



CITY OF OAKLAND

AGENDA REPORT

DATE: May 19, 2022
TO: City Council and Members of the Public
FROM: Council President Nikki Fortunato Bas
Councilmember Carroll Fife
Councilmember & President Pro Tempore Sheng Thao
Councilmember Dan Kalb
SUBJECT: **Progressive and Equitable Business Tax**

RECOMMENDATION

We respectfully request that the City Council, in order to create a progressive business tax structure in which companies that make more, pay more, and to raise revenue for the City's general purpose fund to strengthen city services:

Adopt A Resolution: 1. Amending Resolution No. 88227 C.M.S., Which, Among Other Things, Submitted To The Voters At The November 8, 2022 General Municipal Election, An Ordinance Repealing And Replacing Chapter 5.04 Of The Oakland Municipal Code, To Modify Said Ordinance To Incorporate Recommendations From The Blue Ribbon Equitable Business Tax Task Force; And 2. Directing The City Clerk To Take All Actions Necessary To Prepare For And Conduct A November 8, 2022 General Municipal Election.

EXECUTIVE SUMMARY

The City of Oakland has an outdated, regressive, and complicated business tax system.

There has been robust discussion and engagement about reforming Oakland's Business License Tax since 2020. Today, there is consensus that the business tax should be restructured with progressive, tiered rates.

This proposed legislation replaces the July 14, 2020 resolution, incorporates the Blue Ribbon Equitable Business Tax Task Force recommendations, and amends the proposal with feedback from stakeholders since it was introduced on March 31, 2022 at the Rules & Legislation Committee.

We have heard a great deal of input from businesses of all sizes, community groups, unions, and residents. In consideration of that input, we are putting forward this amended proposed legislation.

Council President Nikki Fortunato Bas, Councilmembers Carroll Fife, Sheng Thao and Dan Kalb
Subject: Progressive and Equitable Business Tax

This proposal updates our local business taxes to an equitable and tiered gross receipts tax structure, assessing progressively higher tax rates on businesses with higher revenue, ***achieving an equity reform***. It will generate tens of millions of dollars in additional revenue annually towards vital City services. It would also provide small businesses impacted by COVID with permanent tax relief. It would modernize the gross receipts tax structure and close loopholes. It would maintain Oakland's ability to attract and retain businesses of all types and sizes, and protect against significant job loss.

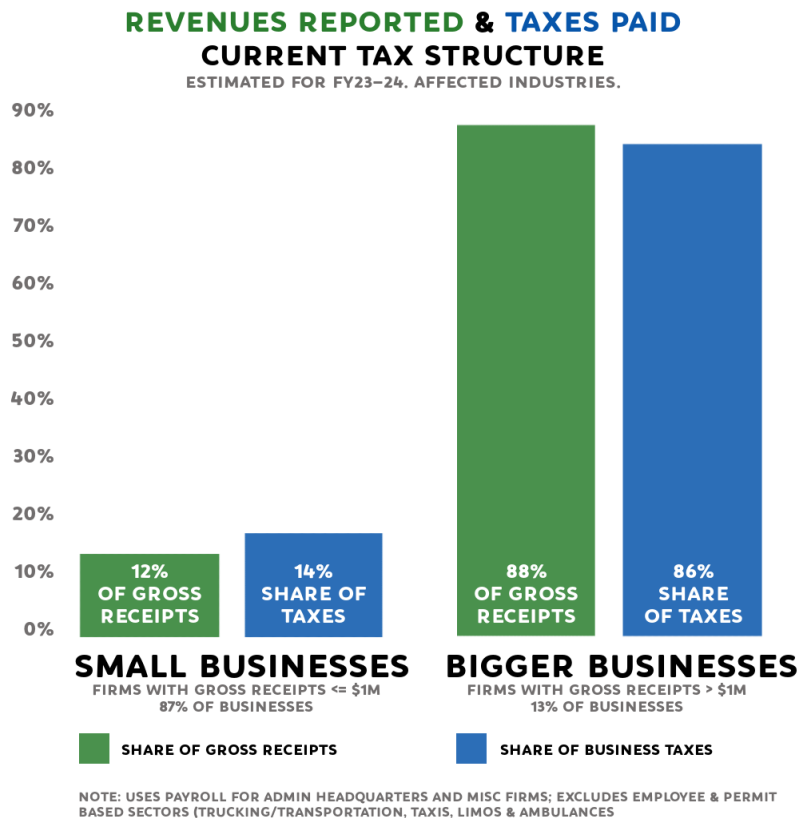
We thank all the stakeholders who have shared input and who have worked with us to craft this proposal. We look forward to the proposal's full consideration by the City Council to place it on the November ballot for voter approval.

