



Taxpayers Association of Central Iowa

ANNUAL REPORT

FEBRUARY 2021

TAXPAYERS ASSOCIATION OF CENTRAL IOWA

P.O. BOX 8356

DES MOINES, IA 50301

www.taxpayersci.org



It is a pleasure to provide you with this Annual Report of the Taxpayers Association of Central Iowa, a copy of which can be downloaded at <https://tacitownhall.org>.



This year, 2021, marks the 100th anniversary of our Association, having been founded in 1921 as the Polk Des Moines Taxpayers Association. In 2011, geographical interests and efforts expanded to incorporate the additional counties of Dallas and Warren, and the name was changed to the Taxpayers Association of Central Iowa.

In the past one hundred years, the Association has been faced with a Great Depression, recessions, a World War and other significant conflicts, assassinations, civil unrest, and changes in technology that could not have been anticipated in 1921. It has endured.

As in the first 100 years, during this past year the Association had to adapt to other changes and challenges, personally and professionally, just as you have. As our members faced financial pressures and drops in income, so did we. In many cases you had to significantly reduce expenses, so did the Association. Nevertheless, the Association's research, education and advocacy continued with great success. In fact, new challenges and opportunities emerged, as outlined in the following pages.

As the Taxpayers Association of Central Iowa begins its second century, it is a milestone opportunity to consider what we do right and what adjustments in course may be appropriate so we can continue to be that voice, shine light on issues, and facilitate and promote good government. We welcome your input and look forward to the dialog as we work toward creating and maintaining "vibrant, just, Central Iowa communities."

If you have not done so already, please join the ranks of our members and help us make this organization even better in its second century. We thank you for your continued interest and support.

Brian

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, 20-year Mayor of Urbandale

WELCOME NEWEST BOARD MEMBERS!

Carmine Boal: Ankeny School Board; Iowa House of Representatives, 10 years; Policy and Development Director for Iowa Alliance for Choice in Education; Director of State Boards and Commissions; Chief Clerk for the Iowa House of Representatives.



Onnalee Kelley: MidAmerican Energy's director of government affairs; business manager for the chairman of Berkshire Hathaway Energy; finance and fundraising assistant to the founder and CEO of No Labels, Washington, DC.; graduated cum laude from Colgate University, with a double major in political science and English.

Gretchen Tegeler: Iowa Healthcare Collaborative; President, Taxpayers Association of Central Iowa; West Des Moines School Board; Director of Government Relations, McLeod USA; Gov. Branstad's Chief of Staff; Director, Iowa Department of Management; Director of Strategic Planning; Fiscal & Policy Analyst, State of Iowa.



THE YEAR IN REVIEW

Art Wittmack, President



It was just a year ago that the Board of Directors took "Interim" off my title and the 2020 Work Plan was formulated. Little did we know at the time, within just days that plan would be "overcome by events – OBE," a phrase learned while serving in the Navy.

"T.A.C.I. in the Tavern," our informal, educational gatherings to be held monthly at the Principal Park's Cub Club ended abruptly following the March 11 event.

As the term "zooming" went from referencing speed to meetings, these in-person occasions were replaced by virtual **"TACI Town Hall"** events. By year's end, what started out as a monthly event, became standing events conducted twice monthly. A total of thirteen Town Halls were conducted with participation totaling over six hundred.

Even though some of our operational plans were "OBE," the Association's work in research, education, and advocacy continued without interruption. My personal thanks to Judy Hagey for her continued support working from home, and the Association's Directors and Members who volunteered their time to make that possible.

As always, your observations, concerns and suggestions are always appreciated. Thank you for your interest, support, and investment!

Art

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EMPHASIS: PROPERTY TAXES



The issue, bigger than ever...

Balancing the public services needed to provide vibrant, just, central Iowa communities with the community's ability and willingness to fund them.

By any measure, property tax collections in Central Iowa are growing at a faster rate than median household income, inflation, population, social security, and earnings.

