



## FINANCE COMMITTEE

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Regular Meeting  
June 2, 2009

Chairperson Burt called the meeting to order at 7:04 p.m. in the Council Chambers, 250 Hamilton Avenue, Palo Alto, California.

Present: Burt (chair), Klein, Morton, Schmid

Absent: None

1. Oral Communications

None

2. Recommendation to Approve Proposed Business License Tax Ordinance for November 2009 Ballot (CMR: 270:09)

Administrative Services Director Lalo Perez

City Manager James Keene

Mr. Perez

Management Specialist, Sharilyn Tran

Mr. Perez

*7:34*

Chair Burt

Council Member Schmid

Chair Burt

Council Member Schmid

Chair Burt



## FINANCE COMMITTEE

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Vice Mayor Morton

Chair Burt

Council Member Schmid

Assistant Senior Attorney, Cara Silver

Council Member Schmid

Palo Alto Outside Council for Revenue Matters Mark Mandell

Council Member Schmid

Mr. Mandell

Council Member Schmid

Mr. Mandell

Council Member Schmid

Mr. Mandell

Council Member Schmid

Mr. Mandell

Council Member Schmid

Mr. Perez

Council Member Schmid

Mr. Mandell

Council Member Schmid

Mr. Mandell

*7:50*



## FINANCE COMMITTEE

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Chair Burt

Council Member Klein

Mr. Perez

Council Member Klein

Mr. Perez

Council Member Klein

Ms. Silver

Council Member Klein

Mr. Perez

Municipal Services Manager, Doug Jenson

Council Member Klein

Mr. Jenson

Council Member Klein

Mr. Perez

Council Member Klein

Mr. Perez

Council Member Klein

Mr. Perez

Council Member Klein

Mr. Perez



## FINANCE COMMITTEE

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7:56

Chair Burt

Vice Mayor Morton

Mr. Keene

Vice Mayor Morton

Mr. Perez

Vice Mayor Morton

Mr. Perez

Vice Mayor Morton

Mr. Perez

Vice Mayor Morton

Mr. Perez

Vice Mayor Morton

Mr. Perez

Vice Mayor Morton

Mr. Perez

Vice Mayor Morton

Mr. Perez

Vice Mayor Morton

Mr. Perez

Vice Mayor Morton

FIN: 090502



## FINANCE COMMITTEE

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Chair Burt

Vice Mayor Morton

Mr. Perez

Vice Mayor Morton

Mr. Perez

Vice Mayor Morton

Mr. Keene

Vice Mayor Morton

Ms. Silver

Vice Mayor Morton

Mr. Mandell

Vice Mayor Morton

Mr. Mandell

Vice Mayor Morton

Mr. Mandell

Vice Mayor Morton

Mr. Perez

*8:16*

Chair Burt

Mr. Perez



## FINANCE COMMITTEE

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Chair Burt

Mr. Perez

Chair Burt

Mr. Perez

Chair Burt

Edward Fike, 4224 El Camino Real

Susan Kaplan, 550 Hamelton

Tommy Fehrenback, 638 Middlefield Road

Paula Sandas, Palo Alto Chamber of Commerce

Robert Moss, 4010 Orme Street

Irene Gomez, 3225 Ash Street

Carroll Harrington, 830 Melville Ave

Terry Conner, 285 Hamilton Ave, Ste 300

Vice Mayor Morton

Mr. Conner

Vice Mayor Morton

Chair Burt

Sherry Bijan, Palo Alto Downtown Business Association

Jeff Selzer, 171 University

Chair Burt

Mr. Selzer



## FINANCE COMMITTEE

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Chair Burt

Mr. Selzer

Joshua Howard, 20863 Stevens Creek Blvd, Cupertino

Vice Mayor Morton

Mr. Howard

Vice Mayor Morton

Mr. Howard

Vice Mayor Morton

Mr. Howard

*9:00*

Behnaz V. Morgan of VM Ware 3145 Porter Drive

Chair Burt

Ms. Morgan

Chair Burt

Ms. Morgan

Vice Mayor Morton

Ms. Morgan

Annette Ross, Amherst Street

John Hackmann, Embarcadero Road

Council Member Klein



## FINANCE COMMITTEE

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Ed Hoffacker, 526 Waverly St

Chair Burt

Finance Committee took a break at 9:15 p.m. and reconvened at 9:25 p.m.

