

City of Tipton Common Council meeting was held on November 13, 2023, at Tipton City Hall, Council Chambers, Tipton.

Members: Mayor Dolezal, Councilmen Ehman, Chandler, Kring, and Rippy, and Clerk-Treasurer Clark. Councilwoman Hufford was not present.

Others: Brandon Barthel with Krohn & Associates, Buzz Krohn with Krohn & Associates, Jim Ankrum, Dick Klein, Kegan Schmicker, Andi Pumphrey, Bob Edinger, Abbie Smith – Community Development Director, Debbie Bowlby, Benny Frazier, Michael Bell with Reedy Financial, Jon Hughes with Bose McKinney, Brian Shortridge, Mike Bollman, Joe VanBibber, Megan Phifer, Tim Richards, Steve Niblick, Mike Spurlock, Aaron Hill, Steve Raber, Jeffrey Ogden, Lindsey Ogden, and Abby Ripberger.

Mayor Dolezal opened the November 13, 2023, Council meeting.

The Pledge of Allegiance was recited.

Minutes: Councilman Chandler made a motion to approve October 23, 2023, Council minutes without amendment, seconded by Councilman Rippy, with all in favor.

Amend Agenda: Nothing to report.

BOW: Councilman Kring reported on November 13, 2023, BOW meeting.

Cemetery Board: Councilman Rippy stated there were four burials, six cremations, and six lots sold. He also stated they are working on the new part.

Park Board: Councilman Rippy commented that the zip line is fixed, and the new equipment was installed in the tot lot. He also commented that the furnace is having some issues in the storage building, Park Superintendent Tomlinson ordered bleachers for the ball diamond, and they are putting up the Christmas decorations.

Utility Board: Council Chandler stated the November 8, 2023, Utility Board minutes are enclosed. Councilman Chandler highlighted some of the items discussed at the meeting. Councilman Chandler stated TMU employees Jeff Heard (35 years), Rick Tilley (33 years), Paul Ferguson (45 years), and Delbert Lacy (33 years) received special Water Industry recognition from IDEM and the Indiana Rural Water Association (IRWA) for their long, continued, and distinguished service to TMU and the water industry. He also stated Electric Superintendent Brad Cox made known his intentions to retire from TMU after 44 years of distinguished service. They all have a lot of years of service and they make our community a better place.

RDC: Mayor Dolezal commented they met on the 2nd and the 210 & 212 Jefferson Street property was awarded to Cliff Ragan's Company. The plan is it will be a brewing and motorcycle shop.

Mayor Dolezal opened the Public Hearing for the additional appropriation in the EDIT Fund. Resolution 2023-23 – Resolution For An Additional Appropriation In The Edit Fund is for the payment of the Getrag bond. It was explained that the County distributed the full amount, whereas in the past they would take out the Getrag payment monthly from the Edit revenue so they could pay for the bond. We will start budgeting this payment in 2024 but for this year that is the reason for the additional appropriation for \$54,000. Councilman Chandler made a motion to approve Resolution 2023-23, seconded by Councilman Ehman, with all in favor. Councilman Kring made a motion to close the Public Hearing, seconded by Councilman Rippy, with all in favor.

New Business:

Utility Board – Mayor Appointment and Council Appointment: Mayor Dolezal stated he appointed Peter Schram for another four years on the Utility Board and he accepted it. Mayor Dolezal stated the Council has an appointment as well. Councilman Chandler stated Don McElfresh's appointment is up at the end of the month. He has done an exemplary job, he has done great. Councilman Chandler asked if any other Council has heard from anyone else being interested. Councilman Kring made a motion to appoint Don McElfresh as the Council appointment to the Utility Board, seconded by Councilman Ehman, with all in favor.

2024 Holiday Schedule: Mayor Dolezal stated there are 12 Holidays, which include the Employee's birthday, he then read the dates. Councilman Rippy made a motion to approve the 2024 Holiday Schedule, seconded by Councilman Ehman, with all in favor.

