



Taxpayers Association of Central Iowa

ANNUAL REPORT

2017

TAXPAYERS ASSOCIATION OF CENTRAL IOWA

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DES MOINES, IA 50309

www.taxpayersci.org



INTRODUCTION

The Taxpayers Association of Central Iowa is a nonpartisan, member-based organization dedicated to the promotion of efficient and effective local government, thereby contributing to a high quality of life at reasonable cost. For 96 years, it has been an independent voice of reason in central Iowa, and can be counted on to ask the tough questions and provide the facts on key community issues.

The association operates primarily as a 501c (4) non-profit organization, although 501c (3) contributions may also be accepted on a case-by-case basis. The association was reconstituted from the Polk Des Moines Taxpayers Association in 2011 through the adoption of a new charter and bylaws in March, 2011, and the name change was filed with the Secretary of State in August 2011.

The goals of the Taxpayers Association of Central Iowa are to be:

- A trusted and visible source of information about local tax and budget issues and local government performance;
- A strong source of support for local officials in identifying opportunities and making decisions that promote government efficiency; and
- A leader in moving intergovernmental cooperative efforts that result in better service for less cost.

The Taxpayers Association of Central Iowa (TACI) Board of Directors annually determines the organization's priorities. Their assessment is based on potential community impact -- which could be improved services and/or taxpayer savings, with a secondary screening that considers: (1) feasibility; (2) measurability; and (3) member engagement potential. The association's role is also defined in one of three ways as leader, catalyst, or participant.

The association works primarily with local governments and issues in Polk, Dallas and Warren Counties.

This annual report outlines only key initiatives. The association's website (www.taxpayersci.org) contains its research, analysis and views on key community issues, as well as highlights from key events. During 2017, the association sponsored five events and produced six written reports.

2017 HIGHLIGHTS

Shared Services

TACI President Gretchen Tegeler serves as a co-chair along with Urbandale mayor Bob Andeweg and now also Pleasant Hill mayor Sara Kurovski on the Greater Des Moines Partnership's Capital Crossroads Governance Committee. The committee created and sponsors the Local Government Collaboration Project, which each year brings together representatives from every city and several counties to solve common problems or to develop new ways of accomplishing common objectives. This year saw the fruition of efforts involving cities in central Iowa to achieve maximum consistency in building codes. The benefits include greater ease in compliance for builders and developers and time savings for cities. Also, city finance directors have developed a set of performance indicators that can be used as a basis for comparison among cities. TACI will sponsor a workshop to roll out the new measures. Many smaller projects have also advanced including northeast Des Moines and northwest Altoona shared fire services. TACI is continuously urging cities to take advantage of opportunities to reduce costs or improve services by collaborating with their geographic neighbors.

Broadlawns Medical Center Funding Model

TACI has been instrumental in highlighting that Broadlawns Medical Center is now operating under a new funding model. In the past, the maximum statutory property tax levy was barely enough to cover the cost of care for patients who had no health insurance. Today, with a greatly expanded Medicaid program, the share of uncompensated care has dropped to only six percent, a level comparable to other local non-profit hospitals. TACI has therefore been asking why the \$60 million property tax levy is still needed. Broadlawns has responded with a reduction in the rate—the first one ever—saving property taxpayers in Polk County about \$10 million per year beginning this year. TACI continues to advocate for a community-wide strategic planning process that would clarify the role of Broadlawns given today's financial landscape, and the association continues to represent property taxpayer interests as major financial decisions are made by Broadlawns.

Regional Water Production

TACI was actively involved in discussions to improve a bill introduced in the 2017 session to regionalize the production and distribution of water in central Iowa. As a part of the process, the association encouraged water producers to develop their own plan for regionalizing production that would best meet the needs and circumstances in central Iowa. These early discussions were the genesis of work that has now progressed to become an inclusive, transparent process with an end date of December 2017. TACI continues to work on building public support for regionalizing the governance of water production, as well as troubleshooting issues as they arise.

Public Pension Comprehensive Review

TACI has long been involved in highlighting the risks and impacts associated with Iowa's four public pension systems, potentially leading to consideration of a new model for future government employees. This year the association sponsored a public program featuring Chad Aldeman of Bellwether Education Partners. Chad depicted how the great majority of teachers in Iowa would actually be better served with a defined contribution plan that accumulates benefits in a more even fashion. His data helped dispel the myth that any change will make employees worse off.

The association has also been active in supporting the Iowa legislature's Retirement Systems Committee, which is the official sponsor of Iowa's public retirement plans. During 2017 introductions were made to outside resources, and assistance secured. Early analyses by the consultant and presented to union members demonstrated how decisions should be better supported with risk analysis, helping stakeholders better understand the probabilities and consequences associated with different assumptions and methods. The consultant also highlighted how much additional risk IPERS has had to take on in order to reach its historical 7.5 percent expected long-term return assumption.

Of note in 2017 also was the IPERS Investment Committee's decision in March to reduce IPERS' assumed long-term rate of return from 7.5 percent to 7.0 percent, a step the Taxpayers Association has long advocated. The decision to use a more realistic rate of return had the effect of increasing the estimated unfunded liability by nearly 25 percent, but it will prompt more timely action to address the shortfall and will ultimately reduce total cost.

