

## SPECIAL STUDY SESSION AGENDA

### CITY COUNCIL CITY OF WHEAT RIDGE, COLORADO

7500 W. 29th Ave.

Wheat Ridge CO

May 9, 2016

Upon recess from the Regular City Council Meeting

Mayor Jay convened the **Special Study Session** at 8:04pm.

There was no Citizen Comment on the agenda items.

1. Recommended Tax and Licensing Code Amendments ~  
Treasurer Jerry DiTullio and Kathy Franklin, Tax Supervisor

Treasurer DiTullio presented three options for consideration. The purpose is to relieve frustration from some business owners and align with practices of neighboring cities. Changes would involve three separate sections of the Code.

#### Part One - Interest on Delinquent Taxes

To mitigate unduly severe penalties for delinquent taxes it is recommended to cap interest at 18% and to permit abatement (waiver) of interest by the treasurer or a designee.

Explanation to Council and discussion followed.

- This is similar to the policy of the City of Lakewood.
- Waivers are granted at a hearing.
- There have been two hearings since November. In both cases the interest accrued was higher than the fine, which was almost as high as the tax due.
- The goal is to collect the delinquent tax, not create an onerous burden.
- A hearing lasts about an hour or two and requires the attendance and outside work of legal staff.
- The amount is public knowledge; the name of the businesses is not. The amount can be reported.
- "Good cause" is the absence of an intentional or egregious attempt to not pay proper amounts.
- The City has one full time auditor, plus Ms. Franklin.
- Audits go back three years.

There was consensus to set a cap at 18% and have a minimum fine of 6%.

Part Two – Limited Exemption of Fundraising Sales for Exempt Organizations

It is recommended to exempt from taxation sales and admission charges by licensed charitable or non-profit organizations (churches, clubs, groups) up to twelve days and a total of \$25,000 per calendar year. Sales in their business places such as thrift and gift shops or performance venues in the City would not be exempt. The state of Colorado and the cities of Lakewood and Centennial also exempt up to \$25,000.

There were no questions and there was consensus to allow these exemptions.

Part Three – Reduced Licensing Requirements for Events

Kathy Franklin explained the current requirements for various groups and events. The current practice of relieving the hardship on charitable/non-profit fundraiser events for paying licensing fees and high deposits is not codified.

It is recommended to

Formally exempt from temporary license fees and tax deposits

- Small City-sponsored events which have a low level of sales, and
- City-licensed charitable or non-profit organizations

Formally exempt from temporary license fees and codify the \$50 deposit against sales or admissions tax from Carnation Festival vendors who sell taxable items or rides and amusements for adults.

Retain the license fee and sales tax deposit on temporary licenses for commercial ventures such as produce stands, farmer's markets, holiday tree lots, and door to door solicitors and peddlers.

There were no objections to these changes.

2. Outside Agency Program Review Committee Discussion ~ Carolyn Lorentz

Staff recommends creating an Outside Agency Program Citizen Review Committee.

- It would provide citizen participation in the budget process.
- The Committee would be created with a process similar to the DIRT task force.
- Applications could be taken through May 31, 2106.
- The Committee would meet approximately five times to hear presentations from requesting agencies.
- Applications from outside agencies are due by June 23. A screening criteria already in place.

There is a second tier of requests. Does Council want those included?

Discussion and questions followed.

- Desire to have related disclosures provided by applicants.
- Would like to have employees and members of requesting boards be excluded.

- Lobbying groups should be excluded.
- The Committee should prioritize, but not decide an amount. That's Council's job.
- Requests that come late should be referred to the next year.
- There are two tiers of organizations (large and small amounts), plus events.
- Ms. Lorentz will provide to Council the criteria used to approve donations.
- Won't include councilmember donations from their discretionary funds.
- What about in-kind donations? Could that be included for review? Yes.
- In the end, Council has the final say.
- The Outside Agency Program was started to help organizations that provide social services the City doesn't provide.
- The organizations most highly funded are the ones that have the most contact with our citizens.
- Any group that asks for money is a lobbying group.
- There's a difference between advocacy and providing direct services.
- Staff will create terms of service for the committee members.

There was consensus to proceed with the creation of a citizen committee to review outside agency requests. Staff will implement ideas from the discussion.

The Special Study Session adjourned at 9:09 pm.

  
Janelle Shaver, City Clerk

  
APPROVED BY CITY COUNCIL ON May 23, 2016

George Pond, Mayor pro tem

The preceding Minutes were prepared according to §47 of Robert's Rules of Order, i.e. they contain a record of what was *done* at the meeting, not what was *said* by the members. Recordings and DVD's of the meetings are available for listening or viewing in the City Clerk's Office, as well as copies of Ordinances and Resolutions.