

# Financial and Debt Management Analysis

## Prepared for the City of Windsor Heights, Iowa

Provided by Springsted Incorporated

June 2013

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## LETTER OF TRANSMITTAL

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### ***Mission Statement***

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.



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June 4, 2013

Mr. Jeff Fiegenschuh, City Administrator  
Ms. Carrie Kruse, Finance Director  
City of Windsor Heights  
1133 66<sup>th</sup> Street  
Windsor Heights, IA 50324

Dear Mr. Fiegenschuh and Ms. Kruse:

We are pleased to provide you with this complimentary Financial and Debt Management Analysis for the City of Windsor Heights. This report includes key financial and demographic factors of relevance when analyzing past trends that affect the community. We hope that it will be helpful to you as you transition into your new position. The data and analyses can also be helpful in “telling your story” and planning for the future.

Please let us know if you have any questions or would like additional information.

Sincerely,

Bryan Kidney  
Vice President  
Springsted Incorporated

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## 1. Introduction

Springsted Incorporated is pleased to present you with our financial and debt management analysis of your jurisdiction. This analysis focuses on key indicators of your community's financial health, based on your recent historical experience. These indicators are taken from national professional groups and credit rating industry sources, and cover a variety of financial and community economic health topics. The indicators cover both financial and demographic characteristics. This analysis is not assumed to be a comprehensive review of all related areas, but rather to examine some of the fundamental indicators of your community's condition. The analysis is intended to provide you with an information platform to build upon as you and your policymakers make decisions affecting your future course.

The information used in our analysis is taken from a variety of sources specific to your jurisdiction. These sources may include your recent comprehensive annual financial statements, budgets and official statements relating to debt issuance, in addition to state and federal resources.

In many cases the information is presented as a 'ratio analysis,' whereby financial information is divided by demographic measures to provide an estimate of public sector input per a measure of your community's resources. Therefore the analysis intersperses demographic information with financial information.

We welcome the opportunity to discuss with you the results of our analysis, and how this information may assist in your future decision making.

## 2. General Fund

The General Fund is the primary means of measuring the financial impacts of providing basic governmental services. As these services are generally provided to all residents, a number of indicators are based on population levels and expressed in per-capita terms. Financial health indicators cover annual revenues and expenditures, as well as the fund balance trend over time.

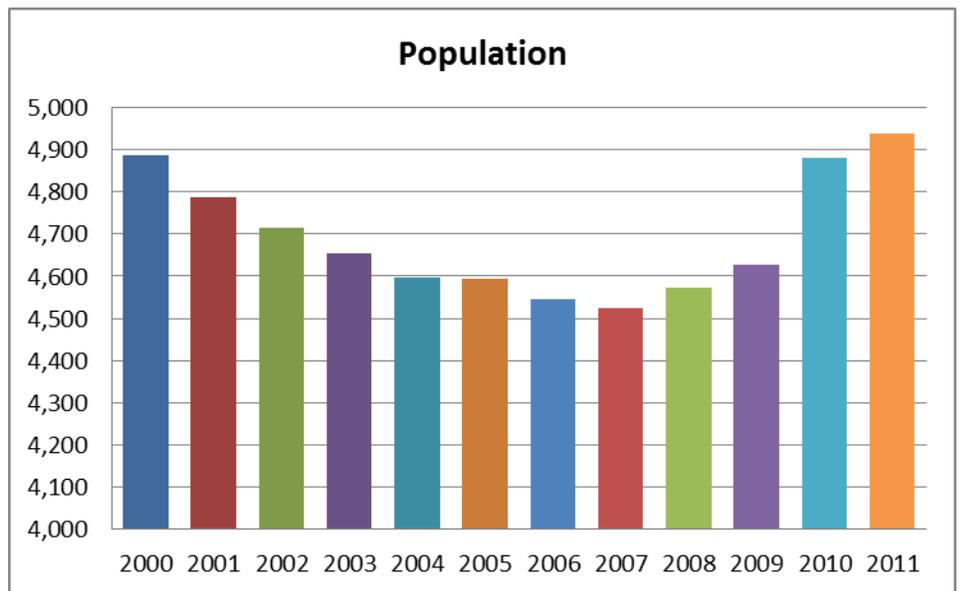
### Population Trends

Population change can be one broad demographic indicator of shifting demands for public services and ability to pay. If this indicator causes additional questions, then other demographic information should be explored to provide greater depth of information.

Population	1990	2000	2007	2008	2009	2010	2011
Windsor Heights	5,190	4,886	4,526	4,574	4,627	4,880	4,938

Source: U.S. Census Bureau

Position: At the time of the 1990 Census, Windsor Heights had a reported 5,190 residents. By the 2000 Census, the city’s population had declined to 4,886. In 2010, the city’s population was estimated at 4,880, essentially unchanged from the 2000 figure. Records show a steady population decline from 2000 through 2007, followed by growth since 2008.

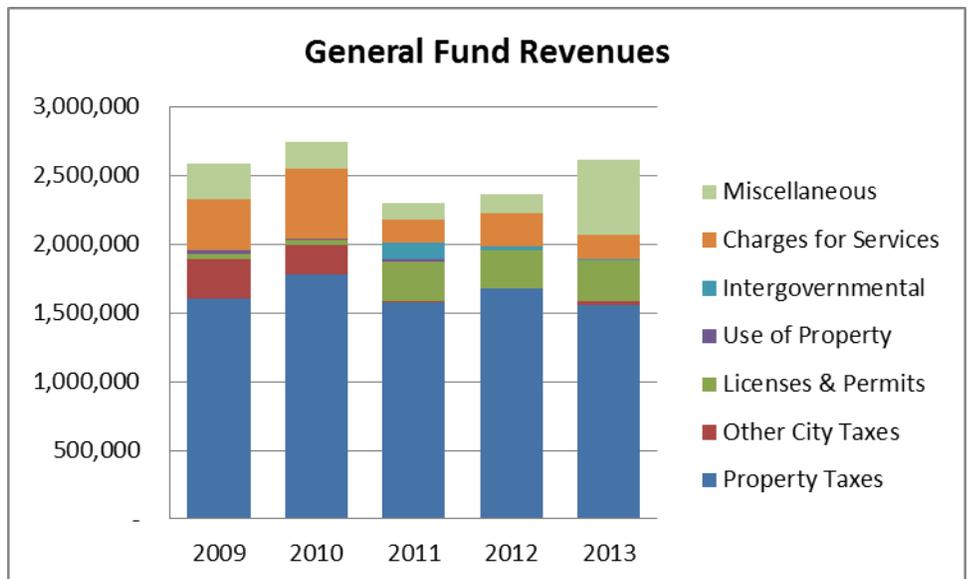


### General Fund Revenues

The diversity of revenues within the General Fund is generally thought to be a positive indicator of ability to fund services during economic cycles. The statutory environment for entities within a particular state may structurally limit the ability to significantly diversify revenues. Reliance on one revenue source can be a sign of vulnerability. Where this occurs, an entity may wish to explore ways to diversify revenues for those areas within its discretion. A historical look at the City’s revenues as well as the diversity among them is shown in the charts which follow.

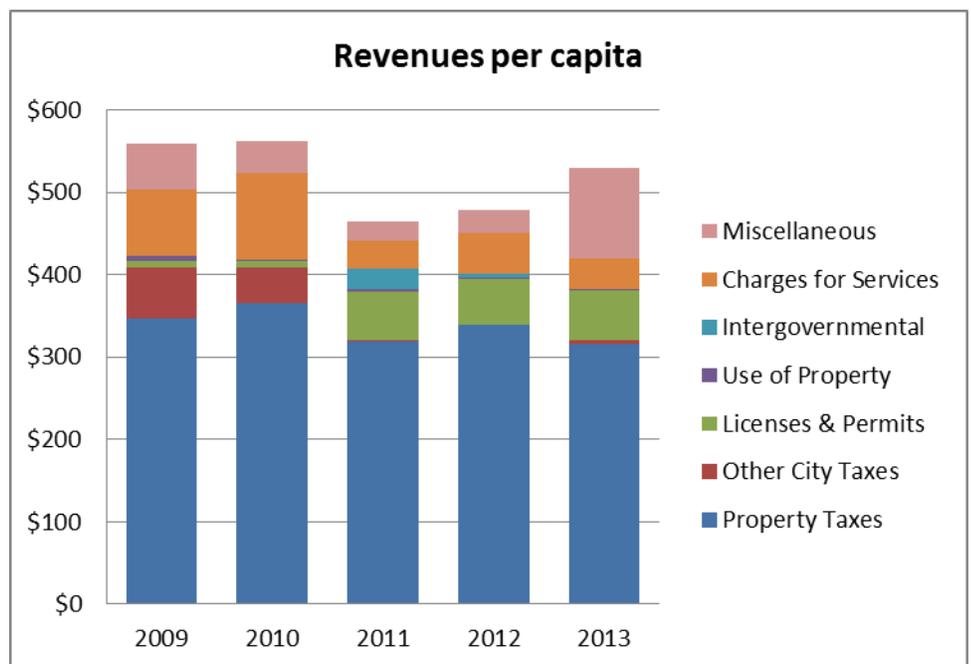
General Fund	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget
<b>Revenues</b>					
Property Taxes	1,603,214	1,784,711	1,578,158	1,674,750	1,561,813
Other City Taxes	287,013	209,293	3,525	1,348	23,280
Licenses & Permits	38,357	40,964	292,831	276,280	299,101
Use of Property	25,170	3,416	13,045	1,493	1,200
Intergovernmental	4,850	-	123,821	29,765	1,500
Charges for Services	370,278	514,927	167,513	240,052	185,100
Miscellaneous	260,868	192,246	118,085	138,536	539,350
<b>Total Revenues</b>	<b>2,589,750</b>	<b>2,745,557</b>	<b>2,296,978</b>	<b>2,362,224</b>	<b>2,611,344</b>

Position: General fund revenue trends show that property taxes, by far the largest sources of revenue, are budgeted to decrease by more than 6% in 2013. This decrease is offset by a significant jump in miscellaneous revenues, from \$138,536 in 2012 to \$539,350 in 2013. Taken in total, General Fund revenues are budgeted to grow by 10.5% in 2013. Since 2009, total revenues have grown at an average annualized rate of just 0.2%, for a total increase of 0.8%.



