



*Asserting taxpayer interests;
shaping the future of government*

www.taxpayersci.org

EXAMPLE
Residential Property Tax Statement
Based on \$200,000 Home in West Des Moines
FY 2015-16

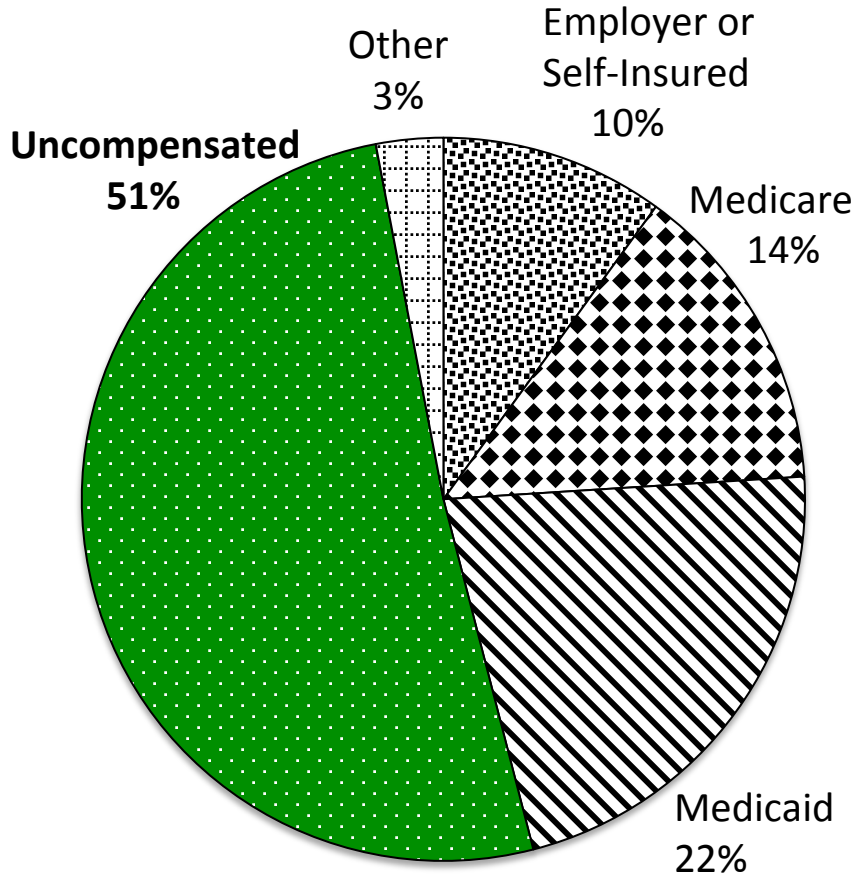
| Tax Authority Group Info. | Tax Distribution by Authority | | | Total Tax Levied by Authority | | |
|--------------------------------|-------------------------------|-----------------|-----------------|-------------------------------|-----------------------|--------------|
| | % of Total | FY 2015 - 2016 | FY 2014 - 2015 | FY 2015 - 2016 | FY 2014 - 2015 | % Change +/- |
| WEST DES MOINES SCHOOL | 35.2876 | 1,430.56 | 1,397.06 | 53,569,227.00 | 54,218,315.00 | -1.20 |
| WEST DES MOINES CITY | 31.9778 | 1,296.38 | 1,269.05 | 57,757,170.00 | 58,058,602.00 | -0.52 |
| POLK COUNTY | 19.4771 | 789.60 | 754.99 | 147,451,546.00 | 143,250,082.00 | 2.93 |
| BROADLAWNS MEDICAL CENTER | 8.5619 | 347.10 | 328.34 | 60,371,548.00 | 57,542,128.00 | 4.92 |
| DES MOINES RTA-WEST DES MOINES | 2.0333 | 82.43 | 73.50 | 3,061,800.00 | 2,774,430.00 | 10.36 |
| DES MOINES AREA COMM COLLEGE | 1.8002 | 72.98 | 69.22 | 24,238,467.00 | 22,915,443.00 | 5.77 |
| POLK CO ASSESSOR | 0.7442 | 30.17 | 29.22 | 5,246,171.00 | 5,121,722.00 | 2.43 |
| POLK CO AG EXTENSION | 0.1093 | 4.43 | 4.28 | 770,766.00 | 749,525.00 | 2.83 |
| STATE OF IOWA | 0.0086 | 0.35 | 0.34 | 469,364.00 | 458,802.00 | 2.30 |
| TOTAL | | 4,054.00 | 3,926.00 | 352,936,059.00 | 345,089,049.00 | 2.27 |

