

I N D E XCity Council - June 21, 1971

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Adjourned at 11:07 P.M. to Tuesday, June 22, 1971,

7:00 P.M.

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Ava Cripe
Minute Secretary

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MINUTES OF AN ADJOURNED REGULAR
MEETING OF THE TORRANCE CITY COUNCIL

1. CALL TO ORDER:

The Torrance City Council convened in an Adjourned Regular Meeting on Monday, June 21, 1971, at 6:30 P.M. in the Council Chambers at Torrance City Hall.

2. ROLL CALL:

Present were Councilmen Brewster, Johnson, Sciarrotta, Surber, Uerkwitz, Wilson, and Mayor Miller.

Also present: Assistant City Manager Scharfman, City Clerk Coil, Finance Director Dundore, Assistant Finance Director Rankin, and Budget Officer Ng.

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The tragic death of John Tyrrell, the son of Civil Service Commissioner Vincent Tyrrell, was regretfully reported by Councilman Brewster who MOVED that appropriate condolences from the Council go forward to his family. The motion was seconded by Councilman Sciarrotta, and roll call vote was unanimously favorable.

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3. EXECUTIVE SESSION:

At 6:35 P.M. Councilman Uerkwitz moved that the Council go into Executive Session. The motion was seconded by Councilman Johnson, and roll call vote was unanimously favorable.

The Council returned at 7:30 P.M. to consider:

4. 1971-72 BUDGET:

Following Staff review of what has transpired to date relative to the 1971-72 Budget, including a revised chart for a gross receipts business license tax, Mayor Miller invited comments from the audience.

First to speak was Mr. Ted Baciu who offered a prepared statement (a matter of record) on behalf of the Torrance Area Chamber of Commerce which reflected the views of this organization regarding the proposed budget, and their recommendations pertaining thereto.

Mr. John Schmidt presented the views of the Manufacturers Council of the Chamber of Commerce regarding the utility tax exemption and the urgent need to retain the present exemption arrangement, along with the need to strive for a balanced budget without any increase in taxes in these stringent times, even though it may mean a reduction in level of service.

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On behalf of the League of Women Voters, Mrs. James Pierson urged that the level of service not be reduced, particularly in the area of library service.

Representing Bullocks, Mr. Rudolph Hirsch described the costly effect of the proposed gross receipts tax on this business, and acknowledged that some less drastic adjustment was in order. It was the suggestion of Mr. Hirsch that an auditing staff to ferret out delinquent payments would likely prove of value to the City in the additional revenue produced in this manner.

Mr. Dale Gasteiger, Radium Theatre, referred to recent events pertaining to swap meets which resulted in expensive arrangements for restricted parking, and a drop in attendance and sales, as well as extensive security precautions and costly cleaning equipment. The proposed tax on swap meets is not equitable with present circumstances, in Mr. Gasteiger's opinion; there is a need to adjust to the many new demands now confronted by the Radium Theatre.

Real estate broker Milt Isbell described real estate operations in the Torrance area in that there are some 300 brokers and 650 salesmen which means that there are few offices but many salesmen, and there is not sufficient profit to pay a high percentage tax -- a 1% or 1½% tax was recommended by him. Mr. Isbell also noted that there are further problems presented by the fringe operations with nearby cities.

Mr. John Mere (?), representing Dow Chemical Company, endorsed the earlier remarks of Mr. John Schmidt and joined in urging that the utility tax exemption be retained -- further, the proposed gross receipts tax would prove a significant increase to Dow Chemical Company.

Representing J.C. Penney Company, Mr. Bill Morgan stated that the proposed gross receipts tax would represent a 70% tax increase to his company.

Mr. Nelson Rucker stated that the industry utility tax is a very discriminatory tax which could drive industry out of this area -- the arguments presented two years ago are still valid and perhaps even more valid today in view of the tighter economic situation now faced.

Mrs. William Geissert commented on the proposed imposition of construction taxes on residential construction and her feeling that the Park and Recreation Facilities tax is badly out of date and the fact that there has been no provision to keep pace with inflation. Mrs. Geissert further stated that there is not a real conflict in the 1% construction tax being imposed on residences as it relates to the bedroom tax -- nor is there any real conflict between this and the Quimby Bill.

The Council then reviewed the Finance Committee recommendations, resulting in the following conclusions:

1. Gross Receipts Business License Tax:

Study the picture during the forthcoming year for presentation at budget time next year. For now, revise the fees to \$60 and \$12.

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2. 1% tax on non-residential construction:
Tentatively approved at this time.
3. Increase in the utility contribution from City water revenues - for one year only:
Approved.
4. Increases in the rates of various service charges to meet the cost of performing the service.
Approved.
5. Industrial Exemption to the Utility Users Tax.
Retained.
6. Excavation Tax to cover Quarry Operations.
2¢ tax approved.
7. Nuisance Tax on Swap Meet Operations.
A series of motions were involved in this consideration:

In view of the recent necessary expenditures at the Radium Theatre, Councilman Surber MOVED that the rate be reduced to 10¢ per stall per day. The motion was seconded by Councilman Wilson.

A SUBSTITUTE MOTION by Councilman Johnson was that the fee be 25¢ per stall per day. The motion was seconded by Councilman Sciarrotta, but failed to carry, as follows:

AYES: COUNCILMEN: Johnson, Sciarrotta; Mayor Miller.
NOES: COUNCILMEN: Brewster, Surber, Uerkwitz,
and Wilson.

The original motion by Councilman Surber (10¢ per day) failed to carry as well, with roll call vote as follows:

AYES: COUNCILMEN: Surber, Wilson.
NOES: COUNCILMEN: Brewster, Johnson, Sciarrotta,
Uerkwitz; Mayor Miller.

MOTION: Councilman Wilson moved that the swap meet rate be 15¢ per stall per day. The motion, seconded by Councilman Surber, carried as follows:

AYES: COUNCILMEN: Brewster, Johnson, Sciarrotta,
Surber, Uerkwitz, and Wilson.
NOES: COUNCILMEN: Mayor Miller.

8. Entertainment Tax:

MOTION: Councilman Sciarrotta moved that a 10% entertainment tax, excluding schools, be adopted. The motion was seconded by Councilman Wilson, and carried, with roll call vote as follows:

AYES: COUNCILMEN: Brewster, Sciarrotta, Surber,
Uerkwitz, Wilson, and Mayor Miller.
NOES: COUNCILMEN: Johnson.

It was further agreed by the Council that a \$50,000 (instead of \$100,000) Contingency Fund be established, and that there be further review of the unfilled positions.

The next Budget Workshop Session was scheduled for Thursday, June 24, 1971, at 4:00 P.M.

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5. ORAL COMMUNICATIONS:

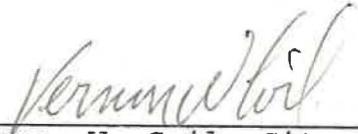
Assistant City Manager Scharfman announced that the Transportation Committee will not meet on June 22nd as scheduled; however, the Park, Recreation and Community Development Committee will meet at 6 P.M. on June 22nd.

6. ADJOURNMENT:

At 10:15 P.M. Councilman Uerkwitz moved that the Council go into Executive Session. The motion was seconded by Councilman Brewster, and approval was unanimous.

The Council returned at 11:07 P.M. for formal adjournment to its regular meeting on Tuesday, June 22, 1971, at 7:00 P.M.

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Vernon W. Coil, City Clerk
of the City of Torrance

Mayor of the City of Torrance

Ava Cripe
Minute Secretary

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