General Fund	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget
<b>Revenues per capita</b>					
Property Taxes	346.49	365.72	319.59	339.16	316.28
Other City Taxes	62.03	42.89	0.71	0.27	4.71
Licenses & Permits	8.29	8.39	59.30	55.95	60.57
Use of Property	5.44	0.70	2.64	0.30	0.24
Intergovernmental	1.05	-	25.08	6.03	0.30
Charges for Services	80.03	105.52	33.92	48.61	37.48
<b>Total Revenues per capita</b>	<b>559.70</b>	<b>562.61</b>	<b>465.16</b>	<b>478.38</b>	<b>528.83</b>

Position: Given the City’s population growth in recent years, the per-capita trends show a slight decline. On a per-capita basis, the City’s revenues have decreased from a level of \$560 per capita in 2009, to \$478 per capita in 2012. The budgeted revenues for 2013 are projected to translate to \$529 per capita.

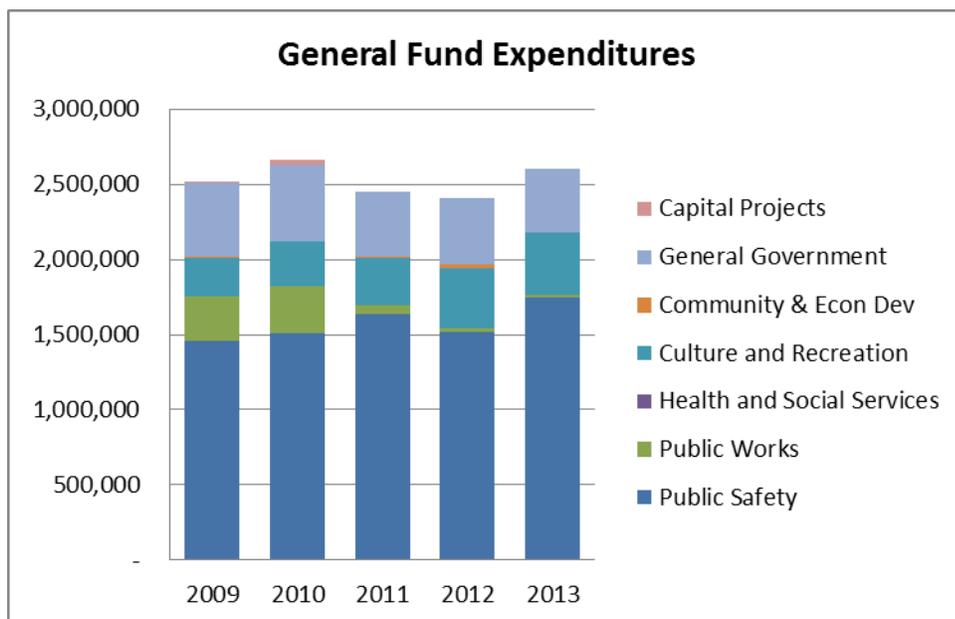


### General Fund Expenditures

Operating expenditures are often driven by statutory compliance and a community’s demand for services. Financial health indicators look at expenditure growth trends over time, as compared with revenues. They may also look at specific service areas and expenditure categories (such as Personnel). These areas can then be compared to identify where funding is being concentrated.

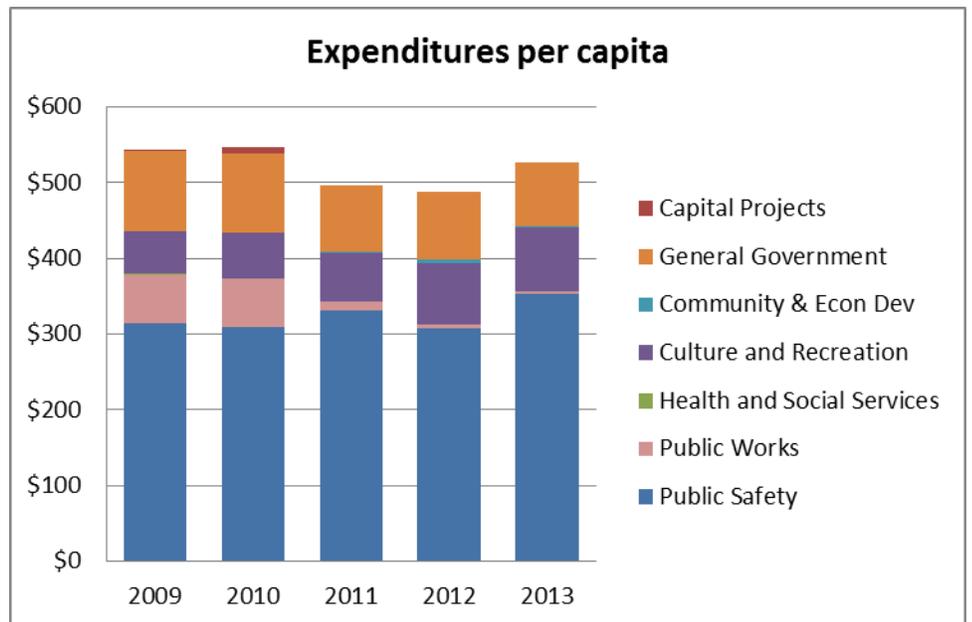
General Fund	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget
<b>Expenditures</b>					
Public Safety	1,457,353	1,511,679	1,636,810	1,519,853	1,746,782
Public Works	297,027	313,497	55,283	22,094	12,828
Health and Social Services	2,500	100	2,500	3,000	3,100
Culture and Recreation	255,876	291,296	316,535	395,291	415,990
Community & Econ Dev	3,728	2,760	4,794	30,902	5,000
General Government	491,960	511,252	438,787	435,615	420,084
Capital Projects	506	35,913	-	-	-
<b>Total Expenditures</b>	<b>2,508,950</b>	<b>2,666,497</b>	<b>2,454,709</b>	<b>2,406,755</b>	<b>2,603,784</b>

Position: General Fund expenditures for the City have varied somewhat in recent years, rising from \$2.51 million in 2009 to \$2.67 million in 2010, before falling to \$2.41 million in 2012. The 2013 budget anticipates General Fund expenditures increasing to \$2.60 million. The majority of General Fund expenditures are directed to public safety services.



<b>General Fund</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>
<b>Expenditures per capita</b>					
Public Safety	314.97	309.77	331.47	307.79	353.74
Public Works	64.19	64.24	11.20	4.47	2.60
Health and Social Services	0.54	0.02	0.51	0.61	0.63
Culture and Recreation	55.30	59.69	64.10	80.05	84.24
Community & Econ Dev	0.81	0.57	0.97	6.26	1.01
General Government	106.32	104.76	88.86	88.22	85.07
Capital Projects	0.11	7.36	-	-	-
<b>Total Expenditures per capita</b>	<b>542.24</b>	<b>546.41</b>	<b>497.11</b>	<b>487.39</b>	<b>527.30</b>

Position: On a per capita basis, total expenditures increased from \$542 in 2009 to \$546 in 2010. Expenditures were expected to drop to \$487 per capita in 2012, and rise to \$527 in 2013.



