

April 6, 2009
Council Chambers
City Hall
Tipton, Iowa

The City Council of the City of Tipton, Cedar County, Iowa, met in Regular Session at 5:30 p.m. Mayor Kepford called the meeting to order. Upon roll call the following named council members were present: Anderson, McGlaughlin, Johnson, Fry, Klemme. Also present: Boldt, Foley, Dietrich, Packwood, Fletcher, Nash, Todd, Penrod. Several visitors and the press were also in attendance.

AGENDA: Motion by Anderson, seconded by Johnson to approve the agenda as presented: Upon roll call the vote was:

Aye: Anderson, McGlaughlin, Johnson, Klemme, Fry
Nay: None

COMMUNICATIONS: Unscheduled – None. Scheduled – Andy Johnson

Andy Johnson of Clifton Gunderson, gave a brief summary of the City Audit for the fiscal year ending June 2008. Johnson went over the Independent Auditor's Report with mayor/council. He briefly summarized Management's Discussion and Analysis and briefly touched on Findings Related to Statutory Reporting. Anderson also discussed the Statement of Activities and Net Assets, Schedule of Indebtedness and Internal Control over Financial Reporting. Lastly, Anderson said there were no significant issues worth reporting.

CONSENT AGENDA: Motion by Fry, seconded by McGlaughlin to approve the consent agenda which included the following:

1. City council minutes from the previous meeting. One correction was noted. The mowing bid for the Airport which was awarded to Wright Lawn Service was recommended by City Manager Boldt and not the Airport Committee.
2. Beer License renewal for Pizza Hut.
3. April Development Commission minutes.

Upon roll call the vote was:

Aye: McGlaughlin, Johnson, Klemme, Fry, Anderson
Nay: None

CLAIMS LIST: Motion by Anderson, seconded by Johnson to approve the following list of claims:

AME SERVICES	70.00
ALBAUGH PHC	100.30
ALLIANT ENERGY	196.54
ARAMARK WORK APPAREL	239.75
CARDMEMBER SERVICES	176.01
CDW GOVERNMENT	2025.00
CENTRAL PETROLEUM EQUIPMENT	19.18
CENTRAL STATES GROUP	960.02
CITY ELECTRIC SUPPLY	92.51
COMMSPEED	29.95
CORTEZ TRUCK EQUIPMENT	206.11
CUSTOM BUILDERS	36.95

DORSEY & WHITNEY	3029.60
ED M. FELD EQUIPMENT	1552.50
ELLIOTT EQUIPMENT	704.43
ENERGY ECONOMICS	450.32
FARM PLAN CORPORATION	1260.48
FLETCHER-REINHARDT	333.50
JERRY'S ELECTRIC	4790.00
KIEFER & ASSOCIATES	27.50
MEISNER TREE SERVICE	300.00
NEWTON HOME OIL	5154.58
POND VIEW ACRES	100.00
PRAXAIR DISTRIBUTION	58.02
RADIO COMMUNICATIONS	226.20
RK DIXON	16.51
SPAHN & ROSE	2212.71
STAPLES BUSINESS ADVANTAGE	131.92
THE AUTO SHOP	1236.44
TIPTON DAIRY QUEEN	85.26
TIPTON TIRE & AUTO	239.40
TYLER TECHNOLOGIES	1339.00
VERMEER SALES & SERVICE	127.21
WALMART COMMUNITY	305.69
WENDLING QUARRIES	173.07
WESCO RECEIVABLES	885.71
WOODE'S TOWING SERVICE	43.50

Upon roll call the vote was:

Aye: Johnson, Klemme, Fry, Anderson, McGlaughlin
Nay: None

DOWNTOWN REVITALIZATION INCENTIVE PROGRAM: Mike Pelzer of the Development Commission said the Commission has received and reviewed three applications and is recommending approval of the Grant Awards. Councilperson McGlaughlin wanted to know if there was a conflict of interest in awarding the grants to NBC Properties because City Manager Boldt is a partner. He did not think it was legal and felt the council should not approve the recommendations from the Commission.

Mayor Kepford and Boldt told the council they both asked for legal advice and were both advised there was no conflict of interest and there was nothing illegal in awarding the grant awards to NBC Properties. After further discussion, council took action on the following three applications:

Motion by Klemme, seconded by Anderson to approve Façade Grant in the amount of \$5,307.50 to NBC Properties at 513 Cedar Street (Movies America). Upon roll call the vote was:

Aye: Klemme, Fry, Anderson, Johnson
Nay: McGlaughlin

Motion by Fry, seconded by Anderson to approve Façade Grant in the amount of \$4,380.00 to NBC Properties at 515 Cedar Street. Upon roll call the vote was:

Aye: Fry, Anderson, Johnson, Klemme
Nay: McGlaughlin

Motion by Klemme, seconded by Johnson to approve Commercial Interior Grant in the amount of \$7,500.00 to NBC Properties at 515 Cedar Street. Upon roll call the vote was:

Aye: Anderson, Johnson, Klemme, Fry
Nay: McGlaughlin

APPLICATION FOR PAYMENT – TRI CITY ELECTRIC: Motion by Anderson, seconded by Klemme to approve pay application No.2 in the amount of \$9809.22 to Tri-City Electric for work completed on the 2400 V Breaker project. Upon roll call the vote was:

Aye: McGlaughlin, Johnson, Klemme, Fry, Anderson
Nay: None

UTILITY BILL ADJUSTMENT: City Manager Boldt provided a letter he received from Jan Kramer requesting the council consider adjusting the sewer and/or water portion of the utility bill at 707 West 9th Street, Lot 22 as a result of an undetected leak. Boldt also provided the council with a sample ordinance that allows a one-time adjustment to the sewer portion of a utility bill. After a brief discussion, council advised Boldt to draft a similar ordinance for an adjustment to both the water and sewer portion of the utility bill.