TMU/Krohn & Associates – Utility Board Resolution 2023-09 – Electrical Rate Adjustments: Utility Manager Jim Ankrum stated the Utility Board passed Resolution 2023-09, recommending adjusting the electrical utility rates to increase. He also gave a brief explanation of the process the Utility Board went through to get to this point, even hiring Krohn & Associates as our rate consultant. Utility Manager Ankrum stated this Utility Board was engaged and asked questions in this process. He then introduced our Rate Consultants, Brandon and Buzz with Krohn & Associates. Mr. Krohn went through and explained the Electric Utility Cost of Service Study slides (see attached.) Mayor Dolezal stated he appreciated all the details and analysis on the primary power. Council members asked some questions and Mr. Krohn addressed their concerns. The Mayor and Council thanked Mr. Krohn and Mr. Barthel with Krohn & Associates. Utility Manager Ankrum stated if there are any more questions, he would be available to meet with them as well. He also stated the rate Ordinance would take effect January 1, 2024. Utility Manager Ankrum stated the Ordinance will be introduced at the November 27th meeting on the first reading and then the Public Hearing and the second and final reading would be December 11th, 2023. Councilman Chandler commented the Utility Board didn't take this lightly, they worked long and hard and asked good questions, and they have done a great job here.

Handbook Amendment to Vacation Benefits for Civil City: Councilman Kring stated the Clerk-Treasurer's Office and himself have worked on this. He also stated the handbook needs work and the future Council needs to fix and redo the handbook. The vacation benefits policy was confusing and contradictory for Civil City. We drafted a fairer policy for new hires, it prorates based on the hire date instead of someone getting days at the end of the year that has to be used by the end of the year. The vacation would still have the Department Head's approval. Year 0 will be front-loaded, and all employees get vacation days on January 1st. The Dept. Heads will have more flexibility. Councilman Kring stated this will be effective in 2022 and it will affect, one Clerk-Treasurer employee, one Street employee, and one Police employee. This is for City Civil only. We will look at Police and Fire vacation benefits also. Councilman Kring commented long term we need to look at accrued PTO instead of vacation and sick. Unused vacation earned by an employee will be paid to said employee upon his or her retirement. An employee who quits shall forfeit any right to vacation pay unless he or she has provided two (2) weeks' notice. We modeled this off another City, but he felt this was a step in the right direction. There was a brief discussion. Councilman Chandler made a motion to approve the Vacation Benefits for Civil City Employees, seconded by Councilman Rippey, with all in favor. Councilman Ehman thanked Councilman Kring. Councilman Kring stated Police and Fire are next to be looked at and then the whole handbook.

Old Business: Nothing to report.

Mayor's Report: Mayor Dolezal congratulated Kegan Schmicker – Mayor Elect, Tim Richards, Rich Vautaw, Nate Kring, Rick Rippey, and Ken Ehman on their election.

Resolutions & Ordinances:

Resolution 2023-22 – Resolution To Transfer From The General Fund Cash Balance To The Rainy Day Fund Cash Balance: Clerk-Treasurer Clark stated we discussed this during the budget workshops. Councilman Kring made a motion to approve Resolution 2023-22, seconded by Councilman Rippey, with all in favor.

Resolution 2023-24 – Resolution To Transfer Within The General Fund The Following Appropriations – Pool Budget: Mayor Dolezal stated the amount of the transfer is \$679. Councilman Ehman made a motion to approve Resolution 2023-24, seconded by Councilman Rippey, with all in favor.

Resolution 2023-25 – Resolution Prepared By The Clerk-Treasurer A List Of The Old Outstanding Checks: Clerk-Treasurer Clark stated she was cleaning up the outstanding checks and a list has to be presented to the Council. There was a brief discussion regarding the process. Councilman Kring made a motion to approve Resolution 2023-25, seconded by Councilman Ehman, with all in favor.

Resolution 2023-26 – Resolution To Transfer Within The General Fund The Following Appropriations – Police Budget: Mayor Dolezal stated the amount is \$3,000. Councilman

Kring stated since Officer Robins has left the K9/Equipment Fund is not needed. Clerk-Treasurer Clark stated yes. Councilman Chandler made a motion to approve Resolution 2023-26, seconded by Councilman Rippy, with all in favor.