BACKGROUND / LEGISLATIVE HISTORY

A. The Current System

The City of Oakland’s current business tax system, primarily based on gross receipts, was last substantially updated in 2005, over 15 years ago. Gross receipts taxes are taxes paid on a business’s gross revenue, or gross receipts. In its current form, the City’s gross receipts tax structure is flat, meaning that a business with \$10 million in revenue is taxed at the same rate as a business with \$100,000 in revenue.¹

The charts below include industries that would be affected by this proposal. Under the current system, small businesses with \$1 million or less in gross receipts, who account for 12% of total gross receipts reported in Oakland, would pay 14% of the total business taxes collected in the City.² By contrast, the businesses that earn more than \$1 million in gross receipts, who account for 88% of all gross receipts and taxable payroll reported in Oakland, would pay 86% of the total business taxes collected in the City. **This structure places an inequitable burden on small businesses.**



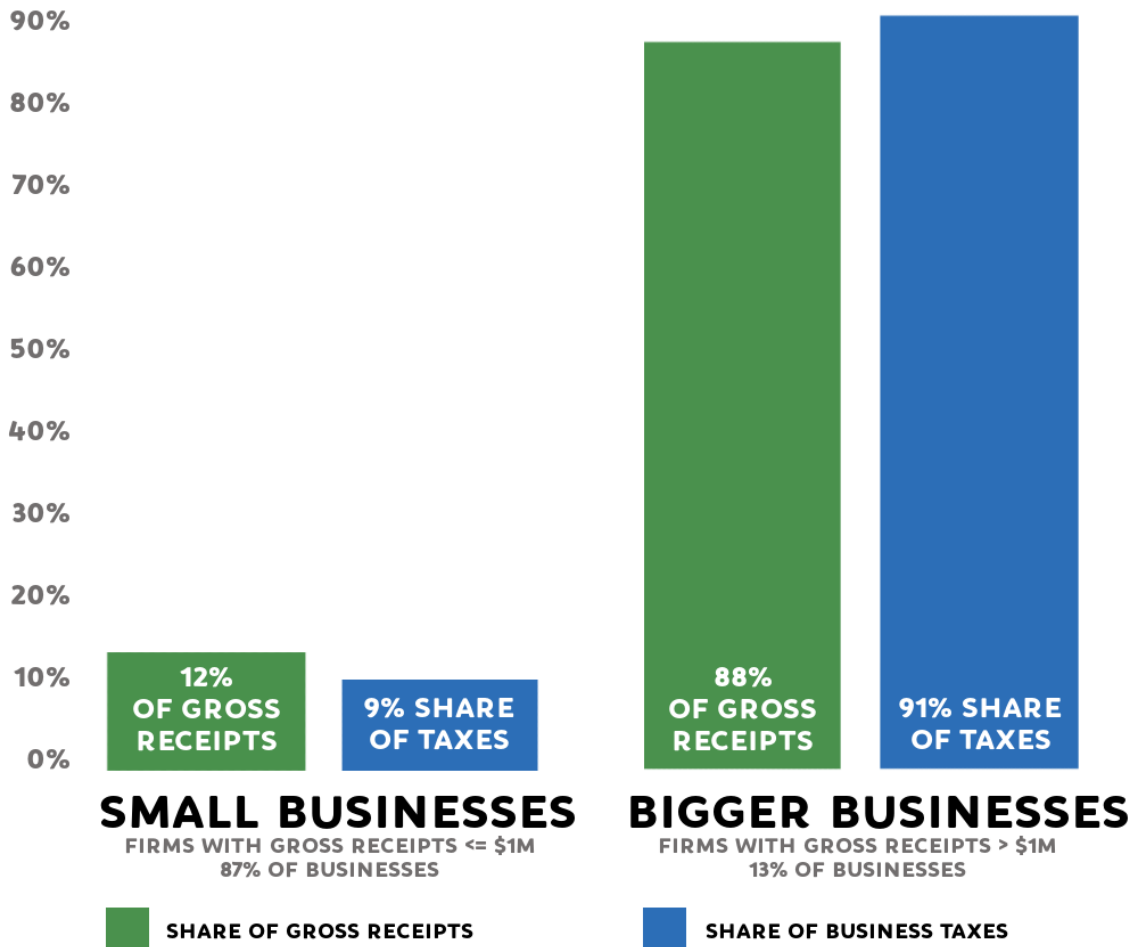
¹ City of Oakland, Department of Finance Gross Receipts Tax Rates, available at: <https://cao-94612.s3.amazonaws.com/documents/Business-Tax-Classification-and-Rate-Tables-2020.pdf>