These are some of the increases in property taxes seen when three Town Hall participants shared their property tax bills received in August 2020. Compare the increases with increases in other indices:

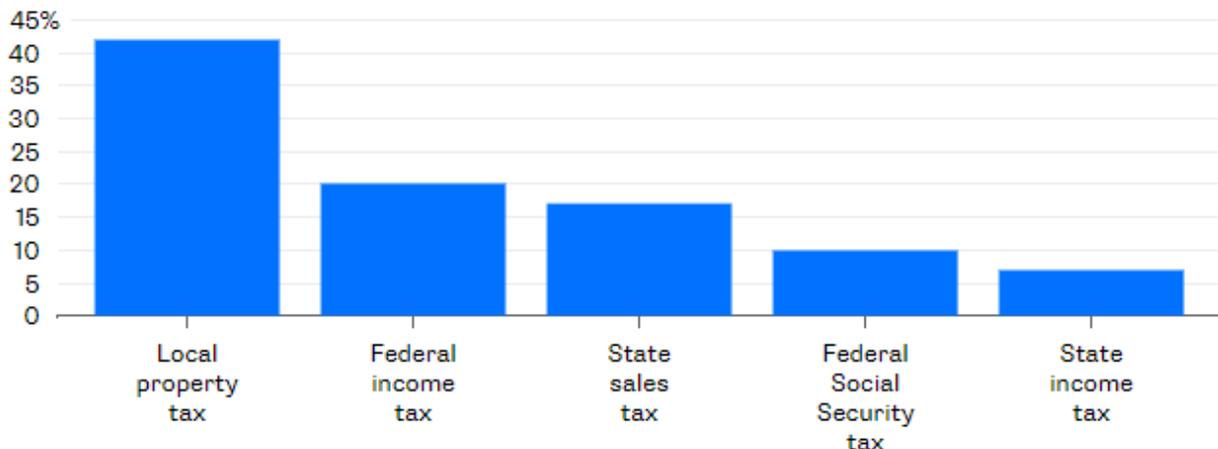
| The Bad News | |
|---------------------------------|--------|
| Des Moines City | 9.40% |
| Des Moines RTA – Des Moines | 8.49% |
| Polk County | 8.08% |
| Des Moines Schools | 7.90% |
| Some Good News | |
| Johnston City | -5.28% |
| Dallas County | -6.39% |
| | |
| Average of the three statements | 6.18% |

| | |
|-------------------------|-------|
| Social Security | 1.62% |
| Median Household Income | 0.9% |
| CPI | 2.3% |

How Long is this sustainable?

Polling by Gallup, Bloomberg, PEW, and various other organizations all come up with the same answer to the question:

Which do you think is the worst tax – that is the least fair?



“A national reckoning with racism, combined with the economic damage wrought by the pandemic, is prompting some state and local officials to take a closer look at an issue that has long bedeviled Black homeowners” leads a PEW article. According to a report released by the nonprofit Washington Center for Equitable Growth, “relative to market value, assessed property values are significantly higher for minority residents nationwide.” “Black and Hispanic residents on average bear a 10% to 13% higher property tax burden than white residents”

What is the rationale that connects sufficient financing of public services with the value of property, the current estimated value of a non-liquid asset?

Public services are necessary and need to be appropriately funded. BUT is there a more appropriate and equitable way than property taxes to do it?

“JUST THE FACTS”

Determining the facts, sharing them, developing a consensus, and acting has been the hallmark of the Association since 1921.

The sections that follow highlight current activities.

“T.A.C.I. in the TAVERN”

“*T.A.C.I. in the Tavern,*” was an informal, educational event where current public sector issues were presented in a relaxed atmosphere. Before the pandemic, these gatherings were held on the second Wednesday of the month at the Principal Park’s Cub Club from 4:30 to 6:00 PM.



Previous sessions exposed the participants to the operations and funding of municipalities, schools, county governments and other entities such as the Water Reclamation Authority and the Waste Management Authority.

The last session was held on March 11, 2020 when the programs, services, and finances of the Des Moines Area Community College, the Des Moines Area Regional Transit Authority, and Broadlawns Medical Center were presented.