Ordinance 2023-11 – An Ordinance Providing The Text Of The Zoning Ordinance Be Amended Section 403.04 – Permitted Uses (allowing Tattoo Parlors) – 1st Reading: Councilman Rippy made a motion to approve Ordinance 2023-11 on first reading, seconded by Councilman Chandler, with all in favor.

Ordinance 2023-12 – An Ordinance To Adopt Cost Principles For Spending Federal Funds – 1st Reading: Councilman Kring asked if this was done already. Mayor Dolezal stated ARPA Funds but it was specific to those funds appropriated. Councilman Kring made a motion to approve Ordinance 2023-12 on first reading, seconded by Councilman Rippy, with all in favor.

Ordinance 2023-13 – An Ordinance Annexing Territory To The City Of Tipton – Powell Super-Voluntary Annexation – 1st Reading (Fiscal Plan & Tax Impact Statement for review) Mayor Dolezal stated this is directly across from IMI and Taco Bell are in the City limits on the south side, but it stops at TWG on the north side. Mayor Dolezal stated Mr. Hughes from Bose McKinney and Mr. Bell from Reedy are here to explain the annexation and fiscal plans. Mr. Hughes stated this is a super voluntary annexation, 100 percent of the property owners requested to be annexed. The ordinance is first reading, then you will hold a public hearing on December 11th meeting, and will follow in 14 days before you adopt it in late December. Mr. Bell with Reedy stated the Fiscal Plan and Tax Impact Statement can't be adopted until after the public hearing and stated they prepared both for Powell and DeLong. Mr. Bell reviewed the Fiscal Plan and Tax Impact Statement for the Powell annexation. Mayor Dolezal stated that was a tremendous annexation explanation. The initiative to grow the community and that property owners want to be annexed. He also stated there are a couple of other properties going east. That will be the next administration to use as a tool to grow. Councilman Kring asked about the properties being contiguous. Mr. Hughes stated that they are contiguous because of the south side. It was also mentioned that on the DeLong property, there is a two-step process. This annexation is for Parcel A, the two-step process is for Parcel B. It was stated they don't know why we would say no, we need to talk to the other property owners. Councilman Chandler stated the analysis on DeLong there is no additional cost because City service is already coming out that far. Mr. Hughes stated that is correct. Mayor Dolezal stated this is the first reading and the public hearing would be later. Councilman Kring made a motion to approve Ordinance 2023-13 on first reading, seconded by Councilman Ehman, with all in favor.

Ordinance 2023-14 – An Ordinance Annexing Territory To The City Of Tipton – DeLong super Voluntary Annexation – 1st Reading (Fiscal Plan & Tax Impact Statement for review): Councilman Kring made a motion to approve Ordinance 2023-14 on first reading, seconded by Councilman Rippy, with all in favor.

Ordinance 2023-15 – An Ordinance Establishing A Designated Outdoor Refreshment Area (DORA)-1st Reading: Abbie Smith – Community Development Director read the briefing on establishing a Downtown DORA under IC 7.1-3-31 (attached). She read the key features of a DORA: 1. Boundary Designation, 2. Special Cups or Containers, 3. Time Restrictions, 4. Regulations and Enforcement, and 5. Support for Local Businesses. The actions and results and the next steps. There was a discussion and questions by the Council regarding the boundaries, the rules, and enforcement. Ms. Smith stated there are a couple of Main Street representatives here tonight if they would like to add something. Lindsey Ogden stated we have worked long on this and in Ohio this is an Economic Development tool and has worked out well. Councilman Kring made a motion to approve Ordinance 2023-15 on first reading, seconded by Councilman Chandler, with all in favor. It was stated thank you for all your work.

Claims: Councilman Rippy made a motion to approve claims 174744-175137 for \$4,641,360.79, seconded by Councilman Ehman, with Councilman Ehman, Chandler, and Rippy in favor. Councilman Kring abstained.