² Data provided by Blue Sky Consulting Group.

Under the proposed tax structure, this inequity would be addressed. Small businesses with \$1 million or less in gross receipts, accounting for 12% of total gross receipts, would pay 9% of the total business taxes. Businesses that earn more than \$1 million in gross receipts, who account for 88% of all gross receipts and taxable payroll, would pay 91% of the total business taxes.

REVENUES REPORTED & TAXES PAID PROPOSED TAX STRUCTURE

ESTIMATED FOR FY23-24. AFFECTED INDUSTRIES.



NOTE: USES PAYROLL FOR ADMIN HEADQUARTERS AND MISC FIRMS; EXCLUDES EMPLOYEE & PERMIT BASED SECTORS (TRUCKING/TRANSPORTATION, TAXIS, LIMOS & AMBULANCES)

B. Legislative History

The City of Oakland Budget Advisory Commission formally recommended that the Council look into new revenue streams in their Budget Advisory Memos in 2019, 2020 and 2021 as well as in previous budget cycles. On July 14, 2020, the City Council unanimously adopted [Resolution No. 88227 C.M.S.](#) to place an equitable business tax ballot measure on the November 8, 2022 ballot and to create an Equitable Business Tax Task Force to study the issues and make recommendations to Council. On January 18, 2022, the City Council received an [informational report from the Equitable Business Tax Task Force with recommended business tax rates](#). On March 31, 2022, the Rules and Legislation Committee heard the previously proposed legislation. On April 28, 2022, the Rules and Legislation Committee heard an economic analysis of the five proposals to reform the business tax structure.

This proposed legislation replaces the July 14, 2020 resolution, incorporates the Blue Ribbon Equitable Business Tax Task Force recommendations, and amends the proposal with feedback from stakeholders since it was introduced on March 31, 2022 at the Rules & Legislation Committee.

We have heard a great deal of input from businesses of all sizes, community groups, unions, and residents. In consideration of that input, we are putting forward this amended proposed legislation.

ANALYSIS AND POLICY ALTERNATIVES

A. Equitable, Tiered Gross Receipts Tax Structure, Investments in City Services

Our proposal provides a structural reform that would protect and add resources for vital city services, including homelessness services and housing, street and sidewalk maintenance, trash collection, small business assistance, fire safety, and community safety, as well as support struggling small businesses by making our local business tax structure fairer to everyone. A progressive, tiered tax system where businesses that make more, pay more, is an important avenue for revenue in a system that is antiquated and was last updated in 2005. By modernizing our tax system, we can give needed tax relief to small businesses who have been impacted by COVID and generate the revenue we need to protect and enhance city services that we all depend on — that have been constantly at risk of being cut back, even before this global pandemic.