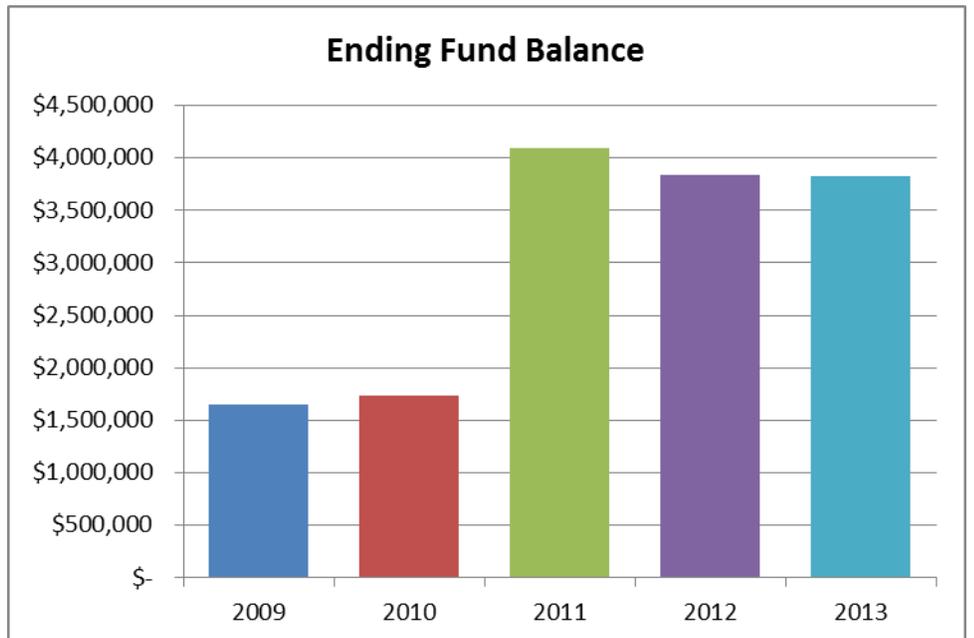
### General Fund Balance

The General Fund balance serves as a financial resource for future fiscal years, mitigating volatility in revenues and unforeseen expenditures. Fund Balance is formed and accumulated when revenues exceed expenditures in a given fiscal year. The annual level and trend over time is a key financial health indicator. This indicator is most often measured as the fund balance as a percent of annual expenditures and/or revenues.

Fund balance is important for several reasons. First, the fund balance – expressed in dollars, as a percentage of expenditures, or in terms of historical trends – helps gauge the financial health of the jurisdiction. Second, the lack of fund balance may signal a lack of conviction by decision makers to provide proper financial stewardship. Fund balance levels are a determinant in a jurisdiction’s credit rating, which affects the City’s borrowing costs.

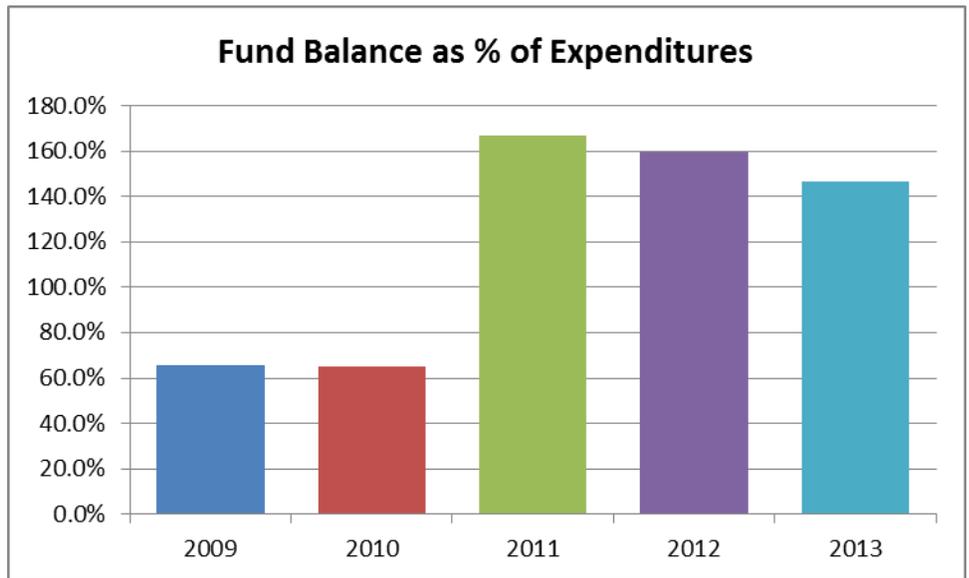
	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget
Beginning Fund Balance	1,684,884	1,646,597	1,736,412	4,097,281	3,839,110
Net Change in Fund Balance	(38,287)	89,815	2,360,869	(258,171)	(19,311)
Ending Fund Balance	1,646,597	1,736,412	4,097,281	3,839,110	3,819,799

Position: The City’s General Fund balance more than doubled in 2011, to a level of \$4.1 million. This was due to repayment of an inter-fund loan to the Urban Renewal Tax Increment Fund. In 2012, the fund balance fell to \$3.8 million, and was expected to remain near that amount in 2013.



	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget
Fund Balance as % of Expenditures	65.6%	65.1%	166.9%	159.5%	146.7%

Position: As a percentage of operating expenditures, the general fund balance has increased from 66% in 2009 to 147% expected in 2013.



### 3. Major Enterprise Funds

Enterprise funds are used to account for public services which are operated as business-type activities that are owned and operated by the jurisdiction. They should be self-supporting funds that generate a majority of their revenues from fees charged to those receiving services.

One fundamental for enterprise funds is the maintenance of cash and reserves at reasonable levels in order to maintain working capital, to fund capital asset replacement, and to service the fund's debt. The appropriate amount of cash and reserves for a given fund varies by entity due to differences in cash flow, revenue volatility, services provided, and statutory considerations.

One other financial fundamental is positive operating income. With core government activities, profitability is generally not a consideration. For enterprise funds, on the other hand, profitability must be maintained in order to deliver services and to maintain capital assets, since general tax support may not be available, or even permissible.

To measure the health and liquidity in an enterprise fund we look at several financial indicators, including:

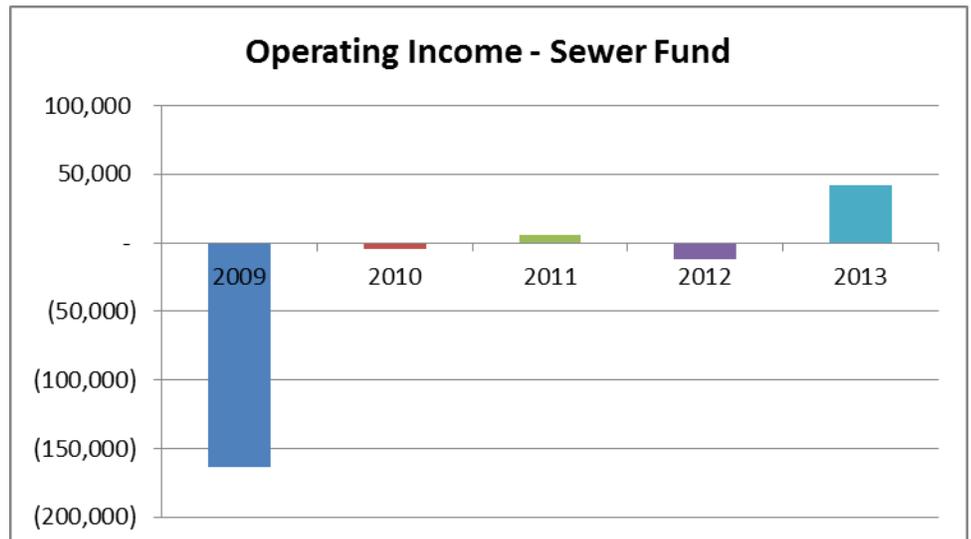
- **Operating Income** - Operating income is a fundamental measure of the ability to manage a sustainable enterprise. It measures the excess of revenues collected from users over the costs of operating the utility. Although positive operating income indicates a utility which is operating at a surplus, it does not take into account any interest payments or other non-operating items such as transfers to the General Fund, unusual non-recurring items, or functions not essential to the operation of the utility. These factors can vary markedly over time and therefore are not included here.
- **Cash** - The level of cash will determine the ability of your jurisdiction to fund operating, capital and debt service requirements. A low level of cash indicates that the users benefitting from the enterprise fund operations may not be funding the costs of providing the service.
- **Cash Reserves/Day's Cash** - Enterprise funds need sufficient cash to pay current expenses, together with principal and interest on outstanding bonds. This would typically require each enterprise fund to have a minimum of 90 days of anticipated operating expenses and one year's total debt service in cash at the end of each year. However, this does not provide any level of cash reserves for unforeseen expenses, emergencies, or to cover any shortfalls in the budget. The level of cash reserves is dependent on a number of factors, and should be determined separately for each enterprise fund.

For the purposes of this report, we analyzed the Sewer Fund, Storm Water Fund, and Solid Waste Fund. The City also maintains a Water Fund, but this fund shows expenses in only one of the past five years, making analysis of the fund of limited meaning.

