

February 12, 2026
Tipton Fire Station
301 Lynn Street
Tipton, Iowa

The City Council of the City of Tipton, Cedar County, Iowa, met in special session at 5:30 p.m. Mayor Goerdt called the meeting to order. Upon roll being called the following named council members were present: Cummins, Johnston, Koob, and Paustian. Absent: Helm. Also present: Wagner, Armstrong, A. Lenz, Nash, DuFour, Spangler, Walsh, B. Brennan, Ratliff, Beck, Smith, other visitors, and the press.

Agenda:

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

City Business:

1. FY 2026-2027 Budget

FY 26-27 Budget Highlights

The city's current tax rate is \$15.55. The proposed budget tax rate is \$15.54.

• General Budget Information

- There continues to be budget challenges because of legislation that was effective in prior fiscal years which includes the rollback & HF718.
 - The rollback decreased from 47.4316% to 44.5345%.
 - Rollback states what percentage a home assessment can be taxed at. The lower the rollback, the less taxes each taxing authority receives because it can only tax the "rollback" percentage of the assessed value.
 - The goal of HF718 was to bring cities at or below the 8.10 levy.
 - The assessed value growth for FY 26-27 was 3.37%. This caused us to fall into the Tier 2 category which meant our revenue growth was reduced by approximately 1% to 2.35%.
 - Current consolidated general fund levy is 7.81141 = \$1,112,999 general fund revenue
 - 2.35% revenue growth resulted in \$25,508 additional revenue from the current fiscal year.

- **FY 26-27 Budget**

- The budget includes a 2.8% payroll increase for everyone except for those who are on a different scale, have an employment offer that states otherwise or has a board that suggests their pay raise.
- City health insurance renewal is projected to be a 10.6% increase.
- City insurance renewal (buildings, equipment etc.) is projected to be a 6.0% increase.

- **Budget Challenges**

- Increased expenses in operating budgets including operating equipment, supplies, and insurance.
- Reduced revenue in the general fund is causing other funds to have to help cover the additional costs. This causes them to have additional expenses to absorb.
- **General Fund – started at a deficit of \$370, 105.**
 - Reductions included reducing most general fund expenses to match actuals from the prior fiscal years.
 - Pushed out purchases of CIP items that were not essential in the upcoming fiscal year.

- **Budget Option #1 – Current deficit is \$148,097 after subtracting saved CIP items. Options to balance the general fund include:**

- Increase PILOT % from 7% to 7.5% - **\$41,809**
- Increase LOST transfer to the general fund - **\$131,090**

- **Budget Option #2 – Current deficit is \$148,097 after subtracting saved CIP items. Options to balance the general fund include:**

- Increase LOST transfer to the general fund - **\$131,090**
- Ask general fund departments to cut an additional **\$41,809** from the general fund budget in total

- **Budget Option #3 – Current deficit is \$148,097 after subtracting saved CIP items. Options to balance the general fund include:**

- A combination of options 1 & 2 as Council requests

Motion by Johnston, second by Koob to go with Budget Option #1 unless we can find a way to improve upon it. Finance Director Armstrong is going to try to find additional savings in the general fund. Following the roll call vote the motion passed unanimously.

Adjourn:

With no further business to come before the council a motion to adjourn was made by Koob, second by Johnston. Following the roll call vote the motion passed unanimously.
Meeting adjourned at 6:46 p.m.

Mayor _____

Attest: _____
City Clerk