B. Policy Goals: Create an Equitable Tax Structure to Support Small Businesses and Ask Businesses That Make More to Pay More, Thereby Raising Revenue to Strengthen City Services

There are four main goals of the equitable business tax proposal, which are based on recommendations from the [Blue Ribbon Equitable Business Tax Task Force](#) and input from stakeholders:

1. **Modernize the gross receipts tax structure** and close loopholes, making the tax structure more fair and equitable with a progressive, tiered rate structure that asks businesses who make more to pay more by assessing progressively higher tax rates on businesses with higher revenue;
2. **Raise revenue to strengthen city services** for residents and businesses of Oakland, raising new general fund revenue to address needs including homelessness services and housing, illegal dumping clean-up, street and sidewalk maintenance, small business assistance, fire safety, and community safety;
3. **Provide permanent tax relief to small businesses**, particularly those impacted by COVID, and provide them with improved city services; and
4. **Maintain Oakland's ability to attract and retain businesses** of all types and sizes, protecting against significant job loss.

Under the proposed system, many small businesses in Oakland will see a reduction in their gross receipts tax rate, while medium and large companies in Oakland will pay progressively higher rates based on their gross receipts. The progressive, tiered system will ensure that businesses that make more, pay more and will ultimately raise much-needed revenue for the city's general purpose fund. **Moreover, in this gross receipts tax structure, businesses will only pay higher rates if they are earning more revenue. Businesses earning less revenue will pay lower rates.**

C. Policy Changes

The proposed system makes the following key changes to Oakland's gross receipts tax structure:

1. **Tax Relief for Small Businesses:** Almost 6,000 small businesses will receive an average tax reduction of \$110 or 17%. These tax cuts are targeted at the businesses and industries most impacted by the COVID-19 pandemic, including retailers and grocers with up to \$2.5 million in annual gross receipts, as well as business and personal services, wholesalers, and recreation and entertainment businesses with up to \$1 million in annual gross receipts.
2. **Progressive, tiered structure:** As a business's gross receipts increase, the rate they pay on that revenue increases. **While 90.1% of businesses will receive a tax cut or pay rates similar to what they pay now, the top 9.9% of businesses in Oakland will contribute more while keeping our city regionally competitive.** At the top tax bracket of \$50M+, Administrative Headquarters, Grocers, and Miscellaneous will pay four (4) times more, while Media Firms will pay three (3) times more and seven other business categories will pay twice as much.
3. **Closes loopholes:** Creates a "master certificate" requirement for all related business entities for the purposes of determining the business tax due in the aggregation of these entities' gross receipts. Sunsets the five-year business tax exemption for new building construction on December 31, 2023.

4. **Incentives for construction contractors** who participate in a viable apprenticeship program and provide guaranteed worker healthcare coverage.
5. **Raises \$22 million annually in new revenue to expand and improve city services:**
 For too long, Oakland has been starved for resources to fund general city services that improve the quality of life for all residents and create a vibrant, safe and clean city where businesses can thrive. By raising \$22 million in new general fund revenues, Oakland will be able to fund all functions of city government for decades to come, including homelessness services and housing, street and sidewalk maintenance, trash collection, small business assistance, fire safety, and community safety.

The proposed system leaves “as-is” and unchanged the business tax rates for cannabis and residential and commercial rentals, which were both updated by the Council in 2019.

Below are the tax rates, as amended from the prior legislation heard at the March 31, 2022 Rules & Legislation Committee meeting. Taxi/Limo/Ambulance and Trucking/Transportation rates remain the same as the March 31, 2022 legislation, as proposed by CM Kalb.