Chair Burt

Mr. Perez

Chair Burt

Mr. Perez

Mr. Keene

Chair Burt

Mr. Keene

Chair Burt

Vice Mayor Morton

*9:34*

Chair Burt

Council Member Schmidt

Chair Burt

Vice Mayor Morton

Council Member Klein

Chair Burt

Council Member Schmid

Chair Burt



## FINANCE COMMITTEE

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Council Member Klein

Chair Burt

Mr. Keene

Chair Burt

Vice Mayor Morton

**MOTION:** Vice Mayor Morton moved, seconded by Schmid, that the Finance Committee recommends to the City Council to institute the Business License Tax and collect a net amount of \$3 million, to become effective July 1, 2010, unless Council elects to defer the date.

Vice Mayor Morton

Council Member Schmid

Chair Burt

Chair Burt

Vice Mayor Morton

Mr. Keene

Vice Mayor Morton

Council Member Klein

Vice Mayor Morton

Chair Burt

**Motion Passed:** 3-1 Burt no

Chair Burt

*10:01*



## FINANCE COMMITTEE

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Council Member Klein

**Motion:** Council Member Klein moved, seconded by Chair Burt, that the Finance Committee recommends to City Council the Per Capita Methodology for the Business License Tax Rate Structure.

Chair Burt

Vice Mayor Morton

Chair Burt

Mr. Keene

Chair Burt

Council Member Schmid

Vice Mayor Morton

Chair Burt

Council Member Schmid

*10:20*

Council Member Klein

Vice Mayor Morton

**MOTION FAILED:** 2-2, Morton, Schmid no

Chair Burt

Vice Mayor Morton

**MOTION:** Vice Mayor Morton moved, seconded by Schmid, to that the Finance Committee recommends to City Council the Gross Receipt Methodology for the Business License Tax Rate Structure.



## FINANCE COMMITTEE

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Chair Burt

**MOTION FAILED:** 2-2 Burt, Klein no

Chair Burt

*10:29*

Council Member Schmid

Chair Burt

Council Member Schmid

Mr. Keene

Chair Burt

Mr. Keene

Mr. Perez

Chair Burt

Council Member Schmid

Chair Burt

Vice Mayor Morton

Chair Burt

Council Member Klein

Chair Burt

**MOTION:** Council Member Schmidt moved, seconded by Vice Mayor Morton, to redefine the Service Classification, breaking it into Business Services/Professionals and Personal Services/Retail/Hotel.

Chair Burt



## FINANCE COMMITTEE

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Council Member Klein

Council Member Schmidt

Mr. Keene

Council Member Klein

**MOTION PASSED:** 4-0

Chair Burt

**MOTION:** Vice Mayor Morton moved, seconded by Council Member Schmid to recommend a minimum tax of \$75 per business entity.

Vice Mayor Morton

Ms. Silver

Vice Mayor Morton

Chair Burt

Ms. Silver

Vice Mayor Morton

Chair Burt

Vice Mayor Morton

Council Member Klein

Vice Mayor Morton

Mr. Keene

Vice Mayor Morton

Chair Burt



## FINANCE COMMITTEE

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**MOTION PASSED:** 4-0

Chair Burt

Council Member Schmid

**MOTION:** Council Member Schmid moved, seconded by Vice Mayor Morton that the Finance Committee direct Staff to study widening the margin of the Professional Category.

