CITY OF IRWINDALE

5050 N. IRWINDALE AVE., IRWINDALE CA 91706 • PHONE: (626) 430-2200

NOTICE AND AGENDA FOR THE SPECIAL MEETING OF THE

CITY COUNCIL

June 22, 2026

SPECIAL MEETING – 10:00 AM

H. MANUEL ORTIZ - Mayor

ALBERT F. AMBRIZ - Mayor Pro Tem

MARK A. BRECEDA - Councilmember

LARRY G. BURROLA - Councilmember

MANUEL R. GARCIA - Councilmember

Via Zoom Webinar: https://us02web.zoom.us/j/87104592389

In the event that a Zoom broadcast is unavailable, staff will promptly notify the public through its social media platforms. The public meeting will proceed in accordance with The Brown Act.

Listen Over Phone: 1-669-900-6833; Webinar ID: 871-0459-2389

Spontaneous Communications: The public is encouraged to address the City Council on any matter listed on the agenda or on any other matter within its jurisdiction. The City Council will hear public comments on items listed on the agenda during discussion of the matter and prior to a vote. The City Council will hear public comments on matters not listed on the agenda during the Spontaneous Communications period.

Pursuant to provisions of the **Brown Act**, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

Americans with Disabilities Act: In compliance with the ADA and Government Code section 54953(g), the City Council has adopted a reasonable accommodation policy to swiftly resolve accommodation requests. The policy can be found on the City's website: https://www.irwindaleca.gov/DocumentCenter/View/8075/AB-2449-Reasonable-Accommodation-Policy. If you need special assistance to participate in a City Council or Commission meeting or other services offered by this City, including an electronic or printed copy of the City's reasonable accommodation policy, please contact City Hall at (626) 430-2200. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Note: Staff reports are available for inspection at the office of the Chief Deputy City Clerk, City Hall, 5050 N. Irwindale Avenue, during regular business hours (8:00 a.m. to 6:00 p.m., Monday through Thursday).

Compensation for Board Members: Compensation for the members of the Irwindale City Council is $750.16 a month. In accordance with Government Code Section 54952.3, Councilmembers will not receive any additional compensation or stipend for the convening of the regular meetings of the Successor Agency to the Irwindale Community Redevelopment Agency. Councilmembers will receive additional compensation of $50/meeting, not to exceed $150 per month, for the convening the regular meetings of the Irwindale Housing Authority and an additional compensation of $300/meeting for convening the regular meetings of the Irwindale Reclamation Authority.

Code of Ethics

As City of Irwindale Council Members, our fundamental duty is to serve the public good. We are committed to the principle of an efficient and professional local government. We will be exemplary in obeying the letter and spirit of Local, State and Federal laws and City policies affecting the operation of the government and in our private life. We will be independent and impartial in our judgment and actions.

We will work for the common good of the City of Irwindale community and not for any private or personal interest. We will endeavor to treat all people with respect and civility. We will commit to observe the highest standards of morality and integrity, and to faithfully discharge the duties of our office regardless of personal consideration. We shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of others.

We will inform ourselves on public issues, listen attentively to public discussions before the body, and focus on the business at hand. We will base our decisions on the merit and substance of that business. We will be fair and equitable in all actions, claims or transactions. We shall not use our official position to influence government decisions in which we have a financial interest or where we have a personal relationship that could present a conflict of interest, or create a perception of a conflict of interest.

We shall not take advantage of services or opportunities for personal gain by virtue of our public office that are not available to the public in general. We shall refrain from accepting gifts, favors or promises of future benefit that might compromise our independence of judgment or action or give the appearance of being compromised.

We will behave in a manner that does not bring discredit or embarrassment to the City of Irwindale. We will be honest in thought and deed in both our personal and official lives.

Ultimate responsibility for complying with this Code of Ethics rests with the individual elected official. In addition to any other penalty as provided by law, violation of this Code of Ethics may be used as a basis for disciplinary action or censure of a Council Member.

These things we hereby pledge to do in the interest and purposes for which our government has been established.

IRWINDALE CITY COUNCIL

SPECIAL MEETING

1. CALL TO ORDER

2. ROLL CALL: **Councilmembers: Mark A. Breceda, Larry G. Burrola, Manuel R. Garcia; Mayor Pro Tem Albert F. Ambriz; Mayor H. Manuel Ortiz**

3. AB 2449 DISCLOSURES

Remote participation by a member of the legislative body for just cause or emergency circumstances

4. SPONTANEOUS COMMUNICATIONS

Spontaneous communications are limited to the special meeting agenda items only.

5. NEW BUSINESS

A. Business License Tax Study - Second Workshop
Department: Administration

Recommendation: That the City Council: 1) Receive a presentation on the Business License Tax Study conducted by HdL Companies; 2) Select Model 2, Moving All Businesses to One Gross Receipt Rate; and 3) Direct Staff to Prepare a Proposed Ballot Measure and Ordinance Amendment for the Placement on the November 2026 General Election Ballot.

6. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Laura M. Nieto, Chief Deputy City Clerk, certify that I caused the agenda for the special meeting of the City Council to be held on June 22, 2026, be posted at the City Hall, Library, and Post Office on **Thursday, June 18, 2026**.

Laura M. Nieto

Laura M. Nieto, MMC
Chief Deputy City Clerk

Item #5.A.

City of
IRWINDALE
AGENDA REPORT

Date: June 22, 2026

To: Honorable Mayor and Members of the City Council

From: Julian A. Miranda, City Manager

Issue: Business License Tax Study - Second Workshop

City Manager's Recommendation:

That the City Council: 1) Receive a presentation on the Business License Tax Study conducted by HdL Companies; 2) Select Model 2, Moving All Businesses to One Gross Receipt Rate; and 3) Direct Staff to Prepare a Proposed Ballot Measure and Ordinance Amendment for the Placement on the November 2026 General Election Ballot.

