

**BLUE RIBBON EQUITABLE TASK FORCE
ACTION MINUTES - THURSDAY, AUGUST 19, 2021**

Meeting was called to order at 6:02 pm by Chuck Maurer.

1. **Roll Call:** Takata-Vasquez, Larsen, Katz, Kwamilele, Ortega, Swafford, Wanzo, and Williams were present. Oke, and Tsai were absent. There was a quorum.

Chair Takata-Vasquez moved, seconded by Board Member Swafford to switch items 4 and 5 on the agenda.

Board polled as follows: Takata-Vasquez, Larsen, Katz, Kwamilele, Ortega, Swafford, and Wanzo voted “aye.” Motion carried.

2. **Public Comment**

None.

3. **Speakers:**

- A. **Antonio Banuelos, Revenue Manager, City of Richmond**

Antonio Banuelos, advised over the last year he oversaw the implementation of the City of Richmond’s Measure U (gross receipts tax - change of business tax capitalization and methodology). The change would be implemented in January 2022. He stated their expenditures were more than their revenues and his city was looking at ways to increase their revenue. Several options were presented, and the business community was included. He stated the measure successful passed. He noted their prior structure was based on the number of employees. He advised that the new model included different rates for different industries and the higher the gross receipts, the higher the taxes. He noted they were looking to implement policies that worked for both staff and businesses. He stated there were still areas they were looking to clean up as they lacked clarification, so they were looking at what other municipalities were using. He stated they were the first city to use a combination of gross receipts and tiers.

Discussion held concerning how Richmond’s prior tax rate was based on the number of employees and was the reason they were looking to change.

Board Member Williams arrived at 6:17 pm. <https://oakland.granicus.com/player/clip/4421>

Discussion held regarding how they were going from one category to five categories.

Discussion held pertaining how the number of employees did not affect the tax rate for Richmond’s new business tax plan.

4. **Ad Hoc Committee Updates:**

- A. Committee A – Job Quality & Employment - they discussed the models and looked at different scenarios. They reviewed the spreadsheets that had been

sent. They were concerned with a high rate that was being proposed and how it would affect some businesses.

- B. Committee B – Business Mobility, Real Estate, Attraction & Retention – continued looking at the model they had been previously working on.
- C. Committee C – Tax Categories & Implementation – they are hoping the consulting can use the proposal that Board Member Ortega had sent after their last meeting.

Board Member Ortega noted her concern about not having all the materials and being provided materials without any indication of where they came from. She stated others had been able to show a PowerPoint even though it was not included in the packet.

Discussion held concerning how the vote was not to make a final decision, but to try and narrow the scope.

Discussion held regarding how the Board would like to have information prior to the meetings, so that they could look at the full document and not just what was being shared on the screen.

5. Staff Updates

A. Tax modeling: discussion of tax scenarios

Matt Newman, Blue Sky, shared the city's proposal next to Board Member Ortega's recommendation – which there was a minimum \$60 charge. He stated the tax cut for small business was countered by the admin headquarters tax. He stated the admin headquarters tax were preliminary as they could only use public numbers and they may be missing numbers and or information. He stated there were only a few businesses that would be affected by the admin headquarters tax.

Discussion held concerning why a vote would need to be made at the meeting this evening.

Discussion held pertaining to how staff would need time to create the report.

Discussion held regarding how staff had reached out to San Francisco without them responding.

Board Member Ortega stated she had Ted Egan confirmed to attend the next meeting.

Discussion held concerning how there was small number of businesses that made over \$100 million.

Discussion held pertaining to how Board Member Ortega had based her proposal off San Francisco's model.

Discussion held regarding how the Task Force was looking at a \$60 tax for small businesses.

Discussion held concerning how most of the models had the \$60 minimum and should be included in future models.

Discussion held pertaining to how the Task Force could form a consensus on one or two models and work from those.

Discussion held regarding how the Task Force would like to wait until after hearing from San Francisco before voting.

Discussion held concerning with coming up with a targeted amount and then look at the categories to determine the tax.

Board member Swafford moved that one ad hoc committee review the City Council proposal, another ad hoc committee review option C2, and another ad hoc committee discuss the use of funds and other related issues (particularly use of funds for Oakland businesses to be included in the final report as recommendations to Council).

Board Member Williams stated would like to amend that an ad hoc committee be established to discuss how the funds from the **tax** increase be used.

Discussion held regarding whether the ad hoc committees were making the decisions and the full board would be able to respond.

Discussion held pertaining to how the full board would hear what the ad hoc committees brought forward, and it would be the full board who would vote on what was presented to Council.

Chair Takata-Vasquez stated that the three ad-hoc committees should discuss the three presentations that were currently on the screen.

City Attorney Mitesh Bhakta stated there needed to be a vote made to extend the meeting.

Chair Takata-Vasquez moved, seconded by Vice-Chair Larsen to extend the meeting to 8:30 pm.

Board polled as follows: Takata-Vasquez, Larsen, Katz, Kwamilele, Ortega, Swafford, Wanzo, and Williams voted "aye." Motion carried.

Board Member Swafford stated he was amendable to removing the portion of the motion regarding the use of funds, he stated he would participate on any other ad hoc committees.

Board Member Williams stated she would also not participate on any other ad hoc committees.

City Attorney Mitesh Bhakta noted the motion was: To establish an ad hoc committee to discuss how to use funds raised for business development and other related activities.

Board Member Swafford moved, seconded by Board Member Williams to establish an ad hoc committee to discuss how to use funds raised for business development and other related activities.

Board polled as follows: Takata-Vasquez, Larsen, Kwamilele, Swafford, Wanzo, and Williams voted “aye.” Katz and Ortega voted “nay.” Six “ayes,” two “nays.” Motion carried.

Discussion held pertaining to what models should be discussed in the ad hoc committees.

Board member Swafford moved, seconded by Board Member Katz that one ad hoc committee review the City Council proposal and another ad hoc committee review option C2.

Board Member Ortega stated she would like to make a friendly amendment to the motion that option 3 be included in discussion with the Council proposal and that she would second the motion. Board Member Swafford agreed.

Board polled as follows: Takata-Vasquez, Larsen, Katz, Kwamilele, Ortega, Swafford, Wanzo, and Williams voted “aye.” Motion carried.

Chair Takata-Vasquez stated she would poll the members and they could not what ad hoc committee they would like to serve on:

City Council and option 3: Katz, Kwamilele, Ortega, Larsen

Option C2: Wanzo, Takata-Vasquez,

Board Members Swafford and Williams opted to not serve on either of tax proposal ad hoc committee as they were on the ad hoc committee to discuss funds.

6. Agenda Requests for Future Meetings

Items to be placed on next agenda: discussion on what constitutes a small business and what the cut off was, Ted Egan from San Francisco, and employees versus revenues regarding taxes.

7. Open Forum

Mike Egan requested the names of the members who served on the ad hoc committees.

Chuck Maurer read off the names.

8. Adjournment

Meeting adjourned at 8:30 p.m. Next meeting will be September 2, 2021, at 6:00 pm