

February 6, 2020
 Tipton Library
 206 Cedar 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: Anderson and McNeill. Absent: Cummins, Hembry and Paustian. Also present: Wagner, Armstrong, Lenz, Nash, Kepford, Spangler, Penrod, Taber, B. Brennan, Ratliff, Beck and the press.

Agenda:

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

New Business:

1. FY 2020-2021 Budget

Finance Director Armstrong reviewed the budget highlights as listed below. Payroll amounts account for a two percent increase. Technology costs are increasing as they did last year due to having to continue updating servers and multiple users whose computers will no longer be supported by the windows version they are on. Any item highlight in the budget or on a CIP is an item the council has identified as a goal at the last goal setting meeting.

FY 2020-2021 Budget Highlights

Property Tax Valuation

Property Valuations - 2019 - 2020			Property Valuations - 2020-2021		
	With Gas & Electric	Without Gas & Electric		With Gas & Electric	Without Gas & Electric
Regular	116,424,856	115,135,345	Regular	119,523,585	118,146,528
Debt Service	123,017,336	121,727,825	Debt Service	127,497,679	126,120,622
Ag Land	420,427		Ag Land	494,193	

The increase in assessed taxable value generated an additional \$24,391 in property taxes this Fiscal Year which helps to fund the departments within the General fund that cannot generate enough revenue to offset their expenses.

Tax Rate

Our current tax rate is 14.17. The proposed tax rate for would either stay the same at 14.17 or it would go up to 14.42 if we continue our rental agreement with the Heartland at the same rental rate. The chart below shows an estimate of how much the \$14.42 tax rate would add to a residential property.

Tax Rate for FY 20-21 at \$14.42				
Assessed Value	Rollback	FY 19-20 Tax Obligation (city only)	FY 20-21 Tax Obligation (city only)	Difference
\$ 100,000.00	56.92%	\$ 806.73	\$ 820.76	\$ 14.03
\$ 150,000.00	56.92%	\$ 1,209.79	\$ 1,231.14	\$ 21.35
\$ 200,000.00	56.92%	\$ 1,613.06	\$ 1,641.52	\$ 28.46

Wage Calculations

The presented wages for FY20-21 are based off a 2% increase from FY19-20 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.

We were advised by Benefits Solution/North Risk Partners to estimate a 12% increase for health insurance benefits to have enough in the budget to offset any increased costs. More will be known about this closer to our renewal period.

IPERS rates will decrease slightly effective July 1, 2020 for all Emergency Personnel. Those decreases are reflected in the personnel figures.

Transfer Details

The Department of Management has encouraged cities to have consistent transfer percentages across utility accounts. The FY20-21 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.

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.
Meeting adjourned at 5:52 p.m.

Mayor _____

Attest: _____
City Clerk