Petition, Comments, and Memorials:

Mr. Bob Edinger asked about the quotes for the fence at the ball diamond. Councilman Kring stated the amount is \$295,969.20. He asked about the bleachers, Tomlinson reported she is buying five bleachers within budget but didn't say the cost. Councilman Rippy stated the Park budget itself.

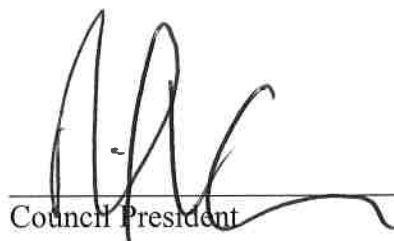
Mrs. Melissa Pickering (Tipton County Auditor) explained the EDIT Bond payment and stated the amount was not withheld for the payment like it was before. There are two Executive Orders on the bond payment that have a discrepancy one was signed by Mayor Dan Delph and the other was signed by Mayor Don Havens. The discrepancy is on the bond payment whether to withhold the payment or to bill the City for the payment. Clerk-Treasurer Clark explained to the Council the issue and stated the County sent a bill for the payment and that is why we have done the additional appropriation. Mayor Dolezal stated it was okay either way. It was stated we would clear up the discrepancies.

Adjournment: Councilman Kring called for adjournment, seconded by Councilman Ehman, with all in favor.

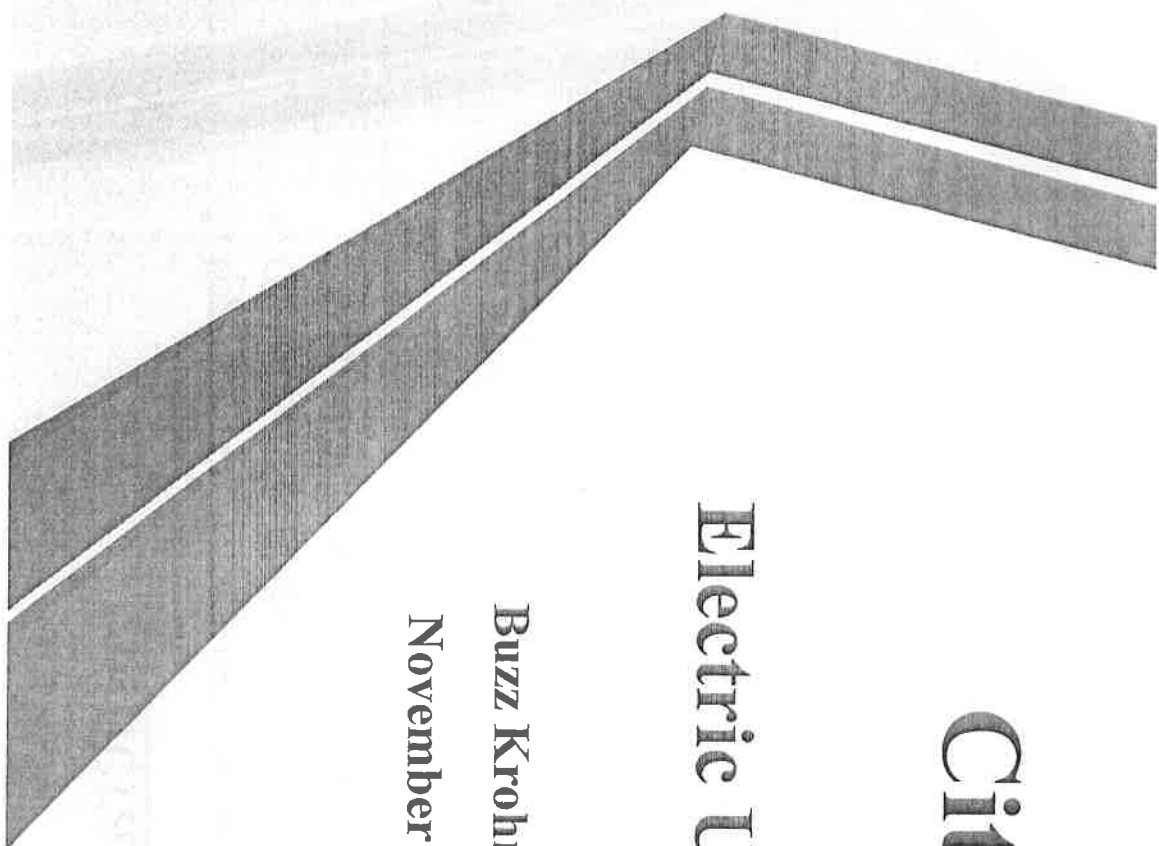
Submitted by Tamera Clark, Clerk-Treasurer.



