> | |
| Community and Economic Development..... | 85 |
| Development Services | 89 |
| Regional Economic Development | 93 |
| Historic City Hall..... | 95 |
| Public Works..... | 97 |

Table of Contents

Support Services

| | |
|---------------------------------|-----|
| Mayor and Council | 103 |
| City Manager | 105 |
| Legal | 109 |
| Finance | 112 |
| Risk Management | 116 |
| Development and Promotion | 118 |
| City Contingency | 120 |

Special Revenue Funds

| | |
|---|-----|
| Description of Funds | 123 |
| FY 2013-14 Budget | 125 |
| Road Use Tax Fund | 128 |
| Rehabilitation/Economic Development Funds | 130 |
| Employee Benefits Fund | 132 |
| Tax Increment Financing Funds | 134 |
| Police & Fire Retirement Funds | 136 |
| Park Trust Fund | 138 |
| Library Trust Fund | 140 |
| Police Trust Fund | 142 |
| E911 Funds | 144 |
| Human Services Trust Fund | 146 |
| EMS Trust Fund | 148 |

Debt Service Fund

| | |
|---|-----|
| Description of Fund | 151 |
| FY 2013-14 Budget | 152 |
| Composition of Debt Service Levy | 153 |
| FY 2013-14 General Obligation Bonds Outstanding | 154 |
| Future Debt Service Based Upon Existing Debt | 155 |

Capital Project Funds

| | |
|----------------------------------|-----|
| Description of CIP Program | 157 |
| FY 2013-14 Budget | 158 |
| CIP Program Detail | 161 |

Enterprise Funds

| | |
|-----------------------------------|-----|
| Description of Funds | 171 |
| FY 2013-14 Budget | 172 |
| Sanitary Sewer Fund | 173 |
| Solid Waste Fund | 175 |
| Storm Water Utility Fund | 177 |
| Technology Replacement Fund | 179 |
| Vehicle Maintenance Fund | 181 |
| Vehicle Replacement Fund | 183 |
| Health Insurance Fund | 185 |

Table of Contents

Enterprise Funds

Worker’s Compensation Fund187

Other Information

Miscellaneous Information & Statistics.....189

Glossary

Definitions & Acronyms.....193

Cover

The cover is a compilation of images submitted to West Des Moines Parks & Recreation by West Des Moines residents for the “Best of West Des Moines” photography program.

Mission of this Document

The City of West Des Moines' budget document is intended to inform and enhance the citizens' understanding of the budget process and the services they receive. It is also vital that the City Council is provided with the information they need to ensure the budget reflects public interest and is structurally correct. Therefore, it is critical the document serves the following four functions:

Acts as a Policy Document

All budgets reflect decisions about a variety of policy issues such as whom to tax and how much, what new programs to fund, and what programs to reduce or terminate. It is in this context that the budget functions as a policy document in that decisions made within the budget reflect the general principles or plans that guide actions taken for the future.

Serves as a Legally Required Financial Planning Tool

Traditionally the budget has always been used as a financial planning tool. To this end, the budget is a requirement of all Iowa cities, as stated in Chapter 384.16 of the Iowa Code. The budget is the legal authority to expend public funds and controls these expenditures by limiting the amount of the appropriation on a program basis. In order to conform to Governmental Accounting Standards Board Statement 34 and changes to Iowa Administrative Code the FY 2002-2003 budget was converted in budget amendment #2 from four programs to nine expenditure types. The nine expenditure types are Public Safety, Public Works, Health and Social Services, Culture and Recreation, Community and Economic Development, General Government, Debt Service, Capital Projects and Business Type Activities. Expenditures required to be budgeted include expenditures for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds, and Enterprise Funds. Adopted budgets may either be prepared on a cash basis or on a basis consistent with generally accepted accounting principles.

Functions as an Operational Tool

This budget addresses areas, which may not be included in traditional budget documents. These include debt management, staffing levels, capital spending plans, and the incorporation of performance measures.

Acts as a Communication Device

The budget process provides a unique opportunity to allow and encourage public review of City operations. This budget describes the activities of the City, the reason or cause for those activities, future implications, and the direct relationship to the citizenry.

