



CITY OF  
**FOLSOM**  
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# Folsom City Council Meeting

## Additional Information Transmittal

<b>MEETING DATE:</b>	2/24/2026
<b>AGENDA SECTION:</b>	Public Hearing
<b>STAFF REPORT TITLE</b>	Resolution No. 11539 – A Resolution of the City of Folsom Declaring Results of Majority Protest Proceedings and Modifying the Assessment Rate of the Folsom Tourism Business Improvement District (continued from January 27, 2026)
<b>FROM:</b>	Finance Department

Staff is providing the attached additional information for the above-referenced agenda item.

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**Instructions to staff:** Deliver original and 30 stapled/double-sided copies to the City Clerk's Department; City Clerk's Department will distribute via email and hardcopy to City Council, City Manager, City Attorney, and City Clerk.

Updated: Jan 2026

**From:** Patrick Finnegan <[patrickfinnegancpa@gmail.com](mailto:patrickfinnegancpa@gmail.com)>

**Sent:** Friday, February 20, 2026 2:10 PM

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**Subject:** Folsom TBID

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In November 2025, I attended the first discussion of the proposed TBID from the current 4% rate to the proposed 8% rate presented by the Tourism Bureau. I spoke to the council about the need for a comprehensive plan that would ensure that an elected City Council would have control over the funds for the betterment of the City of Folsom and the citizens you represent.

Shortly after the November meeting, I began contacting the ownership of the Folsom Hotel and implored them to reject the proposed increase based upon the fact that the tourism rate would be the largest in the state at 8%, along with the fact that an unelected entity, Folsom Tourism Bureau, would directly receive this funding.

I spoke with many of the hotel owners or representatives by telephone and had correspondence with all nine of the Folsom hotels. It appeared as if my efforts were successful as many of the hotels submitted letters to the City Manager indicating their No votes on the TBID increase prior to the January 27th deadline. No votes made up a clear majority that the City Manager received, as Mr. Darpan Bhakta, owner of AC Marriott, emailed me the responses from both Flynn Properties and Insignia Management.

At the January 27th City Council meeting, Folsom Tourism Bureau requested and received a delay in voting on the TBID increase until February 24<sup>th</sup>, with members Aquino and Leary objecting and Koslowski, Raithel and Rohrbough agreed to the delay. Ostensibly, the delay would provide Folsom Chamber of Commerce President Joseph Gagliardi an opportunity to discuss the TBID directly with owners of Folsom Hotels, with the hope that a new agreement could be reached.

Mr. Gagliardi reached out to owners of Folsom hotels and I received the attached letter from one of those owners. In his discussion, Mr. Gagliardi says the quiet part out loud, in fact he shouts it. " In light that the City is looking for new revenue sources, we wanted to proceed before any further discussions about an increase in the Transient Occupancy Tax would bolster the City's General Fund but would not provide any significant benefits to the hoteliers."

The Folsom Chamber president negotiated with Folsom Hotels to raise the TBID before the Citizens of Folsom, which you represent, could benefit from a like percentage TOT increase, generating \$1.5 million directly into the General Fund. Mr. Gagliardi correctly

notes that three of the Council members are up for election so the time to increase the TBID is now because one cannot trust what would happen with the potential change in the council makeup.

Many of us in the Folsom community view the Chamber of Commerce with suspicion as Folsom Tourism previously increased TBID rates in 2002, 2012 and now doubling them in 2026. It is well past time for Council Members to stand up to the Chamber and say the \$1.5 million they receive for the 4% TBID must be enough. There are other priorities in Folsom that could use this money, such as our public parks. Police and Fire Protection just to name a few. The TBID proposed along with the current funding is expected to generate \$3million dollars each year that will never flow to the general fund. I am aware that the inherent deficit to the city's budget is likely larger than \$3million, but our police and fire departments deserve proper pay with raises so we can keep them employed in Folsom.

If the council approves the TBID increase on February 24<sup>th</sup>, the credibility of the council will be directly challenged when you are called upon to make difficult cuts to public works, police and fire or other necessary community programs. Proof is now available showing the Chamber of Commerce President engaged with the council and Folsom Hotel owners preventing the community from increasing much needed general fund revenue. With the loss of Measure G in November 2024 by 62% No votes, there are few, if any financial resources currently available to our general fund, now is not the time to give them away.

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Patrick Finnegan CPA  
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I am following up on our correspondence that we had late last month. We would still like to talk to you and about the NEW proposed TBID modification.

Since we last talked we have also met with Darpan and Rachel from Insignia Management and Julie Purnell from Flynn Properties. The new assessment that we had proposed is something we had contemplated for some time but not brought forward until there were rumblings of a TOT increase. We had thought that we were keeping our existing hotel management informed but shame on us for making assumptions and not talking directly to the owners.

We do have a new powerpoint that we will be presenting to the City Council on February 24th and would be happy to send that to you this next week as we put the finishing touches on it. It really shows much more about what we have been doing recently. I have also attached below a shared folder that has quite a bit of backup information and studies for your review.

Just to reiterate what I had shared previously, we saw this TBID modification proposal as an opportunity to implement some of the destination asset recommendations that came out of the Hunden Study (in the shared folder below). In addition, we also wanted to make sure that we were advocating for any assessment that was paid by the hotel guests that it be directed and controlled by the hoteliers and not be a proposed tax that would not benefit the hotels. In light that the City is looking for new revenue sources, we wanted to precede before any further discussions about a increase in the Transient Occupancy Tax which would bolster the City's General Fund but would not provide any significant benefit to the hoteliers.

So based on our conversation with Darpan, it seems like a modified proposal that may be acceptable to the hoteliers is as follows:

1. A new 2% assessment be approved by the hoteliers and kept in a specific fund for tourism infrastructure ONLY. Consideration would be given now to an agreed upon additional 2% in 2 years. (If agreed upon now, I believe this would likely preempt the City from considering any TOT increase). The safeguard for the hoteliers is identified in bullet 5 below.
2. The hotel owners would decide on the priorities. We recommend that the funds ONLY be used to support tourism facilities and associated costs.

3. The governance can be done in two ways. Either each hotel can have designated representation on the existing board or a new board could be made up of just hoteliers. We are excited to hear of the hoteliers interest in participating. The pros with utilizing the existing board is that the existing board members are truly the leaders in our community and have extreme influence on matters in the City.
  
4. Expenditure of the funds in the first years would be directed by the hoteliers on all of the preliminary work that needs to be done for the priority projects. I had previously committed to a budget for the first year but I do believe it would truly just be a guestimate and I would rather be better prepared with solid proposals. Regardless, if this modified TBID assessment is approved, the board would be overseeing and approving the budget, the consultant selections and expenditure of funds.
  
5. On an annual basis, the assessment can be terminated with a majority vote of the hoteliers.

Right now, the City Council is supportive of this approach because they see that if the hotels can increase their occupancy and ADR there is a significant multiplier effect of tax revenue to the City. I think it is important to note that 3 out of the 5 City Council members are up for re-election in November so this timing is important as there are no guarantees that the presently seated Council members will prevail and therefore support for this initiative could change in the future.

We are also working diligently on multiple approaches on how to engage the other beneficial industries that have been mentioned ie: restaurants and retailers, so they too would contribute.

I look forward to your feedback and hope that we are able to capture and develop a plan that works for you and your fellow hoteliers. I hope we can have an opportunity to discuss this with you sooner rather than later.

I look forward to connecting soon,

**JOE GAGLIARDI**  
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