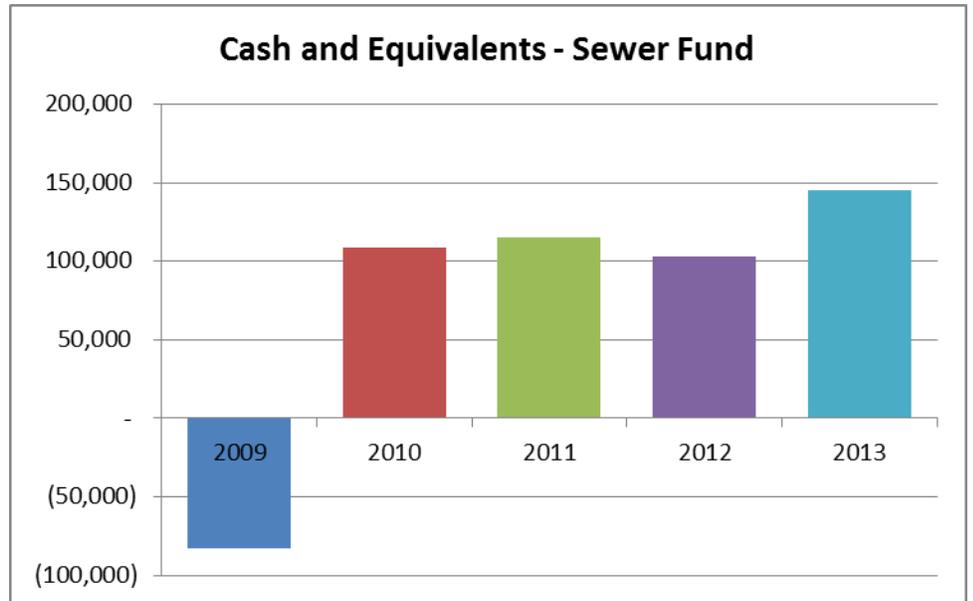
### Sewer Fund

Sewer Fund	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Re-est.
<b>Operating Revenues</b>					
Charges for services	93,258	95,019	37,370	33,183	100,000
<b>Operating Expenses</b>					
Business activities	257,115	99,418	31,255	44,782	57,989
<b>Operating Income</b>	(163,857)	(4,399)	6,115	(11,599)	42,011

Position: Operating income in the Sewer Fund has tended to be neutral in recent years. An exception is seen in 2009, when significant outlays caused the fund to show an operating deficit of more than \$160,000.

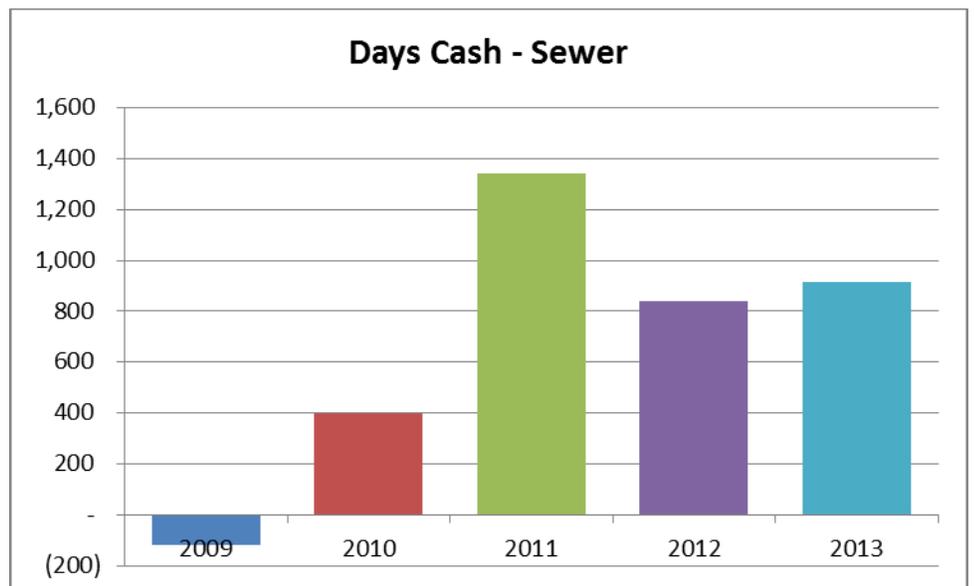


**Position:** In 2009, the Sewer Fund ended the year with a negative cash balance of (\$82,411). This position improved in 2010, due mainly to receipt of non-operating revenues of \$148,000. Since that time, cash reserves have remained above \$100,000.



Days Cash	2009	2010	2011	2012	2013
Cash and Equivalents	(82,411)	108,805	114,920	103,321	145,332
Outlays	257,115	99,418	31,255	44,782	57,989
<b>Days Cash</b>	<b>(117)</b>	<b>399</b>	<b>1,342</b>	<b>842</b>	<b>915</b>

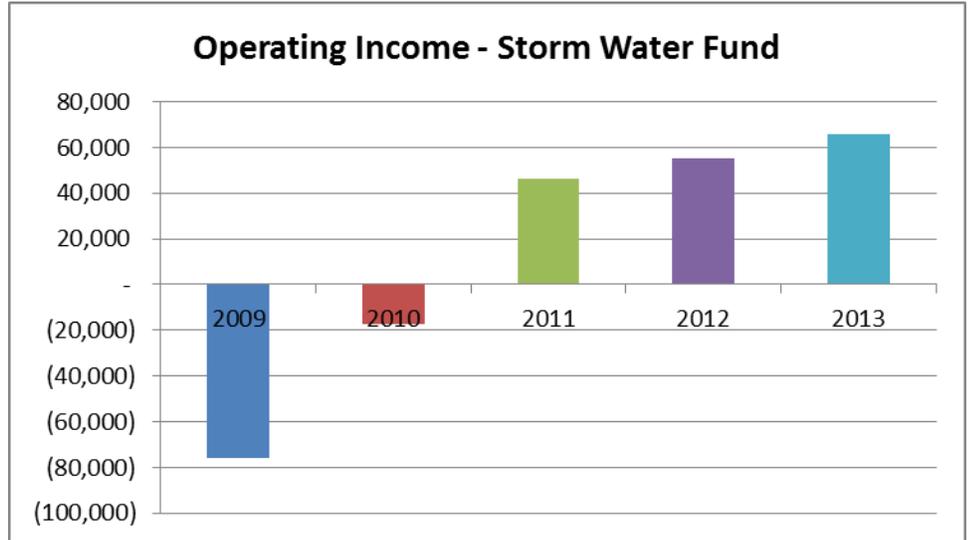
**Position:** In terms of operating days, the Sewer Fund’s cash represents 2.5 years of operations. This measure shows considerably more variability, due to relatively small outlays that magnify year-over-year changes.



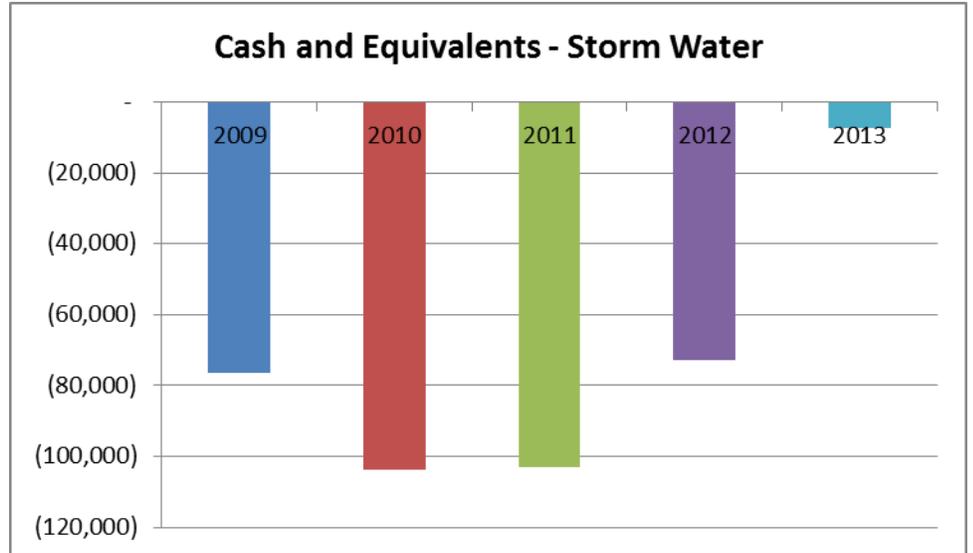
**Storm Water Fund**

<b>Storm Water Fund</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>
<b>Operating Revenues</b>					
Charges for services	109,582	108,497	148,413	197,059	280,000
<b>Operating Expenses</b>					
Business activities	185,188	125,852	102,014	141,871	214,367
<b>Operating Income</b>	(75,606)	(17,355)	46,399	55,188	65,633

Position: Operating income in the Storm Water Fund has shown a positive trend in recent years. From an operating deficit of \$75,000 in 2009, the Fund has improved its operating income each year. Positive operating income was generated each year since 2011, and income of \$65,633 is anticipated in the 2013 budget.

