

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

July 12, 2022, 6:00 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy, CA.

1. Mayor Pro Tem Vargas called the meeting to order at 6:00 p.m.
2. Roll Call found Council Members Arriola, Bedolla, Davis, Mayor Pro Tem Vargas and Mayor Young present. Mayor Young participated via Webex.
3. ITEMS FROM THE AUDIENCE – None
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

Adrienne Richardson, City Clerk announced that there was a clerical error on the agenda cover. Where it refers to an ordinance repealing and replacing, it should have been ballot measure repealing and replacing.

Karin Schnaider, Director of Finance provided the staff report and responded to questions.

Karen Moore asked if this measure takes away the cannabis measure and noticed during the pandemic a lot of businesses have switched to cash only. The collection and auditing of this seems more difficult when you rely on cash only business.

Mary Mitracos stated the limit should be set at \$500,000 if Council wants to help small businesses. If there are 1,000 businesses that fall between \$200,000 and \$500,000, the City should give them a break.

Robert Tanner asked if a business has already paid business tax for this year, and if the measure passes, do they wait another year and stated he talked to 12 different businesses, and they were pushing for \$500,000. Mr. Tanner referred to a comment made by Council Member Arriola at the last meeting about potential lawsuit with big box, and doing on backs of small business. Council should go for \$500,000 threshold.

Council Member Arriola objected to a characterization made by Mr. Tanner.

Cliff Hudson recommended a \$500,000 threshold, businesses are getting bigger and bringing home more money, and was glad only looking at revenue that is generated in Tracy. Mr. Hudson cautioned about a 8.6% inflation rate and now may not be the time to

be talking about increase. Tracy is supposed to be business friendly so while asking more revenue from bigger businesses, let's make sure we don't alienate bigger businesses.

Jermain Clark asked if non-profits would be exempt.

William Muetzenberg supported the business tax change stating it will benefit the City to have revenue to pay for services and infrastructure, advocated for \$350,000 level and shared concerns regarding trucks from larger businesses causing wear and tear on streets and highways.

Council questions and comments followed.

Council Members Bedolla, Davis and Mayor Pro Tem Young supported business taxes including a flat rate of \$50 for the first \$500,000 (Resolution #3), and Council Member Arriola and Mayor Young supported \$350,000 or \$500,000 (Resolutions #2 or #3).

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Davis to adopt Resolution #3 (Resolution 2022-106) which reflects that Business Taxes include a flat rate of \$50 for the first \$500,000 and ordering the City Clerk to submit to the City of Tracy voters at the November 8, 2022, General Municipal Election a ballot measure repealing and replacing, in its entirety, Chapter 6.04 (Business Taxes) of the Tracy Municipal Code and authorizing the submission of an argument on behalf of the City Council with designated authors and directing the City Attorney to prepare an impartial analysis of the Ballot Measure on the November 8, 2022 General Election Ballot. Roll call found all in favor; passed and so ordered.

Council Member Davis recommended Council Member Arriola and Mayor Pro Tem Vargas as designated authors of the argument since they are on the ad hoc committee. Council Member Arriola seconded the recommendation. Roll call found all in favor; passed and so ordered.

5. **COUNCIL ITEMS AND COMMENTS** – Council Member Bedolla stated the contract had been awarded for road repairs and asked if staff has an estimated construction start date for Tracy Blvd and Valpico.

Michael Rogers, City Manager responded it would be soon as we need to allow contractor to mobilize and get equipment in to get the works done. It is up to the contractor to determine how they do that work.

Mayor Pro Tem Vargas stated City organized sports teams who paid for a permit to rent a facility in a park (football team) have had conflicts with unhoused folks in the park. They are permitted use, rented facility and who do they contact to arbitrate with disputes between children's sports team and unhoused people in the park that are there to settle for the night.

Midori Lichtwardt, Assistant City Manager responded to forward to Brian MacDonald, Parks and Recreation Director who will filter down to facility attendants. There should also be a number on the permit.

Mayor Pro Tem Vargas stated it was brought to her attention by a downtown business owner who was upset a tree was cut down in front of their restaurant. A branch was broken. Third tree on 10th Street. The notice as to why the tree was cut down is because the tree was competing for water with another tree and had submitted approximately 10 Gov Outreach requests to help that tree to be pruned and watered. Mayor Pro Tem Vargas hoped the City is not cutting trees to avoid maintenance and spoke about other trees being cut down by the new clock and requested more information and at next meeting can public be informed as to why the trees will be cut down. Mayor Pro Tem Vargas requested to agendaize an item to investigate how we can create an advisory committee or citizens committee for trees and landscaping. Council Member Bedolla supported the request.

6. ADJOURNMENT – Time: 7:16 p.m.

ACTION: Motion was made by Council Member Arriola 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 9, 2022. The above are action minutes.

ATTEST:

Mayor

City Clerk