Mr. Keene

Chair Burt

Vice Mayor Morton

Mr. Keene

Vice Mayor Morton

Council Member Schmidt

Chair Burt

**AMENDMENT:** Council Member Schmid moved, seconded by Vice Mayor Morton, that the Finance Committee directs Staff to study widening the margin of the Professional Category and pursue a greater graduation between the categories of the Per Capita Business Tax methodology to more closely align with the Gross Receipts methodology.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER:** (Chair Burt proposed) to request that Staff pursue a greater graduation between the categories of the Per Capita Business Tax methodology to more closely align with the Gross Receipts methodology.

Council Member Klein

Chair Burt



## FINANCE COMMITTEE

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Council Member Klein

Chair Burt

**MOTION PASSED:** 4-0

Chair Burt

Vice Mayor Morton

Chair Burt

Vice Mayor Morton

Ms. Silver

Vice Mayor Morton

Council Member Klein

Mr. Perez

Council Member Klein

Vice Mayor Morton

Chair Burt

Vice Mayor Morton

Chair Burt

Mr. Perez

Chair Burt

Vice Mayor Morton

Council Member Perez

Vice Mayor Morton

FIN: 090502



## FINANCE COMMITTEE

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Council Member Klein

Chair Burt

Mr. Keene

Chair Burt

Council Member Klein

Chair Burt

Council Member Schmid

Chair Burt

City Clerk Donna Grider

Mr. Keene

Chair Burt

Vice Mayor Morton

Chair Burt

Mr. Keene

Chair Burt

Vice Mayor Morton

Chair Burt

Vice Mayor Morton

Chair Burt

Vice Mayor Morton



## FINANCE COMMITTEE

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Chair Burt

Mr. Perez

Chair Burt

Vice Mayor Morton

Chair Burt

Council Member Schmid

Chair Burt

Mr. Keene

Chair Burt

Mr. Keene

Chair Burt

**MOTION:** Vice Mayor Morton moved, seconded by Council Member Schmid, direct Staff to explore a per unit fee of \$20 for units of 4 or more.

**MOTION PASSED:** 4-0

Chair Burt

Council Member Klein

Chair Burt

Council Member Klein

Chair Burt

Mr. Perez

Council Member Klein



## FINANCE COMMITTEE

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Mr. Keene

Chair Burt

*11:08*

**MOTION:** Council Member Klein moved, seconded by Council Member Burt, that the Finance Committee accept Staffs recommendation that a Full Time Employee is one that works a 20/80.

Council Member Schmid

Council Member Klein

Council Member Schmid

Council Member Klein

Council Member Schmid

Chair Burt

Vice Mayor Morton

**MOTION PASSED:** 4-0

Chair Burt

Mr. Perez

Chair Burt

Mr. Perez

Chair Burt

Mr. Keene

Chair Burt

Mr. Keene



## FINANCE COMMITTEE

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Chair Burt

Vice Mayor Morton

Chair Burt

Vice Mayor Morton

Chair Burt

Vice Mayor Morton

Mr. Perez

Chair Burt

*11:15*

Vice Mayor Morton

Council Member Schmid

Chair Burt

Council Member Klein

Vice Mayor Morton

Chair Burt

Vice Mayor Morton

Chair Burt

Council Member Klein

Mr. Keene

Chair Burt



## FINANCE COMMITTEE

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Vice Mayor Morton

Chair Burt

Council Member Klein

Chair Burt

Council Member Klein

Chair Burt

**MOTION:** Vice Mayor Morton moved, seconded by Council Member Klein to apply a cap limit \$30 thousand for non retail businesses and \$15 thousand for retail businesses.

Council Member Schmidt

Mr. Perez

Chair Burt

Council Member Schmid

Mr. Keene

Chair Burt

**MOTION PASSED:** 3-1 Burt no

Mr. Keene

Chair Burt

Mr. Keene

Chair Burt

Vice Mayor Morton

Mr. Keene



## FINANCE COMMITTEE

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Chair Burt

ADJOURNMENT: The meeting adjourned at 11:32 p.m.