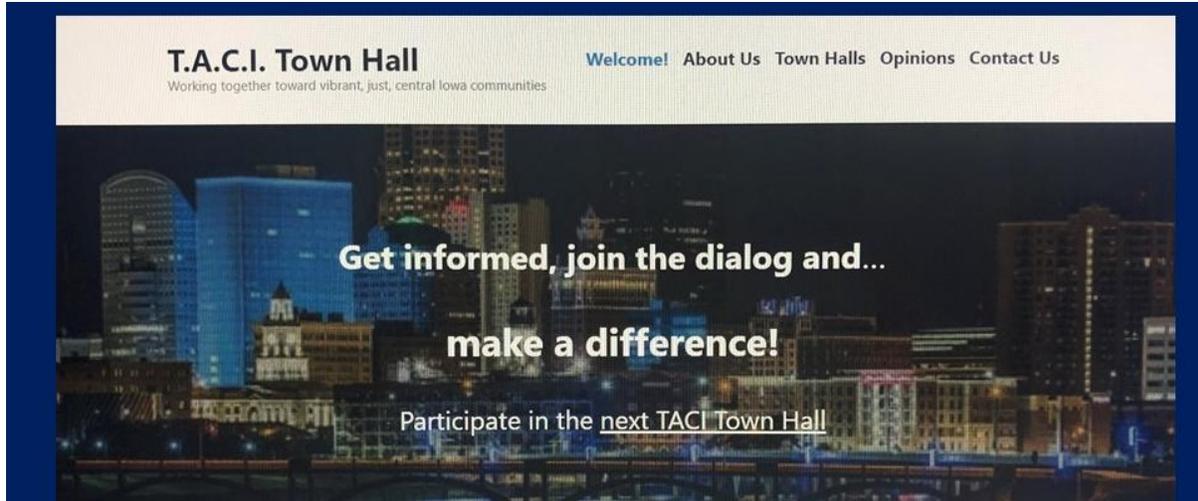


The panelists included:

- **Rob Denson, President, DMACC**
- **Elizabeth Presutti, CEO, DART**
- **Karl Vilums, CFO, Broadlawns**

THE “TACI TOWN HALL” IS INTRODUCED

Due to the pandemic, the format for our gatherings changed in April, but not the need.



The invitation for the first “TACI Town Hall,” April 22, 2020 was prefaced with the following:

“The pandemic is not only stripping billions out of state economies but also exposing weaknesses in how many states have structured their tax and revenue systems. The crisis is an opportunity for those states to restructure their revenue programs to minimize downside risks and nurture a revenue recovery when normal economic activity resumes.”

Bloomberg Law dispatch, Monday, April 13, 2020 12:59 PM

The invitation to the inaugural Town Hall continued:

Before forming opinions and jumping straight to recommendations on possible “restructuring”, it is best to be educated and informed. These “T.A.C.I. Town Halls” are intended to do just that: to educate, inform, and to provide a forum for constructive dialog to see if there is a better way.

2020 TACI TOWN HALLS

Town Hall #1 -April 22, 2020

- **Public sector operational and financial challenges being faced in this COVID-19 era**

Town Hall #2 – May 6, 2020

- **Private sector operational and financial challenges being faced in this COVID-19 era**

Town Hall #3 – May 20, 2020

- **Property Taxes 101 – From Assessing property values to paying the property tax bill ...**

Town Hall #4 – June 3, 2020

- **Open mike Wednesday: “Overcome by Events / Getting the cheese of my chest.”**

