

February 6, 2019
 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, Taber, Ratliff, B. Brennan, Penrod, Paustian, K. Johnson, Smith, other visitors and the press.

Agenda:

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

New Business:

1. FY 2019-2020 Budget

Finance Director Armstrong reviewed the budget highlights, and answered questions for the council. There was some discussion on department budgets that elevated five percent or above. Payroll amounts account for a two percent increase. Technology costs are increasing over the next two years due to having to update servers and multiple users who's computers will no longer be supported by the windows version they are on.

FY 2019-2020 Budget Highlights

Property Tax Valuation

Property Valuations - 2018-2019			Property Valuations - 2019-2020		
	With Gas & Electric	Without Gas & Electric		With Gas & Electric	Without Gas & Electric
Regular	112,508,047.00	111,081,411.00	Regular	116,424,856.00	115,135,345.00
Debt Service	118,868,922.00	117,442,286.00	Debt Service	123,017,336.00	121,727,825.00
Ag Land	497,585.00		Ag Land	420,427.00	

The increased in value generated an additional \$31,726 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 13.71. The proposed tax rate for FY 19-20 is 14.17. The increased tax rate was due to the addition of GO Bond 2018 Street Projects as well as increased costs associated with liability, property, self-insurance & other employee benefits. The chart below shows an estimate of how much the city increased tax rate would add to a residential property.

Assessed Value	Rollback	FY 18-19 Tax Obligation (city only)	FY 19-20 Tax Obligation (city only)	Difference
\$ 100,000.00	55.62%	\$ 780.38	\$ 806.73	\$ 26.35
\$ 150,000.00	55.62%	\$ 1,170.56	\$ 1,210.09	\$ 39.53
\$ 200,000.00	55.62%	\$ 1,560.75	\$ 1,615.25	\$ 54.50

Wage Calculations

The presented wages for FY19-20 are based off a 2% increase from FY18-19 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 6% 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 Benefits Solution/North Risk Partners to estimate a 6% increase to have enough in the budget to offset any increased costs. More will be known about this closer to our renewal period.

Transfer Details

The Department of Management has encouraged cities to have consistent transfer percentages across utility accounts. The FY19-20 budget includes a 7.0% 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:

Water/Wastewater Operator reported that there is money in the budget for a small sewer lining project this summer. He proposed that the city transfer \$69,000.00 into wastewater. It is possible that some could be paid out of storm water as well. The council is in favor of the project.

Recreation Director Spangler stated he is waiting for the cost on spraying in the park.

Manager Wagner stated that a public hearing will be set for the preliminary budget at the February 20th council meeting.

Electric Superintendent Taber wanted to get a consensus from the council regarding the OP engine being scrapped in Durant. They would like the city to make an offer on the items they would like from it. Taber was given to go ahead.

Adjourn:

With no further business to come before the council a motion to adjourn was made by Anderson, second by McNeill. Following the roll call vote the motion passed unanimously. Meeting adjourned at 6:21 p.m.

Mayor _____

Attest: _____
City Clerk