PROPOSED CHANGES TO NATURAL GAS ORDINANCE: City Manager Boldt and Gas Superintendent Penrod provided the council with information showing the effects of a flat natural gas rate. The information provided shows three different flat delivery charges and what effect they have on an average residential customer, the two highest industrial users and a small commercial user. Boldt also said he would like to amend the current natural gas ordinance showing the basic service charge increasing it from \$3.00 to either \$5.00 or \$6.00. Raising the basic service charge to \$5.00 would increase revenues \$35,256, and increasing it to \$6.00 would increase revenues \$52,884. Council advised Boldt to prepare an amendment to the natural gas ordinance with the changes presented and set a public hearing date at the next meeting for an amendment to the current natural gas ordinance.

ANNUAL 1% ELECTRIC RATE INCREASE: Electric Superintendent Packwood went over the Annual 1% Electric rate Increase and Annual Electric Cost Purchase Power Index Adjustment. The rates become effective May 1st and the council may waive this increase on an annual basis if appropriate to do so. Packwood also provided figures for the Purchased Price Index (PPI) in conjunction with the Purchase Price Adjustment (PPA) which also becomes effective May 1st.

Packwood said the overall effect of the 1% annual rate increase combined with the PPA would be a 4.22% rate reduction May 1, 2009, and an additional 14.03% rate reduction January 1, 2010. He said on the average, this will reduce annual residential electric bills by over \$35.00 May 1st, and \$117.00 January 1st for a total reduction of over \$152.00 by the first of next year.

Councilperson McGlaughlin felt with the bad economic times facing everyone, that the 1% Annual rate increase should be waived for the upcoming year. After a short discussion, McGlaughlin made the motion to waive the automatic 1% annual rate increase. There was no second to the motion. The annual 1% rate increase will be effective May 1st, 2009.

Packwood also went over his recommendations he is presenting for the amendment of Ordinance No. 501. After a short discussion, motion was made by Fry and seconded by Johnson to hold a Public Hearing at 5:30 p.m. on April 20, 2009 for the first reading of Ordinance No. 502 which is amending Ordinance No. 501. Upon roll call the vote was:

Aye: Johnson, Klemme, Fry, Anderson, McGlaughlin
Nay: None

STANDBY GENERATION PROJECT: Electric Superintendent Packwood and City Manager Boldt provided the council with bids and additional information received on the standby diesel generation sets. The bids are all good for 90 days which will provide the city with plenty of time to eventually make a decision. In his cover memo to the council, Boldt mentioned that the 2006 new/used Cat engine that he and Packwood thought might be a pretty good bargain turns out to be off the table. It appears they want to bring the engine up to Tier 2 standards, package it with a warranty and sell it as a “new” engine. This makes the offer not as attractive as the original offer.

Packwood took some time and briefly went over the specifications for the standby diesel generation sets. After a short discussion, he and Boldt thought it might be in the best interest to have the Equipment Committee review the bids and make a recommendation to the council. Council was in agreement.

REBATE NOTICE: Electric Superintendent Packwood advised the council that the following notice will be published in the Conservative to correct any misunderstanding:

The goal of the Energy Conservation Program is to reduce the electrical consumption in Tipton. The Tipton Electrical Department wants the program to be a good experience for its consumers, helping citizens save money while being in compliance with State legislation. We apologize for any misunderstanding as to how old appliances are to be disposed of. To reduce electrical consumption, the old appliance must be recycled (destroyed)

The City will rebate any NEW appliance purchased prior to April 10, 2009 as long as the old appliance is removed entirely from the Tipton Electrical System. Any purchase made after April 10, 2009 must comply with old appliances being recycled.

NO PARKING: In his report to the council, City Manager Boldt said the Mayor, Police Chief and Staff have again looked at the parking situation on West 9th Street. Based on the fact that 9th Street is an arterial road into Tipton, a truck route and on the snow route we would propose an ordinance change to make 9th Street from Cedar Street to Lemon Street ‘no parking’ on the north side. This way we can have at least three readings on the ordinance, send notices to everyone affected and determine if this is the appropriate direction. Council was more in favor of contacting the property owners in the last block of West 9th.

MATHEWS MEMORIAL AIRPORT: City Manager Boldt received a letter stating that on March 19, 2009, the Federal Aviation Administration (FAA) accepted Mathews Memorial Airport into the National Plan of Integrated Airport Systems (NPIAS). The airport is classified as a general aviation airport in accordance with the entry criteria, FAA Order 5090.3C, Field Formulation of the NPIAS, Section 2-5.d

ADJOURN: With no further business to come before the council, motion to adjourn was made by Anderson and seconded by Fry. Motion carried by the following vote:

Aye: Klemme, Fry, Anderson, McGlaughlin, Johnson
Nay: None

Mayor _____

ATTEST: _____
City Clerk