Town Hall #5 – September 23, 2020

- **Flipping it over: changes in property taxes collected since last year**

Town Hall #6 – October 14, 2020

- **Student Outcomes Based Governance**

Town Hall #7 – October 28, 2020

– **Broadlawn Medical Center: Candidates & Issues**

Town Hall # 8 – November 11, 2020

– **Regional Cooperation: Is it possible? What Opportunities Exist?**

Town Hall #9 – November 25, 2020

– **Regional Cooperation (continued)**

Town Hall #10 – December 9, 2020

– **Regional Cooperation: Focus on the MPO and Capital Crossroads**

Town Hall #11 -January 13, 2021

– **Gov. Reynolds “Condition of the State” Address**

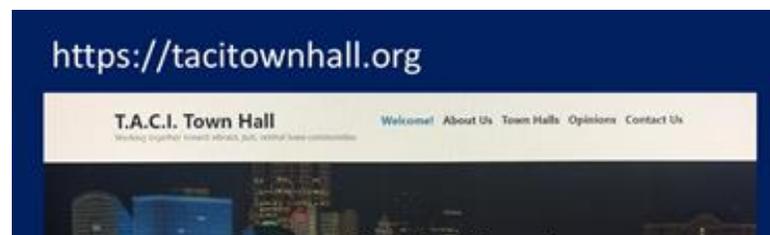
Town Hall #12 – January 27, 2021

– **Gov. Reynolds’ Education Proposal – SSB1065**

Town Hall #13 – February 10, 2021

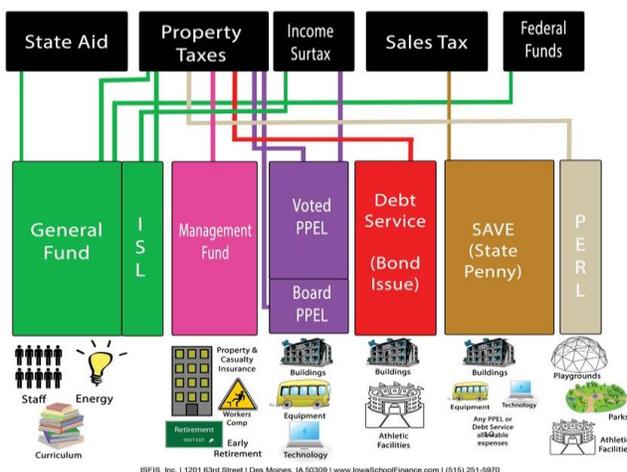
– **Focus: Mental Health – Current landscape & a possible model for collaboration**

The “TACI Town Hall” website can be found at:



FOCUS: PK-12 EDUCATION, funding & outcomes

So often the dialog regarding schools starts with funding, or as some suggest, the apparent lack of it. It is a complicated system where districts receive funding through various “silos.”



The largest portion of most taxpayers’ property tax bill goes to the local school district—in many cases as much as 50%.

For fiscal 2020, the state spent nearly \$3.3 billion, or 45 percent, of the general fund budget on K-12 education. That was an increase of almost \$81.5 million over the previous year, according to the nonpartisan Legislative Services Agency.

As mentioned above, property tax collections for the Des Moines school district increased by 7.9% while enrollment remained steady or declined.

Yet, as we discussed a year ago in February, the Nation’s Report Card indicates Iowa students’ performance levels are stagnant to declining when compared nationwide.

During Town Hall #6, AJ Crabill presented **“Student Outcomes Focused Governance”**, the thesis of which is that all too often school boards get focused on bricks and mortar, funding, and administrative challenges and lose focus on their reason for being – the education of the students. The “attention is given to the inputs and not the output.”



AJ suggested that student outcomes don’t change until adult behaviors change and “drawing on his intimate familiarity with the triumphs and terrors of America’s safety nets for children, AJ has devoted much of his adult life to advocating for the well-being of our nation’s most vulnerable youth.”

Indeed, as was reviewed during Town Hall #12 on January 17, 2021 Governor Reynold’s Senate Study Bill 1065 (SF 159) which was passed and signed, started to address many of the issues AJ presented in TACI’s October Town Hall.

What is the return on the property taxpayer’s investment? Would reducing the number of funding silos allow districts to use currently available funds more effectively and efficiently? Should public schools have the same programming and HR flexibility as effective charter schools?

Is there a better, more appropriate source of funding than the value of the property in the community?

FOCUS: REGIONAL MENTAL HEALTH SERVICES, funding & outcomes

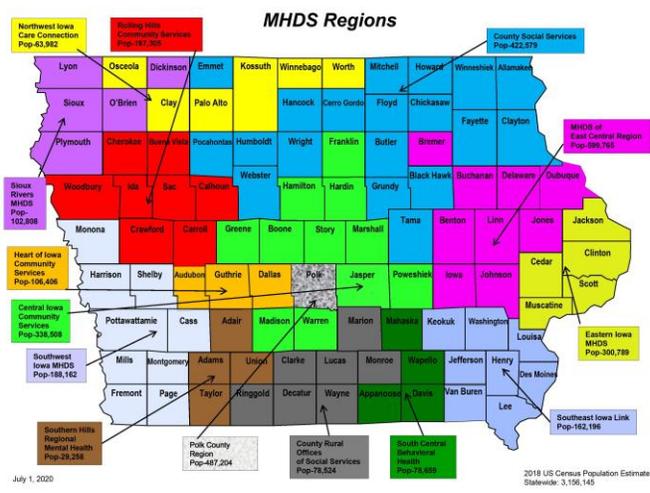
“In the last three years, we have reformed our mental health system and we’re continuing to make it better. I’m proposing to increase mental health funding by \$15 million this year, and another \$15 million next year, to fully fund these reform efforts. And I know that our mental health regions are working on innovative solutions to address the unique needs of children who have been affected by the pandemic.”