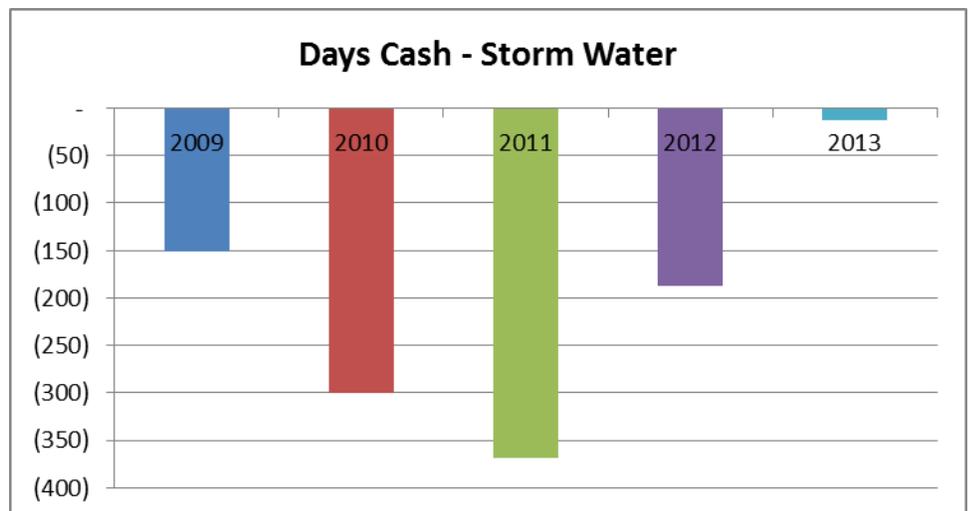


**Position:** The Storm Water Fund’s cash position does not look as good as its operating income. The Fund has shown negative cash balances for each of the past five years, though the 2013 budget is anticipated to bring cash close to a zero balance. While this is a marked improvement, the Fund will need to continue striving to establish adequate cash reserves.



Days Cash	2009	2010	2011	2012	2013
Cash and Equivalents	(76,477)	(103,567)	(103,158)	(72,970)	(7,337)
Outlays	185,188	125,852	102,014	141,871	214,367
<b>Days Cash</b>	<b>(151)</b>	<b>(300)</b>	<b>(369)</b>	<b>(188)</b>	<b>(12)</b>

**Position:** In operating days, the Storm Water Fund’s cash trends look similar to those of the overall cash position. The 2013 budget shows a cash deficit equivalent to 12 days of operations, which is a considerable improvement over recent years’ figures.

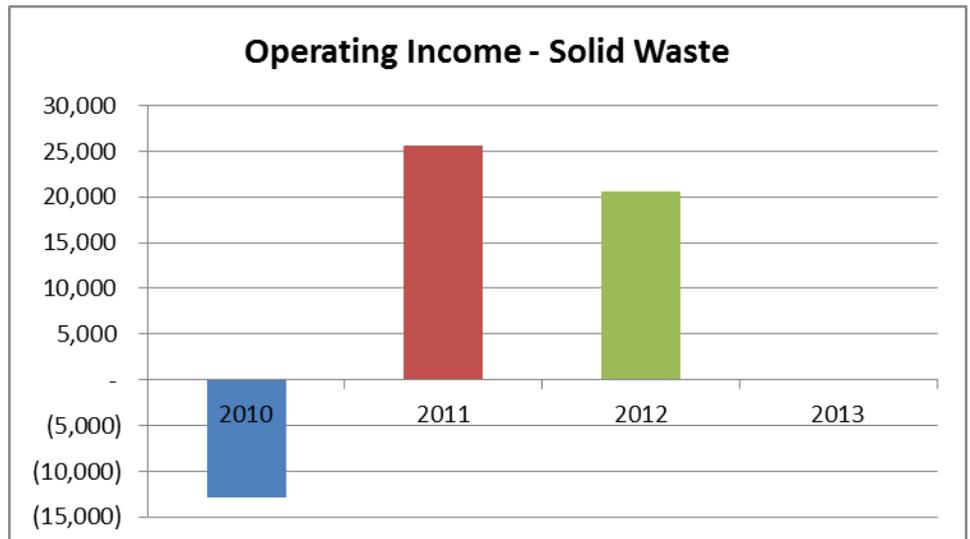


### Solid Waste Fund

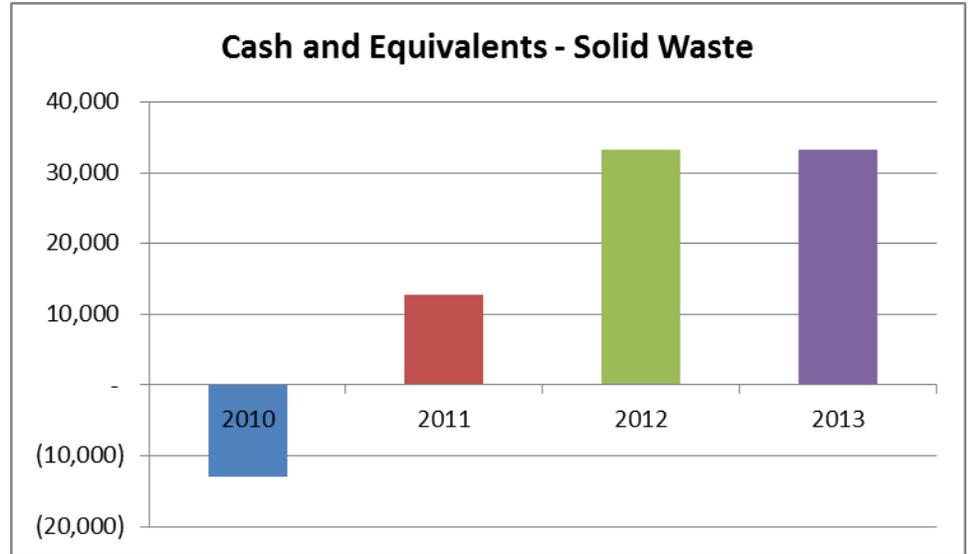
The City of Windsor Heights reclassified its solid waste activities as an enterprise fund in 2011, and restated its 2010 financial reports to account for the change. Therefore, we have no 2009 figures to include in our analysis of this fund.

Solid Waste Fund	2010 Actual	2011 Actual	2012 Actual	2013 Budget
<b>Operating Revenues</b>				
Charges for services	271,650	311,207	322,697	314,600
<b>Operating Expenses</b>				
Business activities	284,517	285,589	302,140	314,600
<b>Operating Income</b>	(12,867)	25,618	20,557	-

Position: The Solid Waste Fund began with an operating deficit in 2010, when activities were budgeted under the General Fund. After being established as an enterprise fund in 2011, the Solid Waste Fund showed positive operating income. In the 2013 budget, operating revenues and expenses are expected to be equal, resulting in zero operating income.

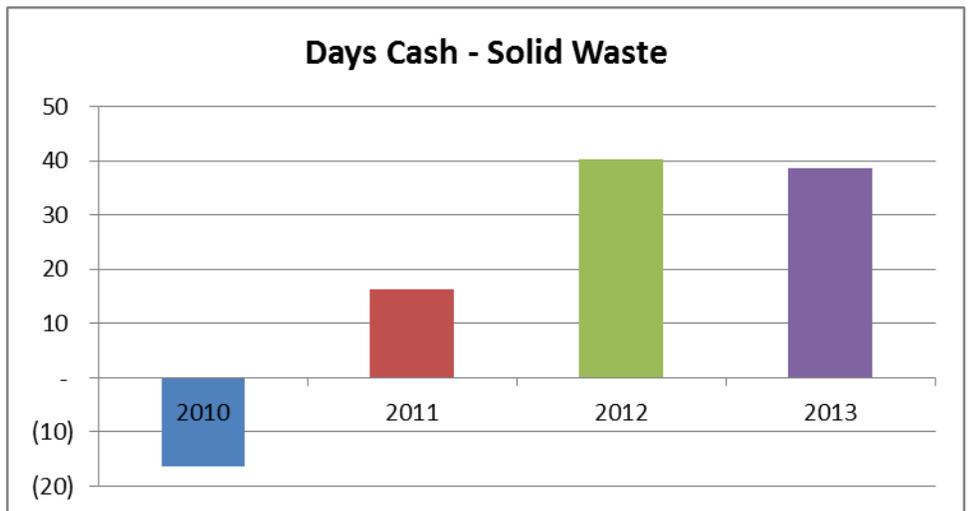


**Position:** The Solid Waste Fund’s cash levels are commensurate with its operating income in recent years. Starting from a negative balance of (\$12,867) when it was established, the fund has improved its cash reserves to a level of \$33,308.



Days Cash	2010	2011	2012	2013
Cash and Equivalents	(12,867)	12,751	33,308	33,308
Outlays	284,517	285,589	302,140	314,600
<b>Days Cash</b>	<b>(17)</b>	<b>16</b>	<b>40</b>	<b>39</b>

**Position:** In terms of operating days, the Solid Waste Fund’s cash reserves grew to the equivalent of 40 days of operations at the end of 2012. For 2013, this level dropped to 39 days, due to slightly larger expenses.



## 4. Debt

Debt service funds are used to account for the resources used to repay general long-term debt. Measuring the financial health of the debt service funds helps define both future borrowing capacity and the ability to pay. For local entities, their ability to issue debt is limited by federal and state legislation. The federal government generally controls the terms and conditions of tax-exempt borrowing; state governments generally control the conditions under which bonds can be issued, such as the need for a referendum.

Ability to pay, as it relates to debt supported by property taxes, is often characterized as the debt burden on the jurisdiction's private resources. Most common debt burden measures are expressed as general obligation debt per capita and as a percentage of market value.

