

CITY OF LOS BANOS
ADJOURNED CITY COUNCIL MEETING MINUTES
JUNE 9, 2020

***ACTION MINUTES** – These minutes are prepared to depict action taken for agenda items presented to the City Council. For greater detail of this meeting refer to the electronic media (CD and/or audio) kept as a permanent record.*

***SPECIAL NOTE:** This meeting was also held by teleconference due to the COVID-19 Pandemic.*

CALL TO ORDER: Mayor Villalta called the City Council Meeting to order at the hour of 4:03 p.m.

PLEDGE OF ALLEGIANCE: The pledge of allegiance was led by Police Chief Brizzee.

ROLL CALL – MEMBERS OF THE CITY COUNCIL PRESENT: Council Members Tom Faria, Daronica Johnson-Santos, Brett Jones, Deborah Lewis, Mayor Michael Villalta; Absent: None.

STAFF MEMBERS PRESENT: City Clerk/Human Resources Director Mallonee, City Manager Terrazas, City Attorney Vaughn, Police Chief Brizzee, Finance Director Williams.

CONSIDERATION OF APPROVAL OF AGENDA: Motion by Faria, seconded by Johnson-Santos to approve the agenda as submitted. The motion carried by the affirmative action of all City Council Members present.

PUBLIC FORUM: MEMBERS OF THE PUBLIC MAY ADDRESS THE CITY COUNCIL MEMBERS ON ANY ITEM OF PUBLIC INTEREST THAT IS WITHIN THE JURISDICTION OF THE CITY; INCLUDES AGENDA AND NON-AGENDA ITEMS. NO ACTION WILL BE TAKEN ON NON-AGENDA ITEMS. SPEAKERS ARE LIMITED TO A FIVE (5) MINUTE PRESENTATION. DETAILED GUIDELINES ARE POSTED ON THE COUNCIL CHAMBER INFORMATIONAL TABLE. Mayor Villalta opened the public forum. No one came forward to speak and the public forum was closed. City Clerk Mallonee stated that no public comment was received by email.

CONSIDERATION OF AN APPEAL HEARING REGARDING THE DECISION TO NOT GRANT A WAIVER OF TRANSIENT OCCUPANCY TAX (TOT) COLLECTED. Finance Director Williams presented the staff report.

Council Member Lewis inquired as to if any other cities have refunded TOT tax for which Finance Director Williams stated that she hasn't found a city that has waived the TOT but some cities have deferred payment to a later date without penalties. Mayor Villalta inquired as to if any of the Los Banos hotel/motels have incurred any penalties for which Finance Director stated no.

Doris Lovett, representing Best Western, explained the waiver request, how they have had to lay off employees, cut employee hours, limit breakfast hours for customers . . . she spoke to the May 5, 2020 letter and requesting a 3% discount, spoke regarding the hotels extra expenses, i.e. masks, sanitizer, she would like to cut the percentage of TOT paid to the City or pay monthly or quarterly and be able to pay with a credit card . . .

Sanjay Patel, La Quinta Inn & Suites, explained their initial request of the 3% discount on the TOT, how they have incurred additional costs, explained how credit card payments by customers cost them more money, request that we look at past hotel payments and come up with idea and ways to help the hotel/motels, maybe even find some grants.

Mayor Villalta inquired as to the City of Los Banos' credit card processing rates for which Finance Director Williams stated that they are charged 4.9% - 9.5% for each transaction and that TOT is a pass through payment that the City sends to the State and explained how a 3% reduction would affect the City negatively about \$12,000 and if we allowed hotels/motels to use credit cards to make TOT payments it would affect the City negatively about \$51,000. City Manager Terrazas stated that the City is in the process of applying for Federal CDBG funds that could provide assistance for property/business owners in the future, the City is waiting for the NOFA and there is no timeline yet.

Motion by Faria, seconded by Johnson-Santos to accept the staff report and any other documents presented by either party into the record. The motion carried by the affirmative action of all Council Members present.

Mayor Villalta asked if there was any public comment for which City Clerk Mallonee stated that there were none.

Council Member Johnson-Santos inquired as to if the hotels/motels have looked into funding or programs to help them. Mr. Sanjay stated that some have and some have not, and some have received funding. Council Member Faria inquired as to if the hotels/motels listed all the hotels in the City for which Finance Director Williams stated yes. Council Member Jones stated that if we waive the TOT what prevents other business from coming forward to request a waiver for sales tax for which Finance Director Williams stated that any business could request a waiver but there is nothing in the Los Banos Municipal Code that allows for a hearing process like this. Council Member Jones inquired as to if there is any other tax like the TOT that we collect for which Finance Director Williams stated no. Council Member Johnson-Santos inquired as to what other cities have done for which Finance Director Williams stated that a few have deferred payment but not waived the fees.

City Attorney Vaughn asked for those on the "phone" to identify themselves and speak if they had anything to add: Bill Patel, Best Western, stated he was on the line and had nothing to add. Anil Raj, Los Banos Motel, stated he was on the line and had nothing to add.

Council Member Lewis stated that she is concerned with taxes being returned back to the business because she feels that it should go back to the customer who paid it; she also noted that the City also has employees that we have to pay and any added cost would adversely affect the City. Council Member Johnson-Santos stated that we are in unprecedented times, but at the same time the City is hurting as well. Council Member Faria stated that the TOT was collected to be paid to the City and is okay with a deferral but not okay with a wavier/refund.

Motion by Lewis, seconded by Jones to DENY the appeal and affirm the decision of the Tax Administrator/City Manager. The motion carried by the affirmative action of all Council Members present, Johnson-Santos voting No.

ADJOURNMENT. The meeting was adjourned at 4:47 PM.

APPROVED:

/s/ Michael Villalta
Michael Villalta, Mayor

ATTEST:

/s/ Lucille L. Mallonee
Lucille L. Mallonee, City Clerk