In addition to the above functions, the budget process affords both an interesting and challenging opportunity to reassess objectives, goals, and the means for accomplishing them. It is through this effort that the budget is arguably the single most important policy document produced each year.

Organization of Document

Listed below is a brief description of the individual sections of this document which is intended to acquaint the reader with **the structure, format, and terminology used in this budget document.**

Executive Overview

This section includes the City Manager's budget message, which is intended to articulate priorities, issues, and any major changes in City services for the budget year.

Balanced Scorecard Strategic Plan

The Balanced Scorecard is a performance management system used to translate strategy into tangible objectives and measures. It is an integrated system that links long term objectives with short-term actions, senior management with front-line employees, and organizational vision with organizational activities. By using four perspectives, (Customer, Financial, Internal Process and Learning & Growth) a balanced approach is used to evaluate organizational strategy.

Budget Summary

This section includes a summary of the City's major revenues and expenditures, which is intended to provide an overview of the total resources budgeted by the City. Also included are summaries of the City's main revenue source, property taxes, one of its largest expenditure items, personnel services, and a consolidated debt overview.

Fund Summaries

These sections are intended to provide a breakdown of the FY 2013-14 Budget on an individual fund basis.

General Fund

This section presents the City's general fund budget on a departmental basis. The departments are grouped in Cluster order (Community Enrichment, Public Safety, Public Services and Support Services). The concept of organizational clusters was introduced in July of 2002 with the intention of breaking down departmental barriers and improving communications. The clusters have played an integral part in the City's quality initiative and strategic planning processes. Better relationships have resulted from cluster meetings and it is the hope that the clusters will continue to develop synergies and efficiencies.

Other Information

This section is intended to provide statistical and supplemental data for the City of West Des Moines and the population we serve.

Glossary

A glossary has been included in this document to assist the reader with any terminology (including abbreviations and acronyms) that is not readily understood.

Description of the Community

The City of West Des Moines is located in central Iowa, adjacent to the western boundary of the City of Des Moines. Situated at the crossroads of America's two major interstates (I-35 and I-80) **West Des Moines is a magnet for companies who see this transportation access as an advantage.** The City's major employers include Wells Fargo Mortgage & Home Equity, Aviva USA, FBL Financial Group Inc., Wells Fargo Card Services, Hy-Vee Incorporated, MetLife, ADP National Service Center and GuideOne Insurance.

West Des Moines is an exceptional community. It has virtually every "quality of life" amenity a community can provide. The City is well known for its outstanding neighborhoods, reflecting a wide variety of quality housing ranging in age, size, price and type.

The stores and restaurants in the City are a regional attraction. Valley Junction, the City's original downtown features fine locally owned shops and restaurants in a beautiful "old Americana" environment. In contrast, several modern shopping centers, including regional malls, feature nationally known stores of every type. The community and the region offer many superb leisure and recreational venues.

Government

The City of West Des Moines is governed under a Mayor-Council form of government which provides, by ordinance, for a City Manager to be appointed by the Council to serve as the chief administrative officer for the City. The Mayor and the five Council Members are elected to four-year terms with the Mayor's and three Council Members expiring at the same time. The remaining two Council Members' terms expire two years later, thus ensuring continuity of experienced members.

The City staff is organized into twelve departments. These departments in cooperation with the offices of the City Manager, Finance, and City Attorney carry out the policy of the City Council and the business of the City. The Municipal Library and Waterworks are administered by separate boards.

Financial Structure

The City of West Des Moines operates on a July 1 to June 30 fiscal year. The City's accounting and budgeting systems are organized and operated on a fund basis. Where a business typically combines the results of the operations of all its subsidiaries into one consolidated report, the City of West Des Moines creates a separate report for each one of its groups of funds. **A fund is defined as an accounting entity with a self-balancing set of accounts.** Each fund receives revenue from different sources and functions as if it were a self-contained business with its own set of accounts and financial reports. The expenditures from each fund are covered by the revenues from that fund, plus any appropriate transfers of revenue from other funds. As a result of the fund structure, the City of West Des Moines does not have a single bottom line, but many bottom lines, one for each fund.