### Outstanding Debt

At the end of fiscal 2012, the City of Windsor Heights had seven outstanding General Obligation bonds payable by tax increment revenues. A summary of outstanding debt follows below.

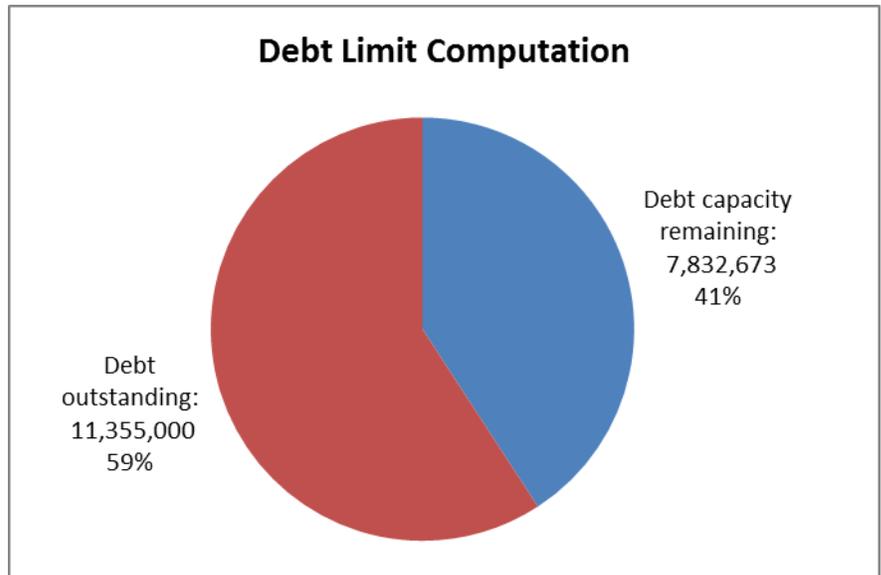
#### Bond Summary as of 06/30/12

Source: 2012 CAFR & Official Statement 2012A

Description	Series	Principal Outstanding at 06/30/12
<b>G.O. Debt - Tax Increment</b>		
GO bonds	1999A	630,000
Capital loan notes	2007A	835,000
GO bonds	2008A	1,755,000
GO bonds	2008B	3,340,000
Capital loan notes	2011A	3,110,000
Refunding capital loan notes	2011B	310,000
Refunding capital loan notes	2012A	1,375,000
<b>Total G.O. - Tax Increment</b>		<b>11,355,000</b>
<b>Total Debt:</b>		<b>11,355,000</b>

<b>Debt Limit Computation</b>	
Actual Taxable Valuation (2011)	383,753,462
Multiplier for State Limit:	5%
Legal Debt Limit:	19,187,673
Less GO debt subject to debt limit	(11,355,000)
Less other debt subject to limit	-
<b>Debt capacity remaining:</b>	<b>7,832,673</b>

Position: As of June 30, 2012, the City of Windsor Heights had \$11,355,000 in outstanding general obligation debt against its debt limit. Iowa law limits total debt to a level no more than 5% of the actual value of taxable property in the City; this value was \$384 million in 2011, resulting in a debt limit of \$19.2 million. Thus, the City has approximately 41% of its total debt capacity remaining.



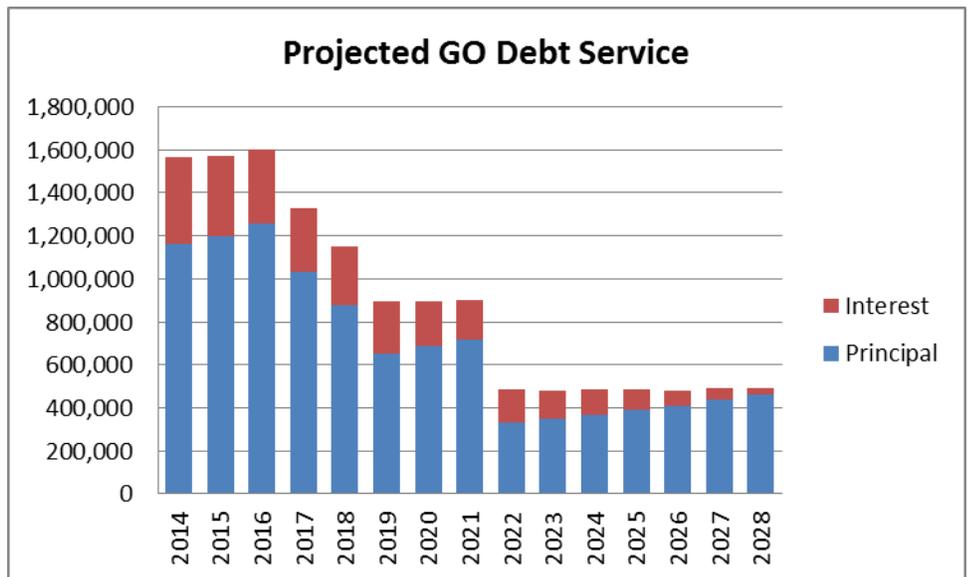
### **Debt Service Payments**

The rate at which debt is retired potentially affects a large number of financial factors, such as tax levies or user fees, ability to fund new projects, and credit rating. For tax-exempt debt, the federal government places restrictions on the maximum debt term based on the useful life of the assets financed. Certain states put maximum terms on certain types of bonds. Beyond these regulatory maximums, the debt repayment term is subject to the jurisdiction's policies and management.

Considerations of the debt service repayment terms often reflect the financial factors named above.

Year	GO Debt - TIF		
	Principal	Interest	Total
2013	1,010,000	435,175	1,445,175
2014	1,160,000	406,775	1,566,775
2015	1,195,000	375,125	1,570,125
2016	1,260,000	340,863	1,600,863
2017	1,030,000	300,885	1,330,885
2018	880,000	269,270	1,149,270
2019	655,000	240,775	895,775
2020	685,000	213,295	898,295
2021	720,000	182,877	902,877
2022	335,000	149,780	484,780
2023	350,000	132,200	482,200
2024	370,000	113,540	483,540
2025	390,000	93,778	483,778
2026	410,000	72,587	482,587
2027	440,000	50,210	490,210
2028	465,000	25,830	490,830
<b>Total</b>	<b>11,355,000</b>	<b>3,402,965</b>	<b>14,757,965</b>

Position: Debt service payments for GO Debt from tax increment are currently estimated at approximately \$1.5 million annually. This level is projected to fall to approximately \$900,000 per year after 2019, eventually falling to approximately \$500,000 annually after 2022. These requirements may be expected to change as new debt is issued.



## 5. Tax Policy

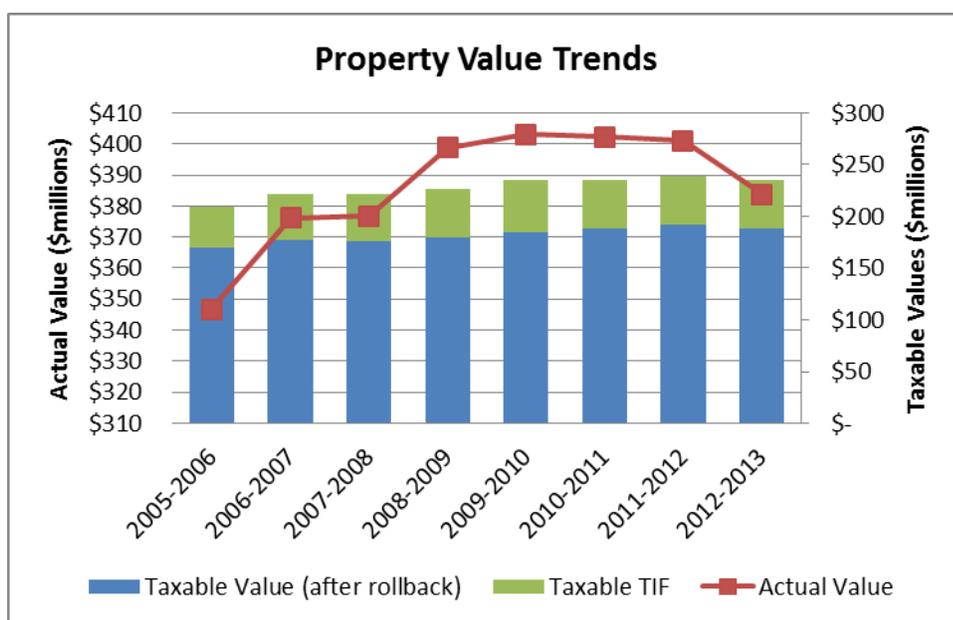
Whether formal or not, a jurisdiction’s decisions on the level and composition of its property tax levy form a policy statement. The tax levy is most often a combination of funding general operations and debt retirement. Too much of one component may limit options for managing the other component.

Property taxation is determined by three factors: tax base, often expressed as the jurisdiction’s assessed value; tax levy; and the tax rate. Changes in either the assessed value or tax levy can produce pronounced changes in the tax rate.