Gov. Kim Reynolds, Condition of the State address 1/12/21

Mental health and disability services (“MHDS”) are provided in the State of Iowa through a patchwork of regional service regions. Polk County is the only “region” consisting of one county.

Many of the services are being funded by an outdated property tax system, based upon a fixed per capita levy with a cap.

The need for, and provision of, mental health services are not geographically determined or constrained. Should they, more appropriately be provided and funded uniformly state-wide?



Is there a preferable, more appropriate source of funding than the value of the property in the various counties and the state?

The idea of a better model was advanced in the Broadlawns candidate forum TACI sponsored on October 28 (Town Hall #7).



Liz Cox



Dave Miglin



Kavi Chawla

A look at the current mental health landscape in Central Iowa, its property tax support, and a possible model for a statewide collaboration was presented February 10, 2021 at Town Hall #13.

The panelists included Liz Cox (CEO, Polk County Health Services), Kavi Chawla (Partner, Baton Global; Broadlawns Medical Center Trustee), and Dave Miglin (VP /Principal, Strategic America; Broadlawns Medical Center Trustee)

FOCUS: TRANSPARENCY & GOOD GOVERNANCE

Since 1921, the Association has maintained a focus on transparency and good governance of public sector organizations. Concerns have been expressed over numerous years about issues of transparency, governance and appropriate property tax support of Broadlawns' Medical Center.

The governance issue came to a boiling point following the election of Broadlawns' trustees last November and the following was sent to our distribution list:

Broadlawns' leadership may stick it in the eye of Polk County voters!

Following the November 3rd election, Broadlawns Medical Center Trustee Mary Fuller submitted her resignation from the board, effective immediately. It was received at a special meeting called by Chairman Bill Tabor on November 11. Following the meeting, on November 17, Tabor submitted his resignation, effective immediately.

Tabor lost his current seat during the recent election, placing 4th out of 5 candidates for the two open seats. It appears the gambit is for Bill Tabor to be elected by a majority of the remaining trustees, to fill Fuller's unexpired term. And, all of this is to occur before Emily Webb, newly elected by the voters, is seated at the table and able to vote on filling the vacancy.

Dave Miglin, who was the voters next choice, should fill the seat, not Tabor.

Anything else would be a poke in the eye of Polk County voters!

Des Moines Register reporter Tony Leys followed with an article on November 21: **"Ex-Broadlawns chair seeks reappointment to board after voters ousted him."**

After the issue received the light of day it deserved, Tabor withdrew his name and after Emily Webb was seated, Dave Miglin was elected to the vacated position by the Trustees.

Subsequently, the Broadlawns CEO announced his resignation and for the first time, a "Financial Data" tab has been added to the website.

CLOSING THOUGHTS...

Listening to the panelists and participants during the Town Halls has been beneficial as the Board of Directors gathers to finalize the 2021-2022 Work Plan.

If increases in property tax increases were restrained, what services can be shared? Where can increased efficiencies be found? What are alternatives to property taxes?

The largest portion of the property tax bill goes to schools. Are these funds being appropriately deployed? How can our educational system be improved?

Work on regional efforts through the Capital Crossroads “Governance Capital” will continue. The costs, operations and future fees associated with the Metro Waste Authority’s materials recycling facility (now under construction) will continue to be of interest. DART’s proposed \$68 million maintenance facility and a new formula for cost sharing will get further review. A regional water authority is being considered; what are the implications for Central Iowa ratepayers?

Opportunities and concerns continue to emerge!

The impact of “social media” can no longer be ignored. Partisanship and divisiveness permeate public discourse. “Facts” sometimes, are not. Before forming opinions and jumping straight to conclusions, it is best to be educated and informed.