	Current Min Payment	Current Tax per \$1,000	Proposal Tax Rates by Bracket (Gross Receipts, mil \$)					
			Min Payment	\$0 - \$1M	\$1M - \$2.5M	\$2.5M - \$20M	\$20M - \$50M	Above \$50M
Retail Sales	\$60	\$1.20	\$60	\$0.90	\$1.10	\$1.80	\$2.00	\$2.50
Auto Sales	\$60	\$1.20	\$60	\$1.20	\$1.45	\$1.80	\$2.00	\$2.50
Wholesale Sales	\$60	\$1.20	\$60	\$1.10	\$1.20	\$1.80	\$2.00	\$2.50
Manufacturing	\$60	\$1.20	\$60	\$1.20	\$1.32	\$1.50	\$1.80	\$2.50
Admin Headquarters	\$60	\$1.20	\$60	\$1.20	\$2.00	\$3.75	\$5.00	\$5.50
Media Firms	\$60	\$1.20	\$60	\$1.20	\$1.50	\$2.30	\$4.00	\$4.50
Miscellaneous	\$60	\$1.20	\$60	\$1.20	\$1.50	\$2.40	\$3.90	\$5.50
Grocers	\$60	\$0.60	\$60	\$0.50	\$0.55	\$1.00	\$1.75	\$2.50
Business / Pers Svcs	\$60	\$1.80	\$60	\$1.40	\$2.10	\$2.80	\$4.00	\$4.50
Contractors	\$60	\$1.80	\$60	\$1.80	\$2.10	\$2.80	\$4.00	\$5.00
Hotel, Motel	\$60	\$1.80	\$60	\$1.80	\$2.10	\$2.80	\$3.50	\$4.00
Prof/Semi-prof Svcs	\$60	\$3.60	\$60	\$3.60	\$4.25	\$4.75	\$5.00	\$5.00
Rec & Entertainment	\$60	\$4.50	\$60	\$4.20	\$4.50	\$4.75	\$5.00	\$5.25
Public Utility	\$60	\$1.00	\$60	\$1.00	\$2.25	\$3.25	\$3.75	\$4.00
			Taxi/Limo/Ambulance and Trucking/Transportation rates are also adjusted (see detail).					
<i>Color Coding for Rate Increases:</i>			Decrease	No Change	1% to 100%	101%-200%	201%-300%	> 300%

D. Importance of City Services to the Business Community

The Blue Ribbon Equitable Business Tax Task Force recommended a number of ways in which the city could improve support for businesses in our community, including increased funding for city services, especially for clean streets and homelessness services, and small business assistance.

The 2017 Small Business Task Force developed a number of recommendations that are still relevant today, including improving service delivery to small businesses, better data collection of the small business community, and coordinated marketing. The [2021 Economic Recovery](#)

[Plan](#) also includes recommendations for small business support, such as re-launching the City's Revolving Loan Fund. **CM Fife and CP Bas scheduled an informational report and recommendations on the implementation of these and other small business and cooperative supports for the June 28, 2022 Community & Economic Development Committee meeting.**

A [2020 study by students at the Goldman School of Public Policy](#) found that business tax rates are not a factor in businesses' decisions to locate in Oakland.³ In a survey of 59 Oakland business owners, not a single respondent indicated that the business tax rates were a factor in why they chose to open their business in Oakland. In interviews with members of the business community, business owners and representatives from local chambers of commerce and Business Improvement Districts did not emphasize the gross receipts tax as being a particularly salient aspect of the overall cost of doing business in Oakland.

However, what members of the business community did emphasize was the need for improved city services that are more responsive to the needs of business owners. Routine services such as street and sidewalk maintenance are of critical importance to businesses, as are the longer-term efforts the city puts into addressing the homelessness crisis and affordable housing crisis. Business owners understand that their taxes pay for these services, and some even went as far as to say in interviews that they would be happy to pay higher taxes for better funded services.