Comparison of Charity Care and Property Tax Revenue Broadlawns Medical Center (\$ in Millions)

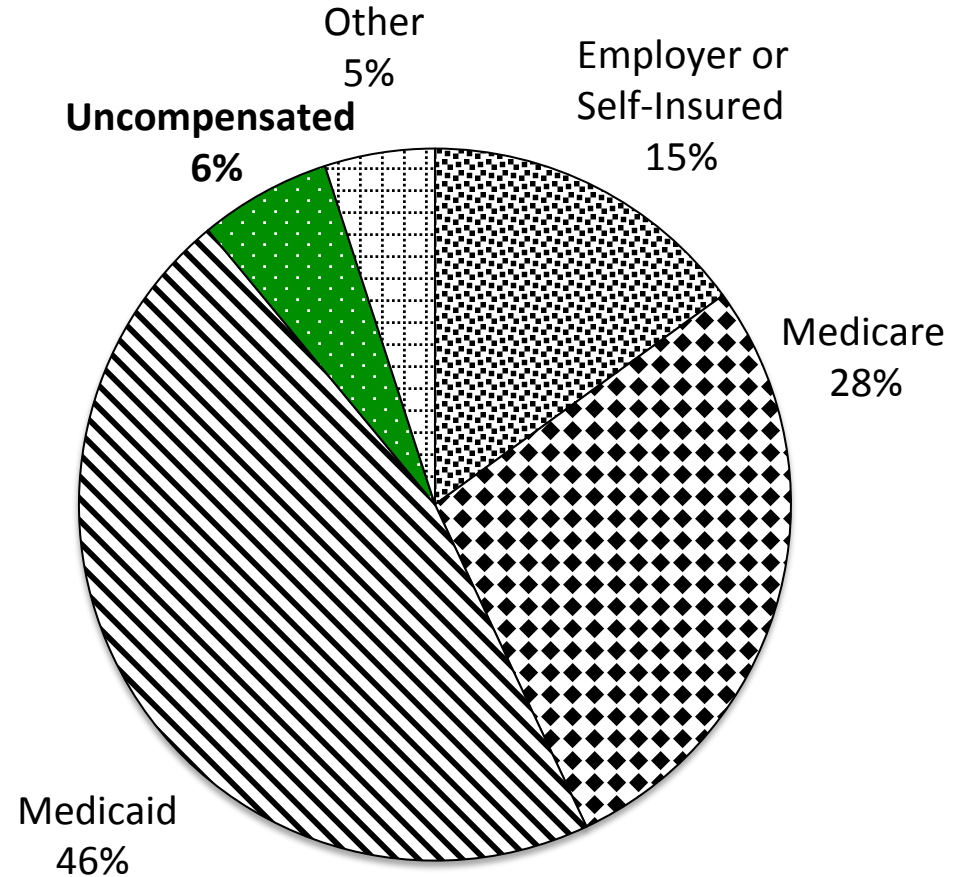
| | Fiscal Year 2004 | Fiscal Year 2015 |
|---|------------------|------------------|
| Charity Care/Bad Debt (Uncompensated Care) | 39.4 | 20.6 |
| Property Tax Revenue | 39.3 | 60.5 |

