

MINUTES OF THE ADJOURNED REGULAR MEETING OF THE CITY COUNCIL
of the City of Hermosa Beach, California, held on Tuesday, July 31, 2007, at the
hour of 7:15 p.m.

PLEDGE OF ALLEGIANCE – Carla Merriman

ROLL CALL:

Present: Bobko, Edgerton, Reviczky, Tucker, Mayor Keegan
Absent: None

ANNOUNCEMENTS – None

PUBLIC PARTICIPATION:

Coming forward to address the City Council at this time was:

Roger Bacon – Hermosa Beach business owner, presented photographs and thanked everyone for the July 29 Surfer's Walk of Fame event, noting it was a big success.

1. **ADOPTION OF RESOLUTION SUBMITTING A MEASURE TO THE VOTERS ON THE NOVEMBER MUNICIPAL ELECTION BALLOT TO INCREASE THE BUSINESS LICENSE TAX ON SPECIFIC BUSINESSES.**
(Continued from July 24, 2007) Memorandum from City Manager Stephen Burrell dated July 26, 2007.

Finance Director Copeland presented the staff report and responded to Council questions. City Manager Burrell and City Attorney Jenkins also responded to Council questions.

Councilmembers Edgerton and Bobko presented the subcommittee report, noting that discussions at their meeting included alternatives such as increasing the fees for business encroachments on Pier Plaza, which would not require an election, and hiring a consultant to review the City's current business license tax for future revision.

Action: To agendize for consideration at the meeting of August 14, 2007, the issue of raising encroachment fees for businesses located on Pier Plaza that are open after midnight.

Motion Bobko, second Edgerton. The motion carried by a unanimous vote.

Coming forward to address the City Council on this item were:

Lars Jacobson – business owner of Jama Auto House, spoke in opposition to the proposed business license tax increase; compared Hermosa Beach to other cities, saying Hermosa was becoming anti-business;

George Barks – Hermosa Beach property owner, said the City needed to be business friendly; suggested reducing the number of employees and cutting costs; supported the hiring of a consultant;

Carla Merriman – Hermosa Beach Chamber of Commerce and Visitors' Bureau executive director, questioned why the business license tax issue was still being considered;

Gus Barks, Jr. – Hermosa Beach property owner, said the proposal is an anti-business measure that would cause businesses to locate elsewhere, which would reduce City revenue; questioned the extra costs to the City were caused by alcohol establishments;

Roger Bacon – Hermosa Beach property owner, spoke in opposition to the proposed measure; and

Gene Shook – business owner and Chamber of Commerce board member, said no one was opposed to a reasonable tax increase, but a number of businesses questioned the fairness of this proposal, especially since some businesses require more City resources than others.

Proposed Action: To amend the draft ordinance to reflect a ceiling on the gross sales tax rate of 1.5 per thousand and keep the remaining taxes as proposed in the staff report.

Motion Mayor Keegan, second Reviczky. The motion failed, due to the dissenting votes of Bobko, Edgerton and Tucker.

Proposed Action: To amend the draft ordinance to set the gross sales tax rate at \$1.25 and retain the remaining fees as proposed in the staff report.

Motion Edgerton, second Mayor Keegan. The motion (which required four affirmative votes) failed, due to the dissenting votes of Bobko and Tucker.

Action: To direct staff to prepare a request for proposals (RFP) for Council consideration at a future meeting for the hiring of a consultant to review and overhaul the entire business license tax code.

Motion Edgerton, second Bobko. The motion carried by a unanimous vote.

2. **ADOPTION OF RESOLUTIONS REGARDING CONSOLIDATION WITH THE COUNTY, ARGUMENT AND IMPARTIAL ANALYSIS, AND REBUTTAL ARGUMENTS FOR A BUSINESS LICENSE TAX MEASURE TO BE PLACED ON THE BALLOT OF THE GENERAL MUNICIPAL ELECTION OF NOVEMBER 6, 2007.** Memorandum from City Clerk Elaine Doerfling dated July 26, 2007.

No action was taken (or necessary), since the Council did not approve the placement of the business license tax measure on the ballot.

ADJOURNMENT - The Adjourned Regular Meeting of the City Council of the City of Hermosa Beach adjourned on Tuesday, July 31, 2007, at the hour of 8:25 p.m. to the Regular Meeting of Tuesday, August 14, 2007, at the hour of 7:10 p.m.


City Clerk