E. An Equitable Recovery

Ever since the last great recession in 2008, the City of Oakland's staffing shortage has created serious citywide service delivery problems. The City has a 12.42 percent vacancy rate as of September 22, 2021, which means that approximately 12.42 percent of budgeted full-time equivalent positions are not currently filled.⁴ The City is not able to sufficiently provide services to businesses and residents alike, but passing a progressive gross receipts tax would help address that in the long term.

Rather than making cuts, the City should raise revenue, so it can increase its staffing capacity and provide better, more responsive services to its businesses and residents. **Our priorities for Oakland are clear: support small businesses, fix our streets, clean up trash, address the homelessness crisis, and ensure fire and community safety.** We saw what happened last time we faced an economic downturn: vital city services were cut and never restored. Oakland residents are coming together to overcome this pandemic and are ready to work to make sure our communities recover. By acting now and reforming Oakland's business tax to make it more equitable, we can make sure that communities are not further harmed, but are stronger as the economy recovers.

³ <https://bit.ly/37KqQsJ>

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<https://oakland.legistar.com/LegislationDetail.aspx?ID=5182307&GUID=1EB51A07-CD86-41DC-8E6E-8ADF48957B87&Options=&Search=>

At the March 31, 2022 Rules & Legislation Committee meeting, the **UC Berkeley Center for Labor Research and Education (CLRE) presented its report: [Evaluating the Impact of Proposed Changes to Oakland’s Gross Receipts Tax](#)**, including an evaluation of the job impact estimates made by the Blue Sky Consulting Group and the key factors that affect business location and expansion. CLRE discussed the importance of strengthening the city’s revenue base to support Oakland’s continued recovery from the impacts of the COVID-19 pandemic and the importance of improving public services to support business growth and retention, most immediately by filling key staff positions that currently lack funding. Oakland’s small businesses in particular—which generate economic activity that stays local and supports Oakland’s residents of color—could benefit from both a reduced tax burden and additional strategic supports. **A progressive business tax equitably shifts responsibility so businesses that make more pay more, which would benefit Oakland’s long-term economic health and is in alignment with the approaches being taken by similar jurisdictions.**

IMPLEMENTATION AND ADMINISTRATION

These updates would be submitted to the voters as an ordinance on the November 8, 2022 ballot, and should it pass with a simple majority vote, it would be effective as of January 1, 2023. The Finance Department will update its systems and procedures to conform with these proposed updates to the gross receipts tax structure.

FISCAL IMPACT

The proposed ballot measure updates the current flat gross receipts tax system into an equitable and progressive, or tiered, gross receipts tax system, by assessing progressively higher tax rates on businesses with higher revenue. In a progressive system, every business pays their proportional share into the city’s general purpose fund. An analysis by Blue Sky Consulting Group shows that the proposed system with the amended rates is projected to generate approximately \$22 million in additional annual revenue to the City’s general purpose fund.

Amendments to the March 31, 2022 proposal include:

- consolidating the tax brackets into five (5) tiers with the top tier at \$50M+.
- removing the 1.5% Administrative Headquarters tax. Note that Admin. HQs with \$20M or more in gross receipts will pay four (4) times the current rate.
- adjusting the rates in the middle tiers.
- Targeting tax breaks to small businesses in industries most impacted by the COVID-19 pandemic.

Most (67%) of the businesses in the affected sectors would have no change in their business taxes, 23% would have a tax reduction averaging \$110 per business, while 10% of the affected businesses would have an average increase of approximately \$9,719 per business.

The largest percent increases for business tax rates would occur for businesses with more than \$50 million in gross receipts and classified as Administrative Headquarters, Grocers, or “Miscellaneous.”

