

February 11, 2009  
Council Chambers  
City Hall  
Tipton, Iowa

The City Council of the City of Tipton, Cedar County, Iowa, met in Special 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, Klemme, Fry. Also present: Boldt, Foley, Fletcher, Packwood, Hakeman, Nash, Smith, Hembry. Several visitors and the press were also in attendance.

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

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

**DISCUSSION – FY 2009-2010 BUDGET:** City Manager Boldt said it is not a gloom situation the city is facing in trying to balance the FY 2009-2010 City Budget. Currently the budget is showing a shortfall of about \$89,615 in revenues. Boldt said the city needs to start an action of sustainability and continue to move forward. At this point Boldt turned the floor over to Airport Manager Rohlf.

**VERTICAL STRUCTURE GRANT – AIRPORT HANGER:** Rohlf reported that the city was informed by the State that they could be eligible for a Vertical Structure Grant for a new hanger at the Airport because another city turned down the funding that had already been approved. He said for Tipton to be eligible for the grant, the city has to commit \$49,000 in funding , but will receive around \$90,000 in state funds for the construction of the new 4-plane hanger at the airport.

Council member Johnson and a member of the airport committee said the funding being offered from the State might not be available next year. He said that the hanger that was built last year was full and he was sure another one would fill quickly.

City Manager Boldt said funding for the City's portion of the project could come form a city reserve fund that contains about \$390,000. He said money would be paid back to the reserve fund through revenue generated from the hanger. He also said the reserve fund is normally paid back over a 10 year period. After a brief discussion, motion was made by Johnson and seconded by Klemme to commit \$49,000 in funding to apply for the vertical structure grant for a new airport hanger with the funding coming from the city reserve fund. Upon roll call the vote was:

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

**FY 2009-2010 BUDGET CONTINUED:** City Manager Boldt said the airport and cemetery budgets are still both showing a shortfall in revenues. He said funds that used to be available in the gas fund are not available this year to help balance the two budgets.

Mayor Kepford suggested that the \$805,000 that is budgeted in the Electric department for the purchase of two engines might be an area to look at to cut the shortfall. She thought if the city could purchase one engine in the FY 2009-2010 that the other engine could be purchased in the FY 2010-2011 budget.

Electric Superintendent Packwood thought the mayor's suggestion was a good one, but pointed out the following:

1. Installation, if the two engines are not installed at the same time, costs will double.
2. If both engines are not purchased in the FY 2009-2010 budget, that the purchase of the second engine in the FY2010-2011 budget will double the cost because of the Tier 4 regulations that take effect on the 2010 models.
3. Demand charges are going through the roof, will increase by 50% in 2010.
4. If both engines in operation before 2010, revenues generated from peak shaving will be paid back in just four years.

After discussion among the council on this subject, City Manager Boldt said he and Packwood would talk with Altorfer and Carol Schlimmer to see what options might be available if both engines are ordered in the FY 2009-2010 budget year. Bolt thought that payments for the second engine could maybe be held off until the FY2010-2011 budget.

Other suggestions for generating more revenues for the future were to install a hotel/motel tax. The idea of closing the Family Aquatic Center on Sundays during the winter months also was mentioned. Increasing city fees in all areas should be looked upon.

Lastly, Boldt said he would do everything possible to have a balanced budget in the council's hands for the next council meeting which is scheduled for February 16<sup>th</sup>. Also at that meeting he would like to set a Public Hearing date for March 9<sup>th</sup> for final approval of the FY 2009-2010 city budget. Notice of hearing will be in the February 25<sup>th</sup> issue of the Tipton Conservative.

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

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

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Mayor

ATTEST: \_\_\_\_\_  
City Clerk