

February 7, 2018
Tipton Fire Station
301 Lynn Street
Tipton, Iowa

The City Council of the City of Tipton, Cedar County, Iowa, met in special work session at 5:30 p.m. Mayor Carney called the meeting to order. Upon roll being called the following named council members were present: Boots, Leeper, Anderson, Spear and McNeill. Also present: Wagner, Armstrong, Lenz, Kepford, Beck, Spangler, Coppess, Donohoe, Taber, Ratliff, B. Brennan, Penrod, other visitors and the press.

Agenda:

Motion by McNeill, second by Anderson to approve the agenda as presented. Following the roll call vote the motion passed unanimously.

New Business:

1. FY 2018-2019 Budget

There was discussion on department budgets that elevated five percent or above. Finance Director Armstrong reviewed the budget highlights, as shown below, and answered questions for the council.

FY 2018-2019 Budget Highlights

Property Tax Valuation

Property Valuations - 2017-2018			Property Valuations - 2018-2019		
	With Gas & Electric	Without Gas & Electric		With Gas & Electric	Without Gas & Electric
Regular	108,898,074	107,608,192	Regular	112,508,047	111,081,411
Debt Service	115,004,595	113,714,713	Debt Serv	118,868,922	117,442,286
Ag Land	398,890		Ag Land	497,585	

The increased in value generated an additional \$29,241 in property taxes this Fiscal Year which helped to fund the departments within the General fund that cannot generate enough revenue to offset their expenses.

Tax Rate

Our current tax rate is 13.78. The proposed tax rate for FY 18-19 is 13.71. We could maintain a tax rate without much change due to restructuring of the budget as well as keeping the overall budget costs for each department close to what they have been operating at in past years.

Wage Calculations

The presented wages for FY18-19 are based off a 2% increase from FY17-18 wages. This was to help the employees stay in line with previous increases as well as continue to stay at or above the grade mid-point on the Newport/Verisight scale.

Health benefits are currently estimated at a 20% increase. This is due to the unknown regarding our next plan. Blue Cross Blue Shield will not offer our current plan when we renew in May. We were advised by Group Services to estimate a 20% increase to have enough in the budget to offset any increased costs. More will be known about this closer to our renewal period.

IPERS rates are increasing effective July 1, 2018. Those increases are also reflected in the personnel figures.

Transfer Details

The Department of Management has encouraged cities to have consistent transfer percentages across utility accounts. The FY18-19 budget includes a 6.5% PILOT (payment in lieu of taxes) from each of the utility accounts. These payments have been transferred into the general fund to help offset costs of debt service payments and other unfunded expenses.

Reports of Mayor/Council/Manager/Department Heads:

Department Heads

Water/Wastewater Operator Brian Brennan reported the importance of looking into doing the Nan02 30-day trial pilot study with LM Technologies (LMT) for the wastewater treatment upgrade. LMT did a presentation on Nan02 at the February 5th Council meeting. It is an emerging technology using advanced oxygen infusion to solve the aeration challenges facing today's municipal wastewater facilities. Cold weather is when the aerated lagoons struggle the most, therefore, Brennan strongly recommends making a decision as soon as possible so that the study can begin while the lagoon water is so cold and icy. It is the consensus of the council to look deeply into the 30-day lease with LMT for Nan02.

Adjourn:

With no further business to come before the council a motion to adjourn was made by Boots, second by Leeper. Following the roll call vote the motion passed unanimously.
Meeting adjourned at 6:15 p.m.

Mayor _____

Attest: _____
City Clerk