Estimated Revenue Change (\$M)	\$22.007
<i>Businesses with Tax Decrease:</i>	
% of Businesses in Affected Sectors	23.7%
Avg Change per Business (\$)	(\$110)
Avg Change per Business (%)	(17%)
Estimated Revenue Change (\$M)	(\$0.643)
<i>Businesses with Tax Increase:</i>	
% of Businesses in Affected Sectors	9.9%
Avg Change per Business (\$)	\$9,719
Avg Change per Business (%)	60%
Estimated Revenue Change (\$M)	\$22.649
Top Ten Business Share of Revenue	16.5%
Top Ten Business Avg Increase (\$M)	\$0.6

	Change in Business Taxes			Overall
	Decrease	No Change	Increase	
Number of Businesses	5,987	16,758	2,491	25,236
Pct of All Businesses (Affected Sectors)	23.7%	66.4%	9.9%	100.0%
Avg Change per Business (\$)	(\$110)	\$0	\$9,719	\$933
Avg Change per Business (%)	(17%)	0%	60%	53%
Total Dynamic Revenue Change (\$M)	(\$0.6)	\$0.0	\$22.6	\$22.0

PUBLIC OUTREACH / INTEREST

Updating Oakland’s business tax has been discussed and debated significantly since 2020. The authors of the 2020 legislation (Councilmembers Bas, Thao and Kalb) met with the following business groups about the proposed changes to the gross receipts tax structure: Metropolitan Chamber of Commerce, Ethnic Chambers of Commerce (including the African American Chamber, Chinatown Chamber, Latino Chamber, and Vietnamese Chamber), Business Improvement Districts and Associations, local merchant associations, Oakland Indie Alliance,

Jobs and Housing Coalition and individual businesses. They also met with the Refund Coalition, a coalition of labor and community organizations that organize around the City budget.

In January 2021, City Council established the [Blue Ribbon Equitable Business Tax Task Force](#) to engage in a thorough process of analysis and stakeholder engagement to develop comprehensive recommendations for a modernized, progressive business tax. The eleven member Task Force consisted of nine members of the business community. These business community members included representatives of small, medium, and large businesses, cooperatives, business improvement districts, and business associations. The Task Force also had one representative from labor and one workforce development representative.

The Task Force met 16 times over the course of 7 months from April 2021 to October 2021 and held over 20 hours of public meetings and discussion. The Task Force meetings were open to the public and the public could watch recorded videos of each meeting.

Over the course of the public meetings, the Task Force heard presentations from a wide array of subject matter experts ranging from affected businesses and business organizations like the Oakland Chamber of Commerce and TRI Commercial to staff from cities with progressive business taxes like the City and County of San Francisco's Chief Economist Ted Egan and the Finance Department staff of the City of Richmond. Additionally, the Task Force received many public comments from businesses and community members over the course of the 16 meetings. After a thorough and transparent process, the Blue Ribbon Task Force delivered a set of [recommendations](#) to City Council in January 2022.

Since the Task Force recommendations were approved, the authors of this legislation have engaged numerous stakeholders including business associations, many individual businesses, community groups, labor unions and community members, including: Chambers of Commerce, Jobs and Housing Coalition, Refund Coalition, Oakland Indie Alliance, Network of Bay Area Worker Cooperatives, Real People's Fund, Oakland Rising, and Care 4 Community.

As noted above in Section D., to further address the **needs of small businesses**, CM Fife and CP Bas scheduled an informational report and recommendations on the implementation of small business supports that have been previously recommended. This report will be heard on June 28, 2022 by the Community & Economic Development Committee.

We have heard **requests from small landlords to provide additional tax relief**. In 2019, the Council passed an ordinance that provides a ten-year tax exemption or tax reduction for certain owner-occupied residential rental properties under certain conditions. A residential landlord who rents or leases up to three rooms in his or her principal place of primary residence, or up to two accessory dwelling units (ADUs), or a covered unit in the case of duplexes, may be eligible to be fully or partially exempt from the payment of business tax for the rental of residential property from January 1, 2020 through December 31, 2030. More information & application is at

<https://www.oaklandca.gov/services/owner-occupied-residential-landlord-business-tax-refund>.

We have heard concerns about the outreach and implementation of this tax relief from small landlords. To address these concerns, CP Bas and CM Fife scheduled an informational report and recommendations on June 28, 2022 at the Community & Economic Development Committee.