The fund structure serves the following two main functions: 1) The separation of funds helps ensure that earmarked revenue is being spent appropriately. For example, because individual funds are smaller, less complicated, and have their own reports, it is easier to track or match revenues with expenditures. This task would be far more difficult if the City had one large undifferentiated fund. 2) Fiscal control is a key element of a fund structure. Not only is the budget required to balance, due to current legislation and other mandated constraints. Surpluses in some funds may not be used to cover deficits in other funds. Thus the fund structure forces governments to meet a more exacting standard of balance than private sector organizations.

Types of Funds

The City of West Des Moines groups all of its funds into three broad categories depending on the nature of the fund. **Governmental Funds** are used to account for the City's governmental type activities; **Proprietary Funds** account for the City's business type activities; and, **Fiduciary Funds** are used to account for activities when the City acts in an agent or fiduciary capacity. Listed below are the categories used by the City and the basic types of funds for each category:

Governmental Funds

General Fund, is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

Special Revenue Funds, are used to account for revenues derived from specific sources that are usually required by law or regulation to be accounted for in separate funds.

Debt Service Fund, is used to account for legally mandated reserves and the payment of interest and principal on the City's general long-term debt.

Capital Project Funds, these funds are used to account for all resources used in the acquisition or construction of capital facilities.

Proprietary Funds

Enterprise Funds, are used to account for operations and activities that are financed and operated in a manner similar to a private business, where costs of providing the service are expected to be financed through user charges.

Internal Service Funds, are used to finance and account for services and commodities furnished by designated departments to other departments of the City.

Fiduciary Funds

Expendable Trust Funds, are used to account for assets held by the City in a trustee capacity for other governments, organizations, or other funds.

Budgeting and Accounting Basis

The City prepares its budget for all funds on a cash basis, while the City's Comprehensive Annual Financial Report (CAFR) shows the status of the city's finances on the basis of "Generally Accepted Accounting Principles" (GAAP). Under GAAP standards, the City is required to use a modified accrual basis of accounting for Government and Fiduciary Funds, while Proprietary Funds are required to use full accrual. Under the modified accrual basis of accounting, revenues are recorded when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt which are reported as fund liabilities when due. Disbursements for the purchase of assets providing future benefits are recognized as expenditures at the time of purchase. However, it is important to note, for comparability purposes the City's CAFR includes both GAAP and Cash basis financial statements.

The Budget Process

The budget process for the City of West Des Moines is in some respects, an ongoing, year-round activity. Informal budget planning begins with the City's Balanced Scorecard strategic plan. This process involves discussions between the City Manager, departments, and Mayor/City Council about the status of ongoing programs, and the establishment of new goals and objectives for the future.

Formal budget preparation begins in August when Finance performs a financial capacity projection for the upcoming budget year. This projection involves estimating reserves, revenues, expenditures, debt limits, and the General Fund's contribution to the Capital Improvement Program. It is within this groundwork that the FY 2013-14 budget is formed.

Operating and Capital Budget

There are two main components of the City's budget, its operating budget and the capital improvement program (C.I.P.). The budget process for both of these components usually begins in late September when the budget request forms are sent to the departments, and the C.I.P. Committee conducts its initial meeting. Listed on the following page is a description of each component:

Operating Budget: The departmental request forms are due to the Finance in early November. These requests are service level driven and are made within the parameters established in the City's Strategic Plan. Once the budget requests have been initially reviewed by Finance, the departments then meet with the City Manager's budget review team to discuss their request. After all departmental requests have been reviewed; the City Manager then prepares a recommendation for the City's operating budget for the upcoming year.

Capital Improvement Program: After the financial capacity projection is completed and funding sources for the Capital Improvement Program have been identified, the City evaluates if a Citizens Advisory Committee on Capital Planning is needed. This Committee, with the assistance of City staff, is responsible for producing a capital improvement plan that ensures future growth will proceed in an orderly and planned manner. The committee begins this planning process by assessing citywide needs. Once the community's needs have been identified, the committee then employs an objective rating system for the purpose of ranking the projects. With exception of those projects that may violate continuity of service, this ranking is followed when determining which projects to undertake in the upcoming budget year, and which projects should be considered in future years.

Once the projects have been ranked, the committee then makes a capital project recommendation for the budget year. This recommendation is part of an eight-year plan for capital improvements for the City of West Des Moines.