Since 1921 the Association has consistently maintained its core of researching, educating, networking, and advocating, providing forums for constructive dialog to see if there is a better way.

PLEASE JOIN US – Invest in a stronger Central Iowa!

| | |
|---|-------|
| INDIVIDUAL, NON-BUSINESS | \$500 |
| Full privileges of membership include eligibility to serve on governance Board; access to sponsorship and other promotional opportunities; complimentary participation in all Association events. | |
| ASSOCIATE MEMBERSHIP | \$400 |
| Associate members receive access to all association resources, a discounted rate for events: invitations to participate in committees and other association activities, and voting privileges. | |
| AFFILIATE e-MEMBERSHIP | \$100 |
| e-members receive all association research, issue analyses, and updates on key issues that have the greatest impact on taxpayers and government services. | |
| AFFILIATE YOUNG/RETIRED PROFESSIONALS | \$50 |
| Young and retired professionals are especially welcome and are invited to attend all events free of charge and to receive all e-publications. For individuals under 40 years of age or are retired. | |

CORPORATE/BUSINESS. Please contact the TACI office for the sliding fee structure

2020 BOARD MEMBERS AND TERM ENDING DATES

| | | | |
|--|------|--|------|
| Carmine Boal <i>Accumold</i> | 2023 | Rich Pullen <i>Principal</i> | 2021 |
| Dave Caris <i>Individual Member</i> | 2023 | Sid Ramsey <i>Unity Point Health Des Moines</i> | 2022 |
| Leisa Fox <i>Individual Member</i> | 2022 | Brad Rhines <i>Prairie Meadows</i> | 2023 |
| E.J. Giovannetti <i>Hopkins, Huebner, P.C.</i> | 2022 | Brian Rickert <i>Individual Member</i> | 2022 |
| Paul Hayes <i>JSC Properties</i> | 2021 | John Ruan IV <i>Ruan Companies</i> | 2022 |
| Ron Herman <i>EMC Insurance Companies</i> | 2023 | Jim Sarcone <i>Hubbell Realty.</i> | 2021 |
| Brett Hyland <i>Knapp Properties</i> | 2021 | Gretchen Tegeler <i>Individual Member</i> | 2023 |
| Libby Jacobs <i>Individual Member</i> | 2022 | Brian Tessau <i>Nationwide</i> | 2022 |
| Onnalee Kelley <i>MidAmerican Energy</i> | 2023 | Jeanne Vanda <i>Individual Member</i> | 2022 |
| Ted Lodden <i>Individual Member</i> | 2022 | Matt Wagner <i>Bank Iowa</i> | 2021 |
| Bob O'Hollearn <i>Individual Member</i> | 2022 | J. Marc Ward <i>Fredrikson & Byron, P.A.</i> | 2021 |
| | | Art Wittmack <i>President</i> | |

FINANCES

| <u>INCOME</u> | 2020 | 2019 | Balance Sheet |
|--|------------------|------------------|--------------------------|
| Membership Dues | \$118,200 | \$140,340 | December 31, 2020 |
| Local Government Collaboration Project | 0 | 23,500 | Cash: \$46,866 |
| Meeting Income, Other | 35 | 750 | Receivable: 20,478 |
| | \$118,200 | \$164,590 | Payable: 10,624 |
| <u>EXPENSES</u> | | | Balance: \$56,720 |
| Payroll/Payroll Taxes | \$76,490 | \$95,205 | |
| Rent | 3,500 | 7,700 | |
| Office Supplies/Equipment/Printing | 3,077 | 2,739 | |
| Telephone/Internet/Fax | 1,158 | 1,483 | |
| Meeting Expenses | 3,744 | 4,774 | |
| Dues and Subscriptions | 72 | 1,866 | |
| Professional Development/Meetings | 15 | 39 | |
| Professional Services | 0 | 0 | |
| Health Insurance | 0 | 3,095 | |
| Business Insurance | 792 | 827 | |
| Marketing/Development/Website | 1,823 | 2,973 | |
| Local Government Collaboration Project | 0 | 28,000 | |
| | \$90,671 | \$148,701 | |
| | \$27,529 | \$15,889 | |