Tamera Clark, Clerk-Treasurer



Council President



City of Tipton, Indiana

Electric Utility Cost of Service Study

Buzz Krohn, Partner

November 13th, 2023

KROHN

— ASSOCIATES —

CPAS AND CONSULTANTS

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TIPTON MUNICIPAL UTILITIES

General Overview

- Last base rate increase occurred in 2004 (20 Yrs ago)
- Cost of Service Study contemplates:
 - Inflationary increases that have impacted fixed operating and capital costs
 - Heavy equipment, truck investments and other capital assets need to be recovered in “base rates” - TMU’s capital plan over the next 2 years includes approximately \$2M in trucks & equipment
 - Reductions in operating revenues = decrease in gross profit
 - Steel Parts
 - Stellantis Plant
 - Tipton Schools (Solar Fields)
 - *Potential losses due to solar – Corteva*
- Proposed demand charges will align the City’s demand rates with IMPA’s demand rates and help preserve and align TMU demand and customer revenues with the City’s actual demand costs



Overview of Electric Rate Structure

- **Base Rates** (*must cover all costs, including fixed overhead and capital costs*)
 - Accounts for all the utility's expenses at the time of the cost-of-service study or rate study
 - Customer charges, energy charges and demand charges (*for large users*)
- **Quarterly ECA Tracking Factor** (*covers changes in variable cost of purchased power*)
 - Accounts for the quarterly increase (or decrease) in TMU's purchased power costs from IMPA which is passed on to the customer as an energy charge which maintain gross profit levels (*assumes other things being equal*)



TIPTON MUNICIPAL UTILITIES

Cost of Service Study Summary

	RESIDENTIAL	COMMERCIAL	GENERAL & INDUSTRIAL	PRIMARY POWER	STREET / SECURITY LIGHTING	TOTALS
PROPOSED REVENUE BY CUSTOMER CLASS	\$ 5,075,130	\$ 2,657,597	\$ 2,113,050	\$ 5,292,537	\$ 87,738	\$ 15,226,052
ADJUSTMENT - RECOVER FCA REVENUE REDUCTION	-	-	-	155,679	-	155,679
EXISTING REVENUE BY CUSTOMER CLASS	4,678,712	2,330,976	1,931,897	5,078,480	81,574	14,101,639
PROPOSED RATE ADJUSTMENT BY CUSTOMER CLASS	\$ 396,418	\$ 326,621	\$ 181,153	\$ 369,736	\$ 6,164	\$ 1,280,092
PERCENTAGE RATE ADJUSTMENT	8.5%	14.0%	9.4%	7.3%	7.6%	9.1%

- Analysis of costs in order to identify the total cost of service for each customer class (and customers within each class).