Preliminary Budget

The City Manager and Citizens Advisory Committee, if utilized, recommendations on the operating and capital budgets are ready for Council review in mid-January. The Council then conducts a series of workshops to examine the preliminary operating and capital budget in detail. After the workshops are completed, staff incorporates the Council modifications and prepares the budget for legal adoption. **It should be noted; before any formal action is taken on the budget the City Council conducts a public hearing in February on the City's operating and capital budgets. This allows the citizens of West Des Moines to voice any concerns they may have over the City's budget or its budget process.**

Final Budget

After the public hearing, the final budget is issued as a formal published document in the same format as the preliminary budget, but as modified by the City Council. The actual appropriations implementing the budget are adopted by the City Council. Final action on the budget occurs in March when the City's operating and capital budget are filed with the Polk and Dallas County Auditors.

Reporting and Monitoring

The budget and its policies are implemented through the individual departments and the accounting controls of the Finance department. The budget is monitored by a reporting system consisting of monthly reports to the department heads and division managers. These reports are issued by Finance, and contain the same level of detail as presented during the budget process. Financial reports are submitted to the City Council on a quarterly basis.

Reporting & Monitoring (continued)

In Iowa, state law requires expenditures to be monitored and reported on an expenditure type basis. These types are Public Safety, Public Works, Health and Social Services, Culture and Recreation, Community and Economic Development, General Government, Debt Service and Capital Projects. Expenditures required to be budgeted include expenditures for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds, Permanent Funds, and Enterprise Funds. Finance reviews expenditures on this basis during the course of the year, to ensure the City is within the legal level of compliance.

Amending the Budget

Due to certain unforeseen events it may become necessary to modify the adopted budget. The procedure for amending the budget depends upon the type of change that is needed. The City of West Des Moines employs two types of budget amendments. The internal budget transfer does not change the “bottom line” total for a department and is only required to be approved by the department director and the Finance director. The second type of budget amendment, commonly referred to as a formal budget amendment, can bring about change in the total appropriation for a department or fund, and has to be approved by the City Council. The guidelines for budget amendments are listed below:

Budget Amendments

Section 384.18 of the Code of Iowa provides that a city budget for the current fiscal year may be amended for any of the following purposes.

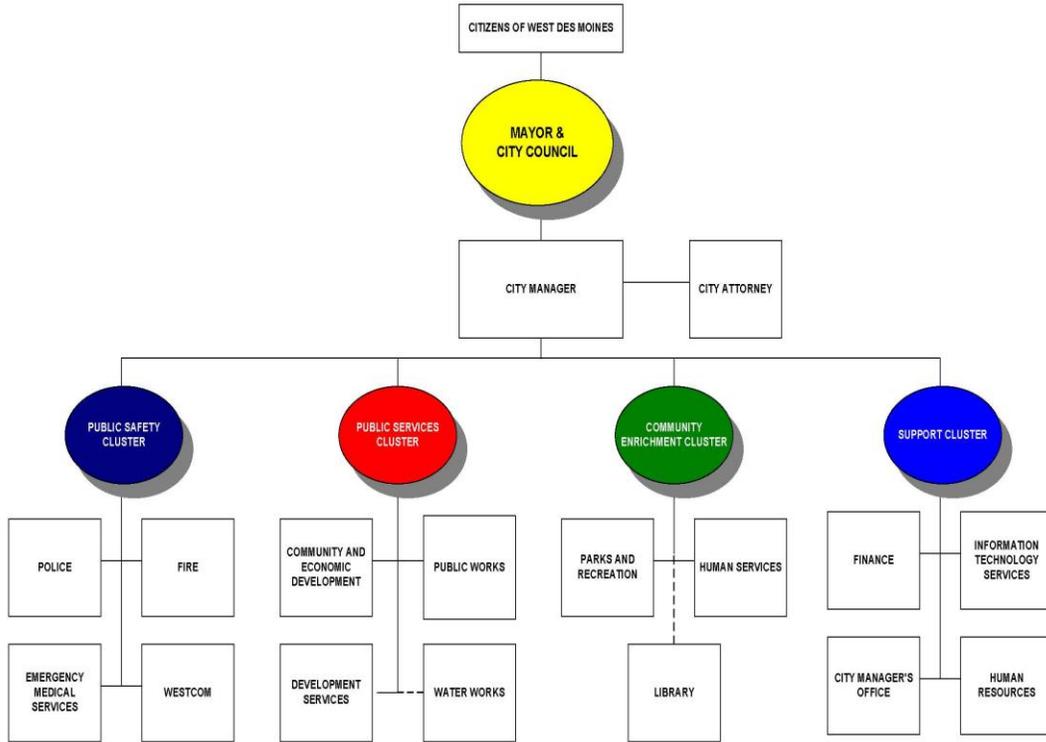
- ◆ To permit the appropriation and expenditure of unexpended unencumbered cash balances on hand at the end of the preceding fiscal year which had not been anticipated in the budget.
- ◆ To permit the appropriation and expenditure of amounts anticipated to be available from sources other than property taxation and which had not been anticipated in the budget.
- ◆ To permit transfers from the debt service fund, the capital improvements reserve fund, the emergency fund, or other funds established by state law, to any other city fund unless specifically prohibited by state law.
- ◆ To permit transfers between programs within the general fund.