Administrative Action:

Submitted by:

Theresa Olivares

Theresa Olivares, Assistant City Manager

Prepared by:

K. Borhani

Kambiz Borhani, Finance Director / City Treasurer

Reviewed by:

Adrian R. Guerra

Adrian R. Guerra, City Attorney

K. Borhani

Kambiz Borhani, Finance Director / City Treasurer

Approved by:

Julian A. Miranda, City Manager

Background and Analysis:

The City of Irwindale Municipal Code, Title 5 (Business Taxes, Licenses, and Regulations), was originally adopted in 1960, and since that time, there have been no substantive revisions to the business license fee structure, despite significant changes in the nature and conduct of business operations. Staff believes a comprehensive review and modernization of the City's Business License Tax program is warranted in order to ensure the City is able to equitably and fairly tax both existing and emerging business types.

Such a review would also support improved regulatory compliance and greater accuracy in business classification by ensuring that businesses are appropriately categorized based on current operational data. In addition, modernization of the program would streamline administrative processes and reduce the regulatory burden on businesses.

As part of this effort, on February 11, 2026, staff engaged HdL Companies (HdL) to assist the City in facilitating a comprehensive business license tax ordinance and fee study analysis. HdL initiated its work by: (1) compiling data from the City's existing HdL business license tax software; (2) conducting a thorough review of the City's current Municipal Code, tax structure, and associated administrative procedures to inform potential recommendations; (3) assisting the City in identifying comparable jurisdictions for use in economic and financial benchmarking; and (4) assessing service delivery and performance, as well as evaluating impacts on businesses, equity considerations, and overall competitiveness.

On June 10, 2026, the City Council held its First Study Session Workshop where HdL presented a report examining local business activities, comparing Irwindale's data to that of comparable cities, and identified equitable and sustainable business tax structure models that may be considered should the City elect to modernize and standardize its program.

HdL also presented three business tax models for the City's consideration:

<u>TAX MODELS</u>

Model 1: Keep the current structure while increasing rates by a flat percentage.

Model 2: Moves all business to one gross receipt rate.

Model 3: Divides businesses into five different categories and multiple tax rates.

RECOMMENDATION

Considering that a number of California cities utilize gross receipts–based tax structures and typically apply a uniform rate multiplier to determine the amount of tax owed, given the result of the analysis shown in their report, both HDL and staff recommend transitioning to a single gross receipts rate tax model, which is Model 2.

Tax Basis	Taxable Gross Receipts
Flat Rate	$25 Flat Rate (Up To $100,000 Gross Receipts)
Gross Receipts Tax	+ $1.25 Per Thousand Dollars Of Gross Receipts

The single-rate gross receipts model applies one uniform tax rate to all businesses, resulting in a consistent and predictable tax structure. This approach promotes equity in effective tax burden, simplifies tax calculation and streamlines administration. It also allows revenues to be more closely aligned with overall economic activity and growth.

Under this model, no maximum cap is applied, and a significant portion of revenues is generated from higher-grossing businesses. While the model may increase overall revenue, it also alleviates the effective tax burden on smaller businesses while distributing a proportionate share of taxes to larger businesses based on gross receipts.

In addition, the model proposes a reduced annual base tax of $25 (for the first $100,000 in gross receipts), providing additional tax relief for smaller businesses and startups.

COMMUNITY OUTREACH

In an effort to pursue a business license tax study update, staff implemented a comprehensive business outreach plan including the following:

- To provide information on the proposed business license tax measure, staff have created a webpage on the City’s website with some background information for residents and businesses interested in the issue. In addition to a dedicated webpage, staff utilized the City’s social media platforms to disseminate information.
- Staff mailed and emailed workshop notices to all businesses registered within our business license software directory notifying them of the Tax Study and Workshops.
- Staff coordinated business outreach to the Irwindale Chamber of Commerce and its member businesses.
- Staff is available to meet with local businesses should they wish to obtain additional information.

NEXT STEPS

After this workshop, if Council directs staff to pursue an amendment to the City's existing business license tax structure that requires voter approval, staff will return to Council on July 22, 2026, in accordance with the timeline outlined below.

However, if Council asks HdL/staff to provide additional information or perform additional technical or policy analysis, then another meeting date to be determined must be scheduled prior to the July 22, 2026, meeting.

1. June 10, 2026 - City Council First Study Session Workshop: Discussion of business license tax models

2. June 22, 2026 - City Council Second Study Session Workshop:

- Discussion of business license tax models;
- Discussion of HdL/staff recommendation; and
- Council's selection of a preferred business license tax model and direction to prepare a proposed Ballot Measure and Ordinance Amendment; *or*

Request additional information or analysis on which:

3. TBD — 3rd City Council Meeting (if needed)– Selection of a preferred business license tax model and direct staff and legal counsel to prepare a proposed Ballot Measure and Ordinance Amendment

4. July 22, 2026 - City Council Meeting – Adoption of Resolution authorizing placement of the business license tax Ballot Measure with the proposed Ordinance Amendment to the November 2026 General Election Ballot

5. August 7, 2026 - Deadline for the City Clerk to submit materials to the Registrar of Voters for placement on the November 2026 General Election Ballot. Future actions will be brought forward in separate staff reports as needed to comply with statutory requirements and election deadlines.

ALTERNATIVE ACTIONS

In addition to the recommended action, the Council may:

- Take no action at this time, or
- Request additional information or analysis before providing policy direction.

***This staff report will be supplemented by a PowerPoint presentation.

Fiscal Impact:

None

Attachments:

None