### Property Values

Year	Actual Value	Taxable Value (after rollback)	Taxable TIF Increment	Total Taxable
2005-2006	346,814,205	169,669,324	40,010,420	209,679,744
2006-2007	376,199,468	176,643,876	44,513,670	221,157,546
2007-2008	376,846,446	176,510,120	44,525,170	221,035,290
2008-2009	398,708,380	179,663,398	46,611,050	226,274,448
2009-2010	403,044,388	184,890,389	50,214,500	235,104,889
2010-2011	402,228,209	188,469,262	46,772,520	235,241,782
2011-2012	401,129,279	192,447,307	46,574,560	239,021,867
2012-2013	383,753,462	188,395,992	46,553,120	234,949,112

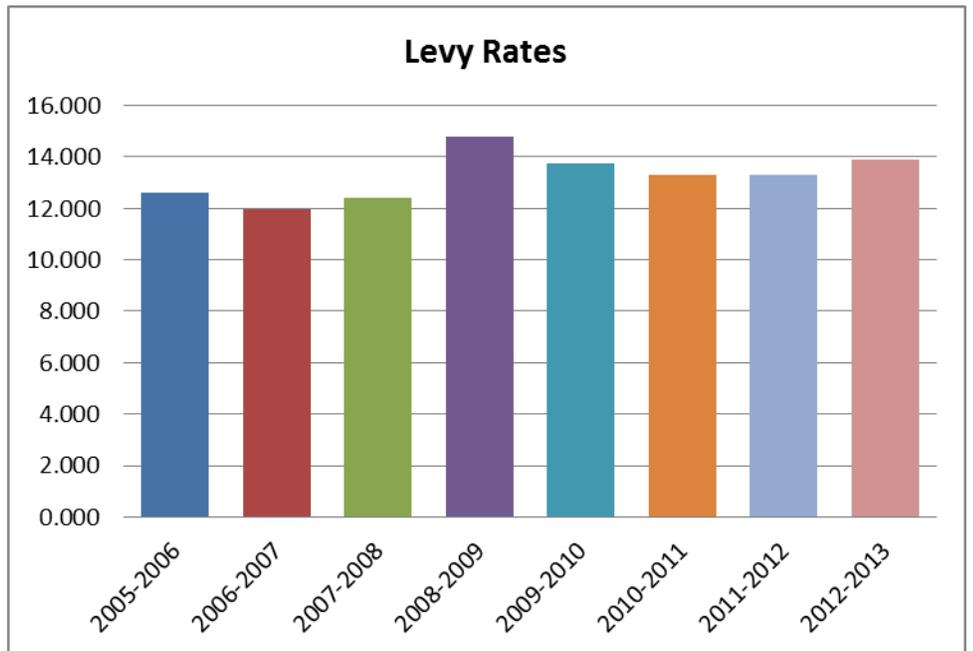
Position: Actual valuation of property in Windsor Heights has shown some variability in recent years, rising to around \$400 million between 2008 and 2011, before falling back to \$384 million in 2012-13. By contrast, taxable values have risen steadily. Total taxable value stands at \$235 million.



**Tax Rates and Levies**

Year	General Levy Rate
2005-2006	12.629
2006-2007	11.950
2007-2008	12.403
2008-2009	14.795
2009-2010	13.764
2010-2011	13.315
2011-2012	13.315
2012-2013	13.899

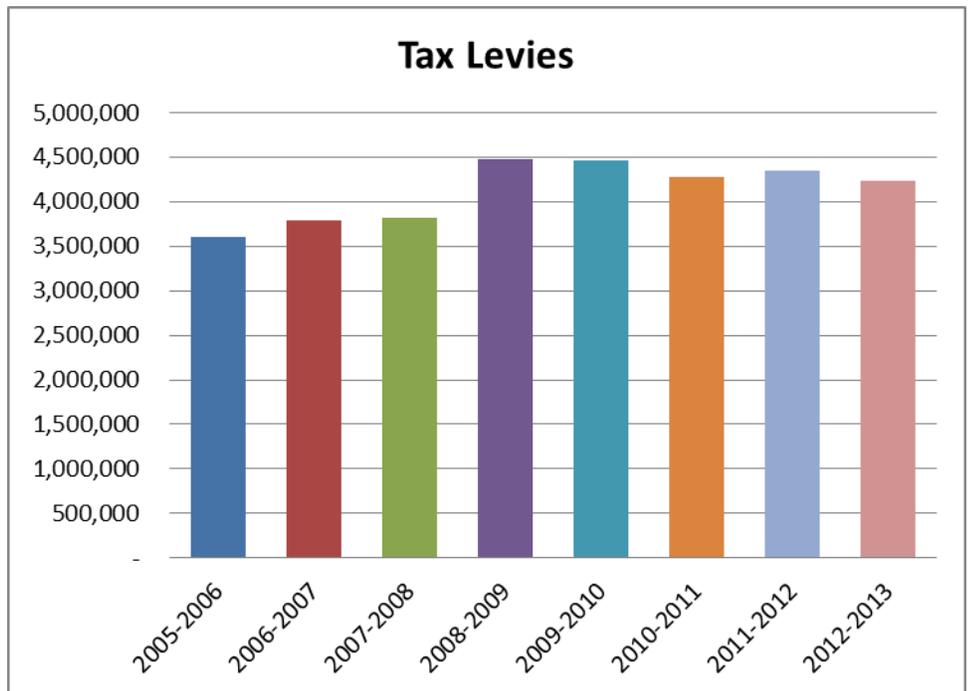
Position: Tax rates for the City of Windsor Heights have varied in recent years. The rate rose from 12.403 to 14.795 in 2008-09, before settling back to 13.315 in 2010-11 and 2011-12. For 2012-13, the rate was 13.899.



**Total Tax Levy**

Year	General Levy Amount
2005-2006	3,598,942
2006-2007	3,797,295
2007-2008	3,822,429
2008-2009	4,473,251
2009-2010	4,456,968
2010-2011	4,279,748
2011-2012	4,343,024
2012-2013	4,239,015

Position: The total levy for Windsor Heights has followed a similar pattern. The total levy collected in 2005-06 was \$3.6 million; this amount grew to \$4.5 million in 2008-09 and 2009-10. The levy for 2012-13 is estimated at around \$4.2 million.



## 6. Socio-Economic Factors

A jurisdiction’s financial health is vitally linked with its community’s demographic and economic condition. Income, age, employment and other community factors all influence the environment within which services are demanded, infrastructure is constructed and ability to pay is determined. Indicators of the levels and trends in these areas assist in gauging these service and financial capacities.

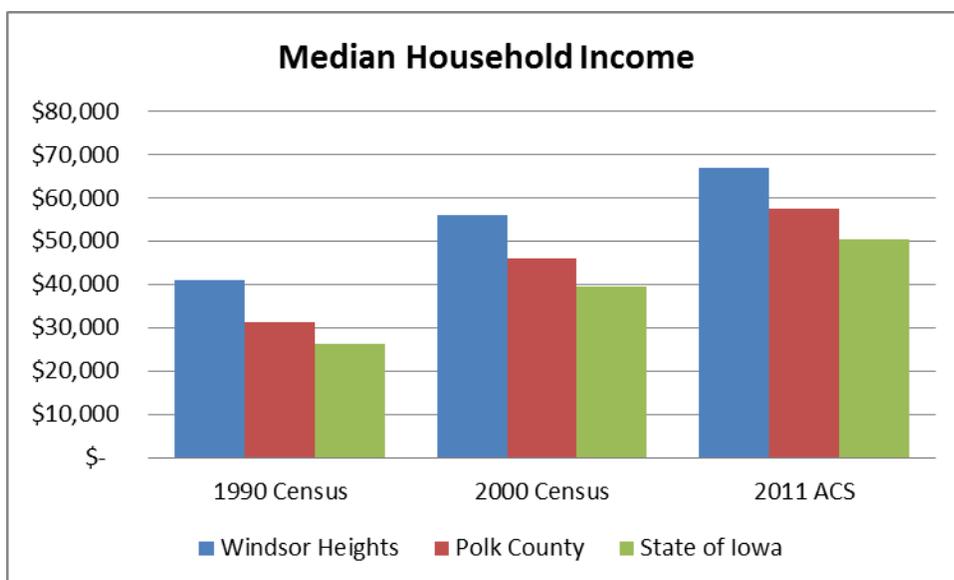
### Income Trends

Median household income is a primary indicator of ability to pay. It may also influence a community’s service demands.

Median Household Income	1990 Census	2000 Census	2011 ACS
Windsor Heights	\$ 41,070	\$ 55,931	\$ 66,997
Polk County	\$ 31,221	\$ 46,116	\$ 57,473
State of Iowa	\$ 26,229	\$ 39,469	\$ 50,451

Source: U.S. Census Bureau

Position: According to the 1990 Census, median household income was \$41,070 for Windsor Heights, which was 32% higher than the median for Polk County, and 57% higher than the state median. By the 2000 Census, the City’s median household income was \$55,931. In 2010, Windsor Heights’s median household income had risen to \$66,997, which was 17% higher than the county median, and 33% higher than the median for the state of Iowa.



