

**MINUTES
COOK CITY COUNCIL
SPECIAL MEETING
TRUTH IN TAXATION HEARING
DECEMBER 19, 2013 – CITY HALL – 6 PM**

TIME AND PLACE: A special meeting/Truth in Taxation Hearing was held at 6 PM on Thursday, December 19, 2013 at the Cook City Hall.

CALL TO ORDER: Mayor Harold Johnston called the meeting to order at 6 PM.

ATTENDANCE: Present at roll call was Mayor Harold Johnston, City Councilors Kim Brunner, Karen Hollanitsch and Elizabeth Storm. Absent was City Councilor Jody Bixby. Also present were Administrator-Clerk/Treasurer Theresa Martinson, Maintenance Superintendent Bud Ranta and the Cook News Herald.

SALES TAX EXEMPTION:

Administrator Martinson shared that Minnesota Statutes, section 297A.70, subdivision 2, allows local governments to buy some goods and services without paying sales and use tax. Purchases of items or services are exempt if they are used to provide local government services that are not generally provided by a private business.

Starting January 1, 2014, cities are exempt from sales and use tax on purchases used to provide certain government services. Cities must pay sales and use tax on their taxable purchases made through December 31, 2013.

The city was required to submit the amount paid/estimate amount of sales tax paid in 2012 that would now be a expected savings in 2014 due to the new sales and use tax exemption. The calculation was \$4166. These funds will be used within the general fund towards operating expenses.

TRUTH IN TAXATION:

The purpose of this meeting is to give the taxpayers and the City of Cook the opportunity to discuss the budget and tax levy for the upcoming year 2014. Study sessions were held at 5 PM prior to each regular council meeting from August through October with a final budget review in November to discuss budgets for each department for 2014.

GENERAL FUND BUDGET 2014 (FINAL):

Proposed Operating Revenues:	\$490,039.00
Proposed Operating Expenses:	<u>\$504,522.00</u>
Deficit	\$(14,483.00)

Proposed Levy Increase 5%: \$17,004

2014 Airport Budget:
Revenues: \$109,755.00
Expenses: \$109,755.00

Additional projects to consider – funding designation needed:

Capital Projects

Street Improvements – Paving
IRRRB Residential and Commercial Redevelopment Program

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Capital Projects (continued)

Cook Business Park Commercial Development
Maintenance Garage Replacement
Vermilion Drive Lighting
City Hall Interior/Exterior Remodel

Capital Projects – Airport

Master Layout Plan
Runway Crack Repair
Hangar Drainage

Long Term Planning – City CIP Project Listing

The presented final tax levy increase for the City of Cook is 5%. This amount is decreased from the 7% proposed amount in September. Martinson shared clarification of the preliminary levy increase amount of 7% in September was \$363,886 not \$371,040. A conservative approach has been made with the operating budget with also suggesting that capital projects be at a minimum.

The Mayor expressed his view that the city should hold its levy increase to the cost of living amount. It was noted that many expenses are not controlled by city (utilities, etc.) and cities are limited to where revenues can be obtained from but all efforts will be made to meet this goal.

Motion by Hollanitsch, second by Storm to approve the final tax levy amount for the year 2013 collectible in 2014 in the amount of \$357,084 (5% tax increase) for the City of Cook. **MOTION CARRIED**

Motion by Brunner, second by Storm to adopt the 2014 general fund budget as presented in these minutes. **MOTION CARRIED**

ADJOURNMENT:

There being no further business brought before the Council, motion to adjourn at 6:17 PM was made by Councilor Brunner and second by Councilor Storm. **MOTION CARRIED**

CITY OF COOK – Cook, MN 55723

Harold Johnston, Mayor

Recorder and Attest:
Theresa Martinson, Administrator-Clerk/Treasurer