

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

July 5, 2022, 6:00 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy

1. Mayor Young called the meeting to order at 6:02 p.m.
2. Roll Call found Council Member Arriola, Mayor Pro Tem Vargas and Mayor Young present. Council Member Bedolla arrived at 6:04 p.m. and Council Member Davis arrived at 6:28 p.m.
3. ITEMS FROM THE AUDIENCE – There was no public comment.
4. ADOPT A RESOLUTION: 1) ORDERING THE CITY CLERK TO SUBMIT A MEASURE TO THE CITY OF TRACY VOTERS AT THE NOVEMBER 8, 2022, GENERAL MUNICIPAL ELECTION, AN ORDINANCE REPEALING AND REPLACING, IN ITS ENTIRETY, CHAPTER 6.04 (BUSINESS TAXES) OF THE TRACY MUNICIPAL CODE, AND, IF APPROVED BY THE CITY COUNCIL, 2) AUTHORIZING THE SUBMISSION OF AN ARGUMENT ON BEHALF OF THE CITY COUNCIL WITH DESIGNATED AUTHOR(S) AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE BUSINESS TAXES MEASURE ON THE NOVEMBER 2022 BALLOT

Karin Schnaider, Director of Finance; Sara Cowell, Accounting Manager and Jennifer Rindahl representative from Lew Edwards Group presented the staff report.

Robert Sarvey shared concerns about late notification, legality of the special meeting and not being able to comment online. Regarding taxes, a small business should be considered at \$500,000 to a million in gross receipts. Developers have not fixed roads, specifically Corral Hollow Rd. The proposed tax increase is unsustainable and now is not the time to discuss raising taxes on retail businesses especially small businesses.

Mary Mitracos shared that she was not aware of any workshops that were held for this item, was shocked to find as a sole proprietor with no employees her business tax was going to triple, with the new worksheet, it would be most likely at a base of \$50 and urged the City to publicize that more. Ms. Mitracos shared Mr. Sarvey's sentiments and asked that the small business limit be increased to at least \$500,000.

Roger Birdsall shared his concerns regarding the increase in tax stating this is a business license that has turned into a progressive tax that makes no sense. Five years ago, there was a windfall from e-commerce and sales taxes were not increased. Mr. Birdsall asked Council to think twice and not to put it in the hands of voters when they do not have anything invested in it.

Council questions and comments followed. Council Member Bedolla proposed that the threshold amount be changed from \$200,000 in gross receipts to \$500,000 in gross receipts. Council Member Arriola supported the proposal.

Council Member Arriola proposed minimum fees be reduced from \$100 to \$50 and what constitutes a small, medium, and large business and with the intent of reducing taxes on small businesses, looking at that threshold of \$200,000 gross receipts. When defining a small business, the assessment also be made at \$350,000 and \$500,000 and requested staff to model that out. Council Member Bedolla supported the proposal.

5. COUNCIL ITEMS AND COMMENTS – Mayor Young announced that a special meeting to continue this item will take place on Tuesday, July 12, 2022 at 6:00 p.m.
6. ADJOURNMENT: Time: 7:32 p.m.

**ACTION:** Motion was made by Mayor Pro Tem Vargas and seconded by Council Member Davis to adjourn. Roll call found all in favor; passed and so ordered.

The agenda was posted at City Hall on July 1, 2022. The above are action minutes.

---

Mayor

ATTEST:

---

City Clerk