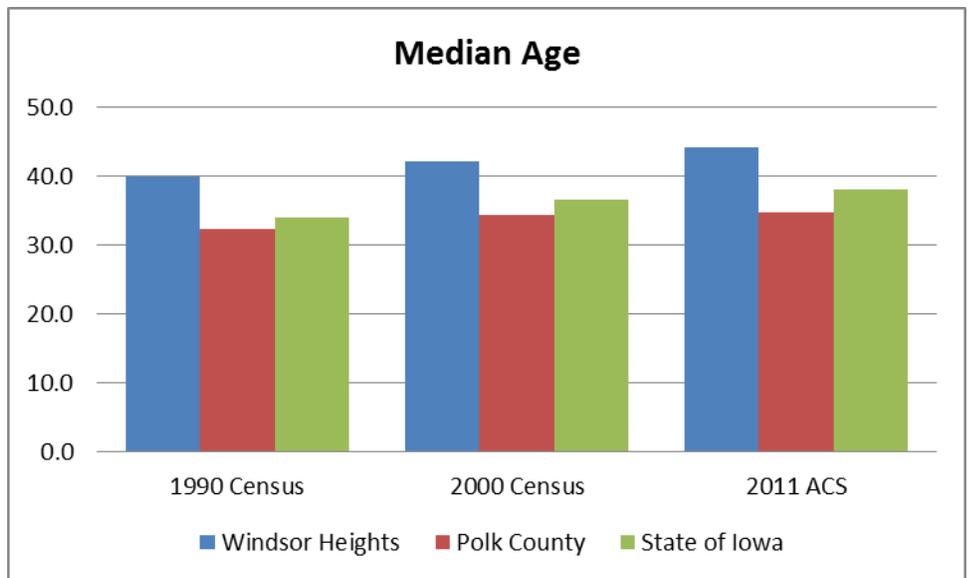
### Age Trends

Different sectors of the age demographic demand different services and influence the ability to pay for services.

Median Age	1990 Census	2000 Census	2011 ACS
Windsor Heights	40.0	42.1	44.1
Polk County	32.3	34.4	34.8
State of Iowa	34.0	36.6	38.0

Source: U.S. Census Bureau

Position: At the time of the 1990 Census, Windsor Heights showed a median age of 40 years, considerably older than that for Polk County or the State of Iowa. In 2000, the median age in Windsor Heights was 42.1 years, still significantly higher than the county and state values. In the 2010 Census, the City’s median age rose by 2 years, to 44.1. At the same time, Polk County saw its median age rise to 34.8 years, and the State’s median age rose to 38.0.



### Employment Trends

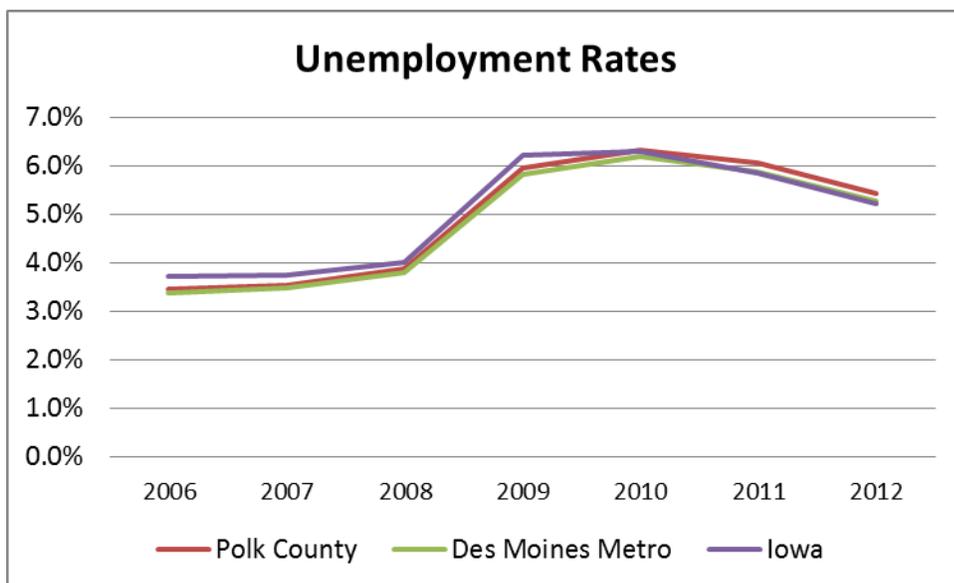
Employment levels exert significant influence on a community’s service demands and the ability to pay for services. During periods of higher unemployment, service demand generally increases while ability to pay is reduced.

	2006	2007	2008	2009	2010	2011	2012
Polk County	3.5%	3.6%	3.9%	6.0%	6.4%	6.1%	5.4%
Des Moines Metro Area	3.4%	3.5%	3.8%	5.8%	6.2%	5.9%	5.3%
State of Iowa	3.7%	3.8%	4.0%	6.2%	6.3%	5.9%	5.2%

Source: U.S. Bureau of Labor Statistics

Position: Employment figures for the City of Windsor Heights were not available for this report, so we looked at employment levels in Polk County and the greater Des Moines area as an alternative measure.

In general, unemployment in Polk County has moved in tandem with that for greater Des Moines and the State. In 2006, unemployment in Polk County was measured at 3.5%, as compared to a rate of 3.4% for the Des Moines metro area, and 3.7% for Iowa. In 2010, unemployment peaked at a level of 6.4% in the County, 6.2% for the metro area, and 6.3% for the State. By 2012, these rates had moderated to a level of 5.4% for Polk County, 5.3% for the metro area, and 5.2% for the state.



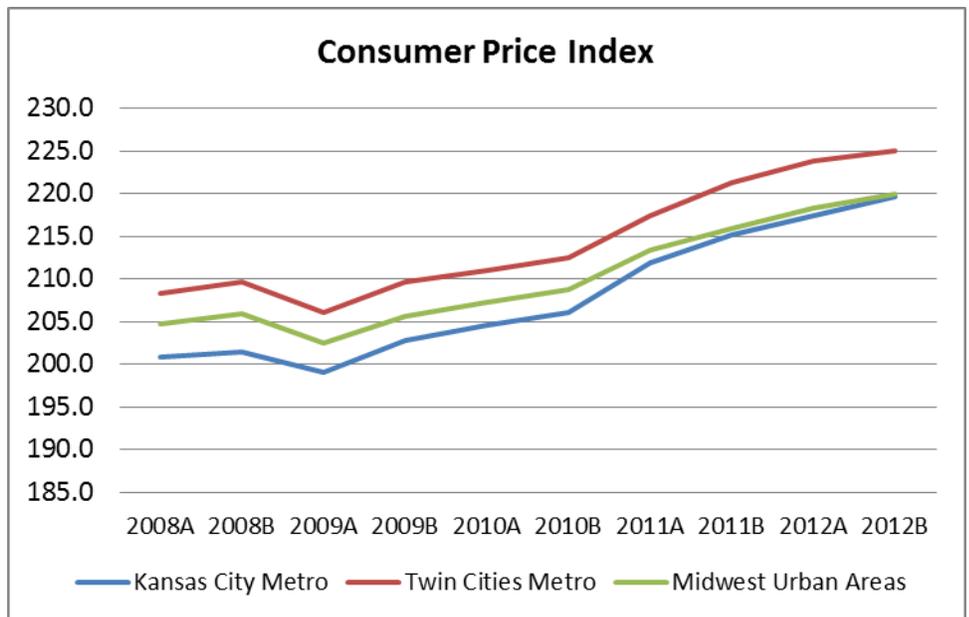
### Inflation Trends

Inflation is most often reflected in both the cost of delivering services and ability to pay for services.

CPI - All items, not seasonally adjusted			
Period	Kansas City Metro	Twin Cities Metro	Midwest Urban Areas
2008A	200.9	208.3	204.8
2008B	201.4	209.6	206.0
2009A	199.2	206.2	202.5
2009B	202.8	209.6	205.6
2010A	204.6	211.0	207.4
2010B	206.2	212.5	208.7
2011A	211.9	217.4	213.5
2011B	215.1	221.3	216.0
2012A	217.4	223.9	218.3
2012B	219.6	225.0	219.9

Source: U.S. Bureau of Labor Statistics

Position: Consumer prices are not tracked for the Des Moines area, so we must look to the CPI trend for the Kansas City and Twin Cities areas, as well as the trend for Midwestern urban areas in general. Consumer prices showed some deflationary pressure in the first half of 2009, though they resumed their historical upward trend by the end of the year. Consumer prices in 2011 rose approximately 3.5% for Midwestern cities in general, and in 2012 rose by another 1.8%.



## 7. Conclusions of Analysis

Springsted trusts this information provides you with a useful profile of a number of the underlying factors contributing to your community's financial health. We would be pleased to discuss the results of the analysis if you have any questions regarding the figures and trends. We can also provide a more detailed analysis of one or more areas.

### **Sources:**

In the preparation of this analysis, the following sources were used:

- City of Windsor Heights 2009-2012 CAFRs
- City of Windsor Heights 2009-2014 Budgets
- Official Statements of 2009 and 2012 Bond Issues
- Iowa Department of Management
- U.S. Census Bureau
- U.S. Bureau of Labor Statistics