Change in Broadlawns Payer Mix

FY 2004



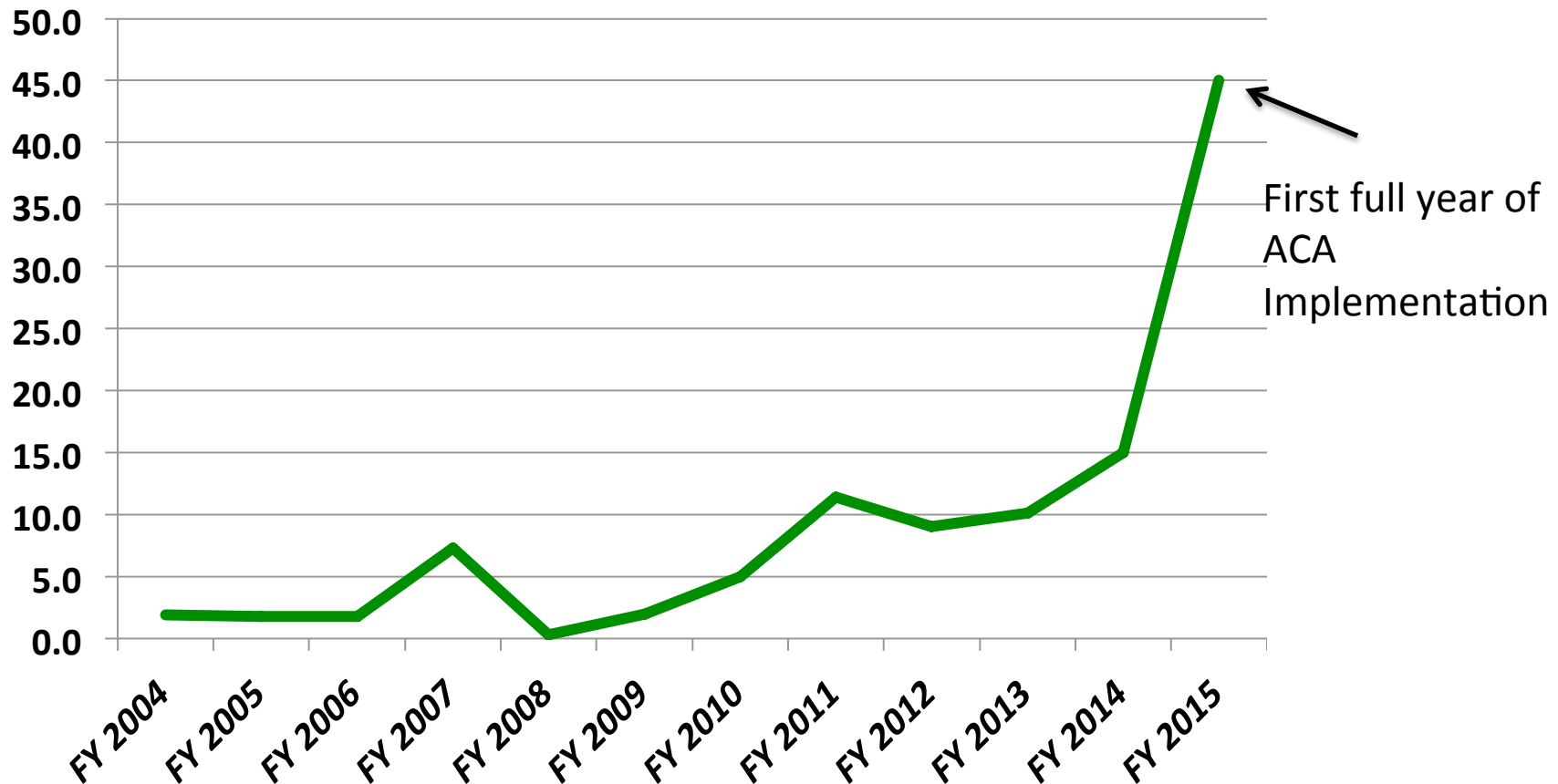
FY 2016 YTD



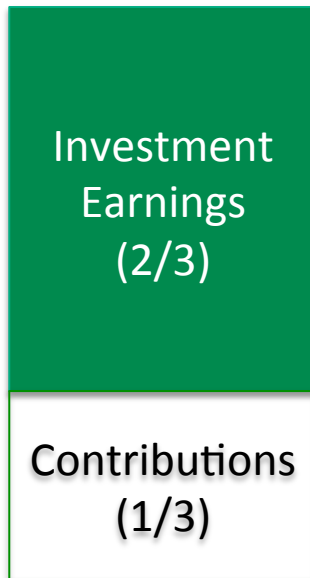
Broadlawns Medical Center Net Operating Income FY 2004 – FY 2015