A budget amendment must be prepared and adopted in the same manner as the original budget, as provide in Iowa Code Section 384.16, and is subject to protest as provided in Iowa Code Section 384.19. A city budget shall be amended by May 31 of the current fiscal year to allow time for a protest hearing to be held and a decision rendered before June 30, if needed.

FY 2013-14 Budget Calendar

| Due Date | Responsibility | Action |
|--|--------------------------------|---|
| Late September, 2012 | City Council | Council Budget Retreat |
| Tuesday, September 18, 2012 | Finance Dept. | Operating and capital budget request forms distributed and procedures reviewed with department heads/ representatives at Sr. Staff meeting. |
| Tuesday September 18, 2012 – Friday, October 26, 2012 | Departments | Department preparation and Cluster meetings. |
| Friday, October 26, 2012 | Departments | Department operating budget requests due. |
| Thursday, November 1, 2012 - Friday, November 30, 2012 | Budget Review Team/Departments | Initial review with departments concerning CIP and Operating Budget matters |
| Monday, December 10, 2012 | City Council | Preliminary Budget Review at Council Workshop |
| December 2012 – January 2013 | Budget Review Team | Compilation of Recommended Budget document. |
| Tuesday, January 8, 2013 | Finance Dept. | Hotel/Motel request letters sent to agencies. |
| Tuesday, January 8, 2013 | Budget Review Team/ Clusters | Recommended Budget discussion w/Cluster at Sr. Staff meeting |
| Monday, January 21, 2013 | Finance Dept. | Recommended Budget delivered to Mayor/Council. |
| Monday, January 21, 2013 | City Council | Special Council work session on CIP following City Council meeting. |
| Saturday, January 26, 2013 | City Council | Council work session on Operating recommendations with Budget Review Team and Department Heads present. |
| Monday, January 28, 2013 | City Council | Council work session on operating recommendations with Budget Review Team and Department Heads present (if necessary). |
| Monday, February 4, 2013 | Finance Dept. | Proposed budget documents completed and available for distribution. |
| Friday, February 8, 2013 | Finance Dept. | Proposed budget public hearing notice published in The Des Moines Register. |
| Tuesday, February 19, 2013 | City Council | Public hearing on operating and capital budgets with City Council approval of final budget after hearing. |
| Friday, March 15, 2013 | Finance Dept. | Hotel/Motel requests due. |
| By Friday, March 15, 2013 | Finance Dept. | Filing of official budget documents with County Auditors. |

CITY OF WEST DES MOINES ORGANIZATIONAL CHART



Last Revised: 10/22/08

ANNUAL BUDGET
CITY OF WEST DES MOINES, IOWA
Fiscal Year July 1, 2013 to June 30, 2014

CITY OFFICIALS

Steven K. GaerMayor
Kevin Trevillyan.....Council Member First Ward
John Mickelson.....Council Member Second Ward
Russ TrimbleCouncil Member Third Ward
Jim Sandager.....Council Member At Large
Ted Ohmart.....Council Member At Large

Greg L. SparksCity Manager
Jody E. SmithDeputy City Manager
Tim Stiles.....Finance Director
Richard J. Scieszinski.....City Attorney