TACI continues to encourage the Governor and legislature to consider changes in both benefits and contributions to close this additional shortfall, rather than defaulting straight to a pure contribution increase.

BOARD MEMBERS AND TERMS

David Caris <i>Individual Member</i>	2020	Bob O’Hollearn <i>Allied/Nationwide</i>	2019
Joseph Corfits <i>UnityPoint Health, Des Moines</i>	2020	Rich Pullen <i>Principal Financial Group</i>	2018
E.J. Giovannetti <i>Hopkins, Huebner, P.C.</i>	2019	Brian Rickert <i>BrownWinick P.L.C.</i>	2019
Bruce Kelley <i>EMC Insurance Companies</i>	2018	Rick Tollakson <i>Hubbell Realty</i>	2018
Kathryn Kunert <i>MidAmerican Energy</i>	2020	Matt Wagner <i>Bank Iowa</i>	2018
Ted Lodden <i>Brooks Lodden, P.C.</i>	2019	J. Marc Ward <i>Fredrikson & Byron, P.A.</i>	2018
Gerry Neugent <i>Knapp Properties</i>	2020	Art Wittmack <i>Individual Member</i>	2019

Taxpayers Association of Central Iowa President

Gretchen Tegeler is a public policy professional who leads the Taxpayers Association of Central Iowa.

She has been active in state and local levels of government, in both administrative and elective capacities.

Gretchen’s background in property taxes was acquired during the eight-plus years served as Director of the Iowa Department of Management, the Governor’s planning, policy and budgeting office. She was actively involved in analyzing property tax limitations, proposing local government transparency initiatives, and hearing appeals of local budgets. Ms. Tegeler’s expertise in budgeting is reflected in her work in establishing the “Principles of Accountable Government,” which are applied annually by the Iowa Taxpayers Association to assess the state budget. She served as Governor Branstad’s chief of staff following her tenure at the Dept. of Management.

Gretchen was also twice elected and served six years on the West Des Moines Community Board of Education.

A Des Moines native, Gretchen graduated from the University of Iowa with a degree in political science and Master’s Degree in Urban and Regional Planning.

Ms. Tegeler currently serves on the West Des Moines Water Works Board of Trustees. She is the recipient of several awards including the “Building Common Ground Award” and the Iowa Taxpayers Association Linda Weindruch award.

ENDORSEMENTS

But for the Taxpayers Association of Central Iowa, property taxpayers in Polk County would be double-paying for indigent health care. We all want good health care for our vulnerable populations, but we don't want to pay for it twice—once through the state/federal program and again through local property taxes. We are directly saving at least \$10 million per year as a result of the Taxpayer's Association of Central Iowa's work.

C. Marc Ward

Fredrikson-Byron Law and Board of Trustees, Broadlawns Medical Center

Sometimes that neutral third party is the only way to get everyone re-focused on what's best for the region as a whole. The Taxpayers Association of Central Iowa plays a unique role in fostering shared services and intergovernmental collaboration.

E.J. Giovannetti

Hopkins-Huebner Law, former Polk county Supervisor and 20-year Mayor of Urbandale

We appreciate the approach used by the Taxpayers Association of Central Iowa with our local governments, as it is based on mutual respect. Though unafraid to ask tough questions (and sometimes being the only ones asking such questions), the association respects the ultimate decision-making role of elected officials and works with them to find appropriate solutions.

Gerard Neugent

CEO, Knapp Properties

If not for the Taxpayers of Central Iowa, who is going to provide a voice or reason on key community issues? Central Iowa businesses rely on the organization for fair, impartial analysis.

Bruce Kelley

CEO, EMC Insurance Companies

2017 Treasurer's Report

Income

	2016 Actual	2017 Budget	2017 Actual
Membership Dues	\$140,400	\$175,000	\$138,400
Local Government Collaboration Project	\$25,000	\$25,000	\$0*
Marketing Contributions	0	0	\$9,600
Meeting Income, Other	\$754	\$0	\$1,418
TOTAL	\$166,154	\$200,000	\$149,418

Expenses

	2016 Actual	2017 Budget	2017 Actual
Payroll/Payroll Taxes	\$106,595	\$150,184	\$108,969
Rent	\$8,249	\$8,400	\$7,700
Office Supplies/Equipment/Printing	\$5,177	\$1,500	\$1,923
Telephone/Internet/Fax	\$1,912	\$1,700	\$1,526
TACI Meeting Expense	\$1,593	\$2,000	\$3,783
Dues and Subscriptions	\$1,256	\$1,300	\$2,641
Professional Development/Meetings	\$1,283	\$1,300	\$250
Professional Services	\$916	\$1,500	\$707
Insurance	\$999	\$1,100	\$838
Marketing/Development	\$784	\$850	\$8,377
Other Admin	\$1,584	\$1,450	\$1,025
Local Government Collaboration Project	\$28,000	\$28,000	\$0*
TOTAL	\$158,349	\$199,284	\$137,739
Net Income	\$ 7,805		\$ 11,679
Bank Balance Dec. 31	\$ 17,600		\$ 29,279

* Project deferred from July 2017 to January 2018