COORDINATION

The City of Oakland Budget Advisory Commission (BAC) formally recommended that the Council look into new revenue streams in their Budget Advisory Memos in 2019, 2020 and 2021 as well as in previous budget cycles. Council President Bas presented the 2020 proposal at the BAC Meeting on June 10, 2020, and presented the 2022 proposal at the BAC Meeting on April 13, 2022.

In 2020, the Finance Department was extensively consulted about the legislation and provided data and financial modeling critical to the development of the rate schedule. The Finance Department provided the recommendations for modernizing and closing loopholes in the City's current business tax structure. In 2022, the Councilmembers have been consulting with the Finance Department, who continues to engage the Economic and Workforce Development Department and Blue Sky Consulting Group to support economic analysis.

The City Attorney's Office is extensively consulted for this legislation and developed the resolution to amend the business tax ordinance by ballot measure.

SUSTAINABLE OPPORTUNITIES

Economic: The additional revenue generated from the gross receipts tax will enable the City to increase its capacity to provide services from its general purpose fund, including small business assistance, homelessness services and housing, street and sidewalk maintenance, trash collection and illegal dumping clean-up, fire safety, and community safety services.

Environmental: The additional revenue generated from the gross receipts tax would be used to reduce trash and litter on the streets, address the environmental impacts caused by unsheltered/unhoused persons living in the City streets, and develop structural solutions to update and improve outdated and wasteful systems within City government.

Race and Equity: In its current form, last updated in 2005, the City's gross receipts tax structure is flat, meaning that larger businesses are taxed at the same rate as smaller businesses. This does not reflect the city's current values of helping small, local businesses to thrive. Oakland's smallest businesses disproportionately bear the burden of taxation, as noted above.

The authors have requested a race and equity analysis from the Administration. However, the demographic data from the Finance Department reveals that about 40% of businesses decline to share demographic information, and many of these are larger businesses. Nonetheless, we do know that the overwhelming majority of businesses in Oakland are very small (93% have gross receipts of under \$1 million) and many are owned by BIPOC community members. It is not equitable that Oakland's smallest businesses are paying a higher proportion of business taxes.

The proposed structure is, at its core, an equity reform. It would update the City's current flat tax into an equitable, progressive tax system by assessing progressively higher tax rates on businesses with higher revenue. It would generate tens of millions of dollars in additional revenue annually towards vital City services. It would also provide small businesses impacted by COVID with permanent tax relief. It would modernize the gross receipts tax structure and close loopholes. It would maintain Oakland's ability to attract and retain businesses of all types and sizes, and protect against significant job loss.

ACTION REQUESTED BY THE CITY COUNCIL

We respectfully request that the City Council, in order to create a progressive business tax structure in which companies that make more, pay more and raise revenue for the City's general purpose fund to strengthen city services:

Adopt A Resolution: 1. Amending Resolution No. 88227 C.M.S., Which, Among Other Things, Submitted To The Voters At The November 8, 2022 General Municipal Election, An Ordinance Repealing And Replacing Chapter 5.04 Of The Oakland Municipal Code, To Modify Said Ordinance To Incorporate Recommendations From The Blue Ribbon Equitable Business Tax Task Force; And 2. Directing The City Clerk To Take All Actions Necessary To Prepare For And Conduct A November 8, 2022 General Municipal Election.

For questions regarding this report, please contact Cinthya Munoz Ramos, Chief of Staff, Office of Council President Nikki Fortunato Bas, at cmunozramos@oaklandca.gov.

Respectfully Submitted,



Nikki Fortunato Bas
Council President, District 2




Carroll Fife
Councilmember, District 3

Council President Nikki Fortunato Bas, Councilmembers Carroll Fife, Sheng Thao and Dan Kalb
Subject: Progressive and Equitable Business Tax



Sheng Thao
Councilmember, District 4



Dan Kalb
Councilmember, District 41

Attachments:

A. Council Resolution