Comparison of Present & Proposed Rates and Charges



<u>MONTHLY USAGE</u>	<u>RESIDENTIAL SERVICE</u>			
	<u>CURRENT</u>	<u>PROPOSED</u>	<u>TOTAL INCREASE</u>	<u>PERCENT INCREASE</u>
700 KWH	\$ 83.27	\$ 91.65	\$ 8.38	10.1%
800 KWH	94.53	102.90	8.37	8.9%
900 KWH	105.05	114.15	9.10	8.7%
1,000 KWH	115.56	125.40	9.84	8.5%
1,500 KWH	168.12	181.65	13.53	8.0%
2,000 KWH	220.68	237.90	17.22	7.8%
2,500 KWH	273.24	294.15	20.91	7.7%
3,000 KWH	325.80	350.40	24.60	7.5%





TIPTON MUNICIPAL UTILITIES

Comparison of Present & Proposed Rates and Charges

<u>COMMERCIAL SERVICE</u>				
<u>MONTHLY USAGE</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>TOTAL INCREASE</u>	<u>PERCENT INCREASE</u>
2,000 KWH	\$ 254.16	\$ 291.96	\$ 37.80	14.9%
3,000 KWH	368.56	416.46	47.90	13.0%
4,000 KWH	476.87	540.96	64.08	13.4%
5,000 KWH	585.19	665.46	80.27	13.7%
10,000 KWH	1,126.75	1,287.96	161.21	14.3%
15,000 KWH	1,668.32	1,910.46	242.14	14.5%
20,000 KWH	2,209.88	2,532.96	323.08	14.6%
25,000 KWH	2,751.45	3,155.46	404.01	14.7%
30,000 KWH	3,293.01	3,777.96	484.95	14.7%
35,000 KWH	3,834.58	4,400.46	565.88	14.8%
40,000 KWH	4,376.14	5,022.96	646.82	14.8%





TIPTON MUNICIPAL UTILITIES

Comparison of Present & Proposed Rates and Charges

GENERAL AND INDUSTRIAL SERVICE				
MONTHLY USAGE	CURRENT	PROPOSED	TOTAL INCREASE	PERCENT INCREASE
5,000 KWH	\$ 628.30	\$ 705.46	\$ 77.16	12.3%
10,000 KWH	1,199.92	1,327.96	128.04	10.7%
25,000 KWH	2,914.78	3,195.46	280.68	9.6%
50,000 KWH	5,772.88	6,307.96	535.08	9.3%
100,000 KWH	11,489.08	12,532.96	1,043.88	9.1%
250,000 KWH	28,637.68	31,207.96	2,570.28	9.0%
500,000 KWH	57,218.68	62,332.96	5,114.28	8.9%
750,000 KWH	85,799.68	93,457.96	7,658.28	8.9%
1,000,000 KWH	114,380.68	124,582.96	10,202.28	8.9%
1,250,000 KWH	142,961.68	155,707.96	12,746.28	8.9%
1,500,000 KWH	171,542.68	186,832.96	15,290.28	8.9%





TIPTON MUNICIPAL UTILITIES

Comparison of Present & Proposed Rates and Charges

PRIMARY POWER SERVICE <i>1800/1000</i>					
<u>MONTHLY USAGE</u>	<u>DEMAND (KVA) (1)</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>TOTAL INCREASE</u>	<u>PERCENT INCREASE</u>
250,000 KWH	560.0 \$	24,958.60 \$	26,845.00 \$	1,886.40	7.6%
500,000 KWH	1,120.1	49,917.63	53,542.20	3,624.57	7.3%
750,000 KWH	1,680.1	74,876.23	80,237.20	5,360.97	7.2%
1,000,000 KWH	2,240.1	99,834.83	106,932.20	7,097.37	7.1%
1,250,000 KWH	2,800.2	124,793.86	133,629.40	8,835.54	7.1%
1,500,000 KWH	3,360.2	149,752.46	160,324.40	10,571.94	7.1%





TIPTON MUNICIPAL UTILITIES

Primary Power Charges

- Restructuring Primary Power Charges to align better with what IMPA charges TMU
- IMPA 2024 Demand Rate - \$22.229 per kVA
- IMPA 2024 Energy Rate - \$0.042385 per kWh
- TMU Proposed Demand Rate - \$22.000 per kVA
- TMU Proposed Energy Rate - \$0.057500 per kWh