Includes Property Tax Revenue

\$ Millions



Benefits Must Be Paid No Matter What Happens With Investments or Contributions



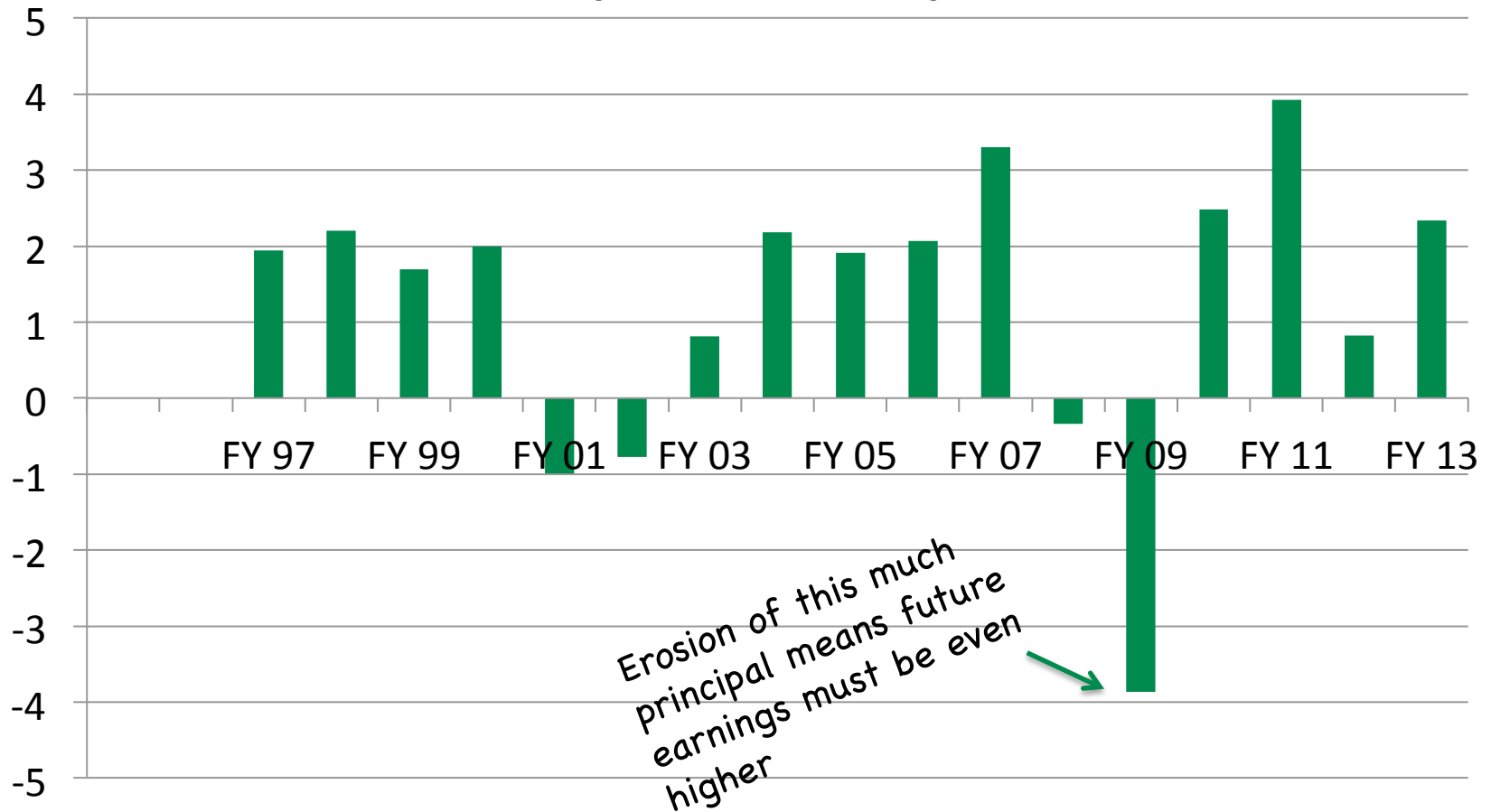
*If investment returns fall,
contributions must go up.*

*If contributions don't keep up,
debt accumulates.*

Much hinges on the choice of assumptions and methods.
For example, Iowa plans assume a long-term annual rate of
return of 7.5%*

