



BRISBANE CITY COUNCIL

ACTION MINUTES

CITY COUNCIL SPECIAL MEETING

THURSDAY, JUNE 23, 2022

VIRTUAL MEETING

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Mackin called the meeting to order at 7:33 P.M. and led the Pledge of Allegiance.

ROLL CALL

Councilmembers present: Councilmembers Davis, Lentz, O'Connell and Mayor Mackin

Councilmembers absent: Councilmember Cunningham

Staff Present: City Manager Holstine, City Clerk Padilla, City Attorney McMorro, Assistant City Manager Schillinger, Finance Director Yuen, Police Commander Garcia and Legal Counsel Roush

ADOPTION OF AGENDA

Councilmember O'Connell made a motion, seconded by Councilmember Davis to adopt the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: Councilmember Cunningham

Abstain: None

ORAL COMMUNICATIONS NO. 1

Mary Gutekanst shared with the Council a brochure published by the Tuolumne River Trust. Stop opposition of the Bay Delta Plan and help strengthen the Bay Delta Plan ecosystems.

NEW BUSINESS

- A. Consider Approval of a Resolution Proposed Ballot Measure to Impose a Business License Tax on Hotels**

- 1. Adopt the attached resolution calling a special election to submit to the voters a ballot measure concerning a proposed ordinance to impose a business license tax on hotels as that term is defined.**
- 2. Determine whether the Council will submit an Argument For (and a Rebuttal To if an Argument Against has been submitted) the measure to impose the tax and, if so, who will draft the argument/rebuttal and who will sign.**

Legal Counsel Roush reported before City Council tonight is a resolution to place a ballot measure before the voters at the November 8, 2022 election to impose a business license tax specifically on hotels and other places designed for occupancy by transients in order to provide additional revenue for general municipal expenses. He added that the ordinance proposes that hotels—broadly defined to include not just hotels but motels, inns, short term rentals, etc.—would pay a daily business license tax of \$2.50 for every room that is rented to a paying guest. The measure, if approved by the voters, would impose a business license tax on hotels and staff estimates that the City will receive \$250,000 annually from such tax.

After some Council questions, Councilmember Lentz and Mayor Mackin volunteered to be members of the Subcommittee to draft the Argument for the Measure and the Rebuttal if any Argument is submitted against the Measure; other members of the Council may sign the Argument/Rebuttal.

After no public comment and further Council discussion, Councilmember Davis made a motion, seconded by Councilmember O'Connell, to adopt a resolution calling a special election to submit to the voters a ballot measure concerning a proposed ordinance to impose a business license tax on hotels as that term is defined and authorize Mayor Mackin and Councilmember Lentz to meet as a committee to draft the argument/rebuttal and have other Council members sign if they want. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: Councilmember Cunningham

Abstain: None

B. Consider Approval of Proposed Ballot Measure Relating to a Local, City of Brisbane General Transactions and Use (Sales) Tax

- 1. Adopt Resolution calling for and giving notice of the holding of a Special Municipal Election on Tuesday, November 8, 2022, and for the submission to the voters of a ballot measure relating to a local, City of Brisbane General Transactions and Use Tax; authorize arguments in Favor or Against Measure and Rebuttals; and authorize the City Attorney to prepare an Impartial Analysis;**
- 2. Determine whether the Council will submit an Argument For (and a Rebuttal To if an Argument Against has been submitted) the measure to impose the tax and, if so, who will draft the Argument/Rebuttal and who will sign the Argument/Rebuttal; and**

3. Waive first reading, and introduce by 2/3 vote of the City Council an Ordinance adding a new Chapter 3.22 to the Brisbane Municipal Code imposing a Transactions and Use Tax to be administered by the California Department of Tax and Fee Administration

City Manager Holstine reported that a sales tax revenue measure with voter-approved funding measure would not be subject to funds being seized by the County, State or other public jurisdictions, and all funds generated would remain entirely in Brisbane for local use. It is projected that a half-cent sales tax measure would result in approximately \$ 2,000,000 of additional locally controlled revenue to the City of Brisbane on an annual basis, which could not be taken by the State.

City Manager Holstine also added that the ballot question will be amended in the resolution to be the following:

Shall the City of Brisbane's measure to fund city services/facilities, such as neighborhood police patrols, fire prevention services, urban wildfire protection, crime suppression/investigation, pothole/street repair, parks and other city facilities, and to support other city services, by levying a ½¢ sales tax until ended by voters, be adopted?

Mr. Holstine also said the resolution will be amended to correct a couple of clerical errors. Legal Counsel Roush added that the Council will need to introduce an Ordinance by 2/3 vote adding a new Chapter 3.22 to the Brisbane Municipal Code imposing a Transactions and Use Tax to be administered by the California Department of Tax and Fee Administration.

After some council questions, Councilmember Lentz asked about the combined district rate. City Manager noted a correction to the staff report. The proposed tax in this ordinance is a "transactions and use tax" which most people would refer to as a "sales" tax. Technically, it is a "district" tax according to the California Department of Tax and Fee Administration. Transactions and use taxes have similarities and differences when compared to sales tax regulations in California. The combined district rate cannot exceed 9.875%, not 9.75% referenced in the staff report.

After no public comment and further Council discussion, Councilmember Davis made a motion, seconded by CM Lentz to adopt a Resolution as amended to correct clerical errors and with a revised ballot question calling for and giving notice of the holding of a Special Municipal Election on Tuesday, November 8, 2022, and for the submission to the voters of a ballot measure relating to a local, City of Brisbane General Transactions and Use Tax; authorize Mayor Mackin and Councilmember Lentz to meet as a committee to draft the argument/rebuttal and have other members of the Council sign if they want to; authorize the City Attorney to prepare an Impartial Analysis; and waive first reading, and introduce by 2/3 vote of the City Council an Ordinance adding a new Chapter 3.22 to the Brisbane Municipal Code imposing a Transactions and Use Tax to be administered by the California Department of Tax and Fee Administration. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: Councilmember Cunningham

Abstain: None

ORAL COMMUNICATIONS NO. 2

There were no members of the public wishing to speak.

ADJOURNMENT

Mayor Mackin adjourned the meeting at 8:08 P.M.

Ingrid Padilla, City Clerk

DRAFT