COMPARISON OF ELECTRIC RATES AND CHARGES
BASED ON 1,000 KWH

CENTERPOINT ENERGY IN SOUTH	165.00
NORTHERN IN PUBLIC SERVICE CO.	156.44
PENDLETON	155.77
IN MICH POWER	147.38
CRAWFORDSVILLE	134.50
COLUMBIA CITY	131.41
DUKE ENERGY	128.79
ANDERSON	128.22
FRANKTON	126.44
AES INDIANA	126.31
RICHMOND	125.86
TIPTON - PROPOSED	125.40
LEBANON	124.74
AUBURN	123.69
FRANKFORT	116.20
TIPTON - CURRENT	115.56

Questions / Comments



TIPTON MUNICIPAL UTILITIES





Downtown DORA

Briefing on Establishment of a Designated Outdoor Refreshment Area in Downtown Tipton

Issue

In July 2023, the State of Indiana signed into law the eligibility for cities and towns to establish Designated Outdoor Refreshment Areas (DORAs) under IC 7.1-3-31. A DORA is a designated area where individuals are allowed to purchase and consume alcoholic beverages.

These areas are intended to support local businesses, create a vibrant atmosphere, and promote tourism in certain parts of the community.

Key features of a DORA:

1. *Boundary Designation:* The DORA is demarcated by specific boundaries. These boundaries are clearly marked to indicate where the consumption is permitted.
2. *Special Cups or Containers:* When patrons purchase alcoholic beverages from participating bars, restaurants, or vendors within the DORA, they are typically special cups or containers that are labeled as DORA-approved. These containers are designed to make it easy for authorities to identify legal consumption within the designated area.

3. *Time Restrictions*: DORAs often have designated hours during which alcohol consumption is allowed. These hours are determined by local regulations and may vary from one DORA to another.
4. *Regulations and Enforcement*: Local authorities establish rules and regulations governing DORAs to ensure safety and responsible drinking.
5. *Support for Local Businesses*: DORAs are created to boost the local economy by encouraging residents and tourists to visit bars, restaurants, and shops in the designated area, thus stimulating economic growth.

Action

In order to consider establishing a DORA in downtown Tipton, the following process has been followed in accordance with protocols established by Indiana Code and the Alcohol and Tobacco Commission:

Results

Designated Permittees

Establishing a DORA requires at least one (1) licensed vendor to agree to be a Designate Permittee within the boundaries - this means they are in good standing with the state and are legally able to sell alcoholic beverages. So far, two (2) Designated Permittees have agreed to the DORA. This is not an exclusive list, and we are actively recruiting and open to additional Designated Permittees.

Map

(Enclosure A)

Participating Vendors

In addition to Designated Permittees, DORAs also have Participating Vendors who welcome patrons into their establishment who've previously purchased a beverage from a Designated Permittee within the DORA. So far, two (2) Participating Vendors have agreed to the DORA. This is not an exclusive list, and we are actively recruiting and open to additional Participating Vendors.

Signage.

A DORA logo has been designed which will be placed on Designated Permittee decals, Participating Vendor decals, and all other signage required in the DORA in keeping with Indiana Code (trash receptacles, major areas of congregation, extreme boundaries). (*Enclosure B*)

Compliance with Planning.

Establishing a DORA includes a review of local codes and planning to ensure the DORA is in compliance. These documents were reviewed by Plan Commission Director Steve Niblick, and was found to be in compliance as stated by the enclosed letter. (*Enclosure C*)

Waivers from Churches in DORA.

The new law requires any churches or schools within the boundaries of the DORA to submit a waiver letter in order to be established. There are no churches within the boundaries of the DORA or within the stated distance setbacks.

Ordinance Approved by City Council Establishing DORA.

The final piece of the DORA application to the State is an approved municipal ordinance establishing the area and local regulations. (*Enclosure E*)

Next Steps

- ☐ 11/13 - 1st Reading of DORA Ordinance
- ☐ 11/15 - Public Notice posted on doors of City Hall, City Website, and in Tipton Tribune
- ☐ 11/27 - Public Hearing & 2nd Reading of DORA Ordinance
- ☐ 11/28 - Prepare DORA Application to Alcohol & Tobacco Commission