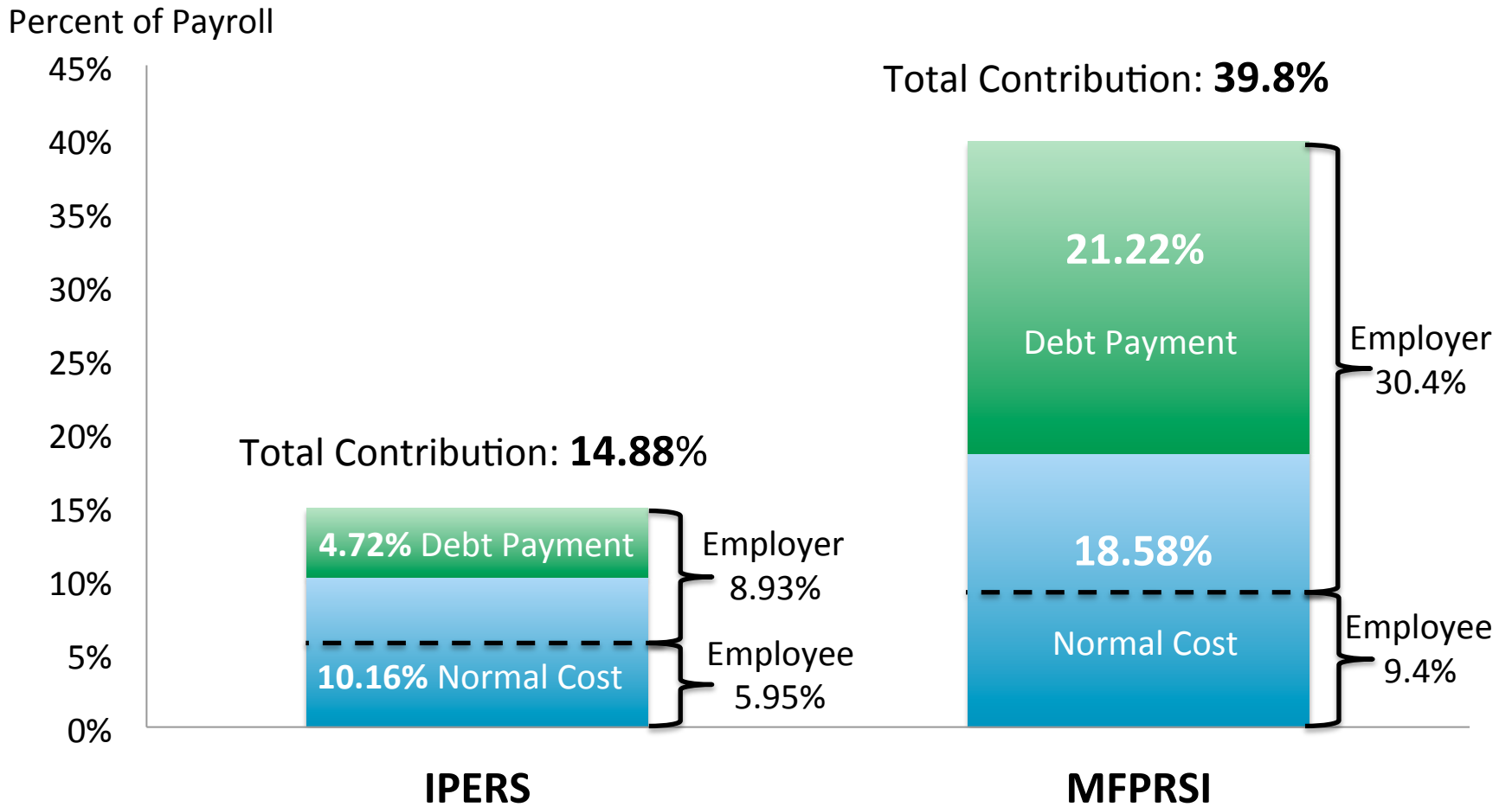
* Peace Officers Retirement Plan assumes 8%.

IPERS Net Investment Income/Loss (\$ in Billions)



IPERS' funds lost almost 20 percent of their value by 2009.

Fiscal Year 2015 Payroll Contribution Percentages



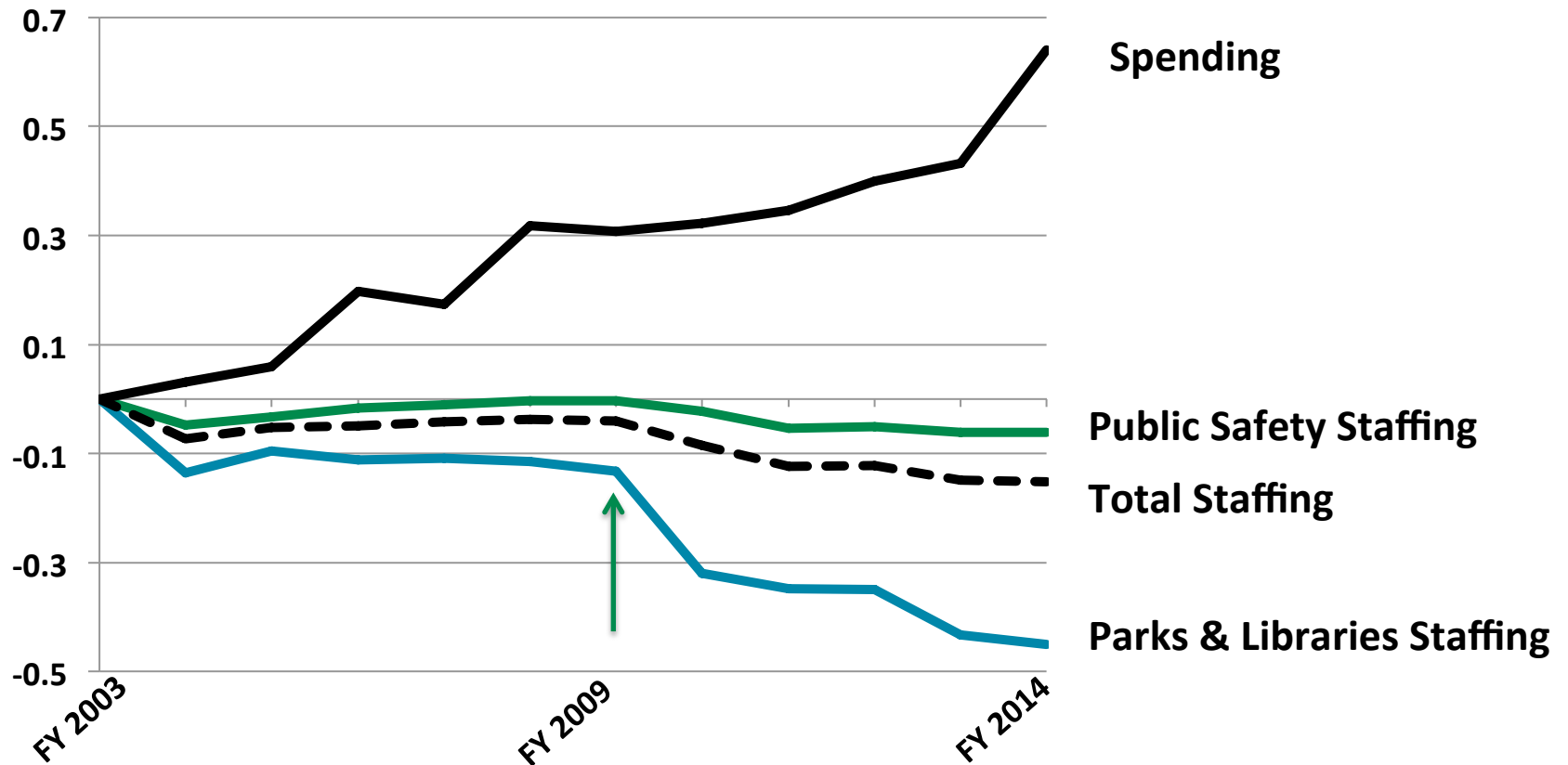
The Crowding-Out Effect



As Spending Has Increased, Staffing Has Declined

City of Des Moines

(Gov't Fund Operations, Indexed, FY 2003 = 0)



Public pension employer contributions now represent the equivalent of 19 percent of all property taxes collected in the City of Des Moines.

Source: City of Des Moines Comprehensive Annual Financial Reports

What is The Appropriate Goal for Income Replacement?

Experts recommend 75–80% income replacement (all sources).

| Avg. 30+ Year IPERS Employee Retiring in 2014, Age 66 | Pre Retirement | Post Retirement |
|--|-----------------------|------------------------|
| Pension Income (Annual) | \$0 | \$37,586 |
| Social Security Income | \$0 | \$22,284 |
| Total Income (Annual) | \$61,520 | \$59,870 |
| Pension Contribution/FICA | \$ (8,367) | \$0 |
| Net Income (Before Taxes) | \$53,153 | \$59,870 |

For an average IPERS 25+ year employee retiring in 2014, income replacement is > 100%.

Source: IPERS; Social Security Online *Quick Calculator*

Relative Growth Trends for DART Indexed, FY 2011 =)

