



Business License Advisory Ad-Hoc Committee

Meeting Minutes of June 10, 2024

Present were member representatives from the City Council to include: Mayor Dave Drotzmann and Councilor David McCarthy; representatives from the Hermiston Chamber of Commerce to include: Executive Director Val Hoxie, Tami Sinor, and Kris Bennett; and representatives from the Hermiston Downtown District to include: Judy Currin-Pederson (arrived at 5:50pm) and Kristi Kopacz. Also present was city staff to include: City Manager Byron Smith, Assistant City Manager Mark Morgan, and City Recorder Lilly Alarcon-Strong. Councilor Jackie Myers was not present. The meeting was opened by Mayor Drotzmann at 5:30pm.

Review and Approve Meeting Minutes

Tami moved and David seconded to approve the meeting minutes of the April 8th Meeting. Motion carried unanimously.

Business License Fee Discussion

Byron presented information (PowerPoint Presentation and handouts given attached) and the Committee reviewed information regarding:

- Reviewing the preliminary discussions to possibly implement a Business License and Fee process and approval by Ordinance to set fees by resolution approval
- Formation of Ad-Hoc business License Advisory Committee by the City Council
- Reviewed results from the Business License Fee Survey, led by the Chamber of Commerce and Downtown District
 - There was a discrepancy between the results shown on the Survey Results and the PowerPoint Presentation regarding Question 4 “Should any of the following be exempt from a business license?” Byron stated the error is in his PowerPoint presentation when he was imputing the numbers from the official survey results.

Val spoke regarding the many efforts the Chamber of Commerce made to push out the survey to businesses and the encouragement they put forth to have a large turnout. They were disappointed with so few participants; however, they did receive verbal comments from those who did not want to participate in the written survey who were ok with a business license fee in the amount of \$50.00 to \$100.00 annually, only three individuals representing their businesses were against a fee.

(Judy arrived at 5:50pm)

Kristi stated businesses already have three fees they must pay to the State when opening or operating a business and another business fee seems unfair, but if it must be paid, it should be a smaller amount.

Judy agreed, stating the fee should be smaller because they know it will increase over time.

Tami stated it is common to pay a business license fee and it’s viewed as part of doing business and in her line of business, it is required before even being able to submit a bid for public or private work.



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David stated the reality is that everywhere else has a business license fee and people are surprised when they come to Hermiston and there isn't one already established.

Dave stated residents strongly supported a business license fee and asked Val how they implemented their annual fee.

Val stated the fee was already established when she began her employment with the Chamber; fees are paid annual at the anniversary date the business signed up to be a Chamber Members, however this has proven cumbersome for the Chamber and would prefer the fee to be paid at the beginning of each year instead, and this is what she would recommend the City do.

Kris stated she would be more in support of a fee if she knew it was going directly to the Police or Fire Department which would be good, but not so much if the money is going to other departments of the City. Businesses would feel better about the fees if the City was transparent on where the fees are going and also made sure every business in the City is paying the fee.

Dave stated the City is already very transparent and many items can already be found on the City's website; and although no one wants to pay additional fees, this is what constitutes are asking for and this is why this committee was formed- to establish what the fee is going to be.

Kristi stated she feels like the fee should be within the \$50.00 to \$100.00 range but would prefer the lower end of this range.

Public Comment

None given.

Committee members discussed the proposed fees as recommended by staff as well as changing the fees to different amounts; David moved and Val seconded in favor of implementing the fees recommended by staff. David, Val, Tami, Dave, Judy, and Kris voted in favor; Kristi voted against. Motion carried 6-1.

Adjournment

There was no other business, and Dave adjourned the meeting at 6:15pm.



Business License Fee

- Recap of Process
- Discuss Survey Results
- Next Steps
 - Possible Recommendation



Business License Fee

- Discussion of a Business License Fee started in August 2023 (mentioned in news articles online)
- Business License Fee Ordinance adopted January 22, 2024 (Fee to be adopted by resolution)
- Ordinance is now Effective
- Intention was to have the fee effective January 1, 2025
- Advisory Committee met April 2024
- Survey of Businesses (led by Chamber and Downtown)



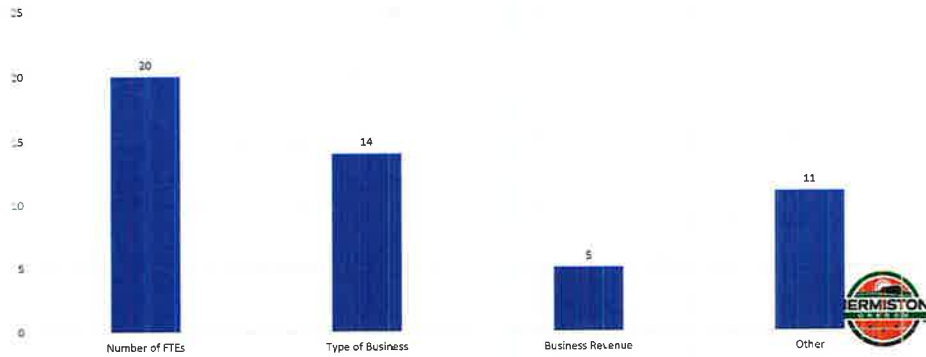
Survey Results

- 50 Responses
- 35 Chamber Members
- 8 Downtown District Members
- 14 Neither



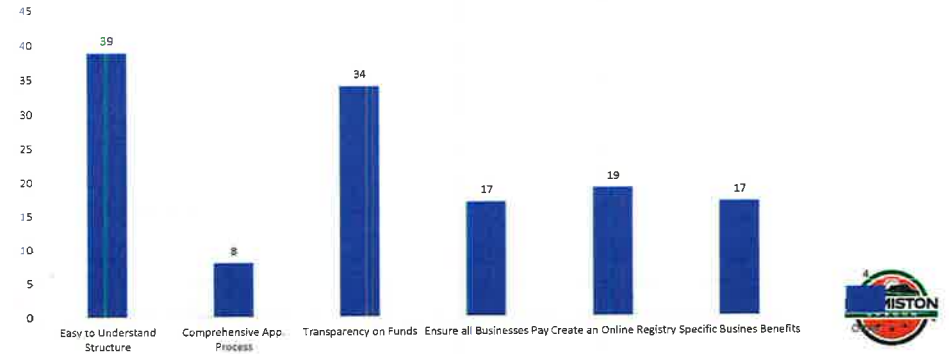
Survey Results

How Should a Business License Fee be Determined



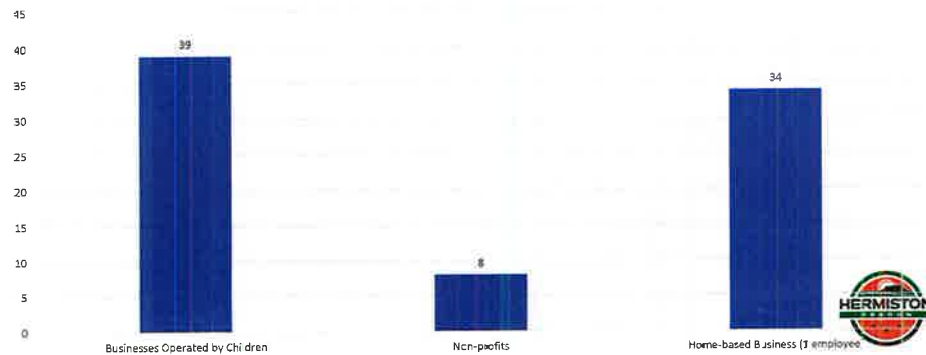
Survey Results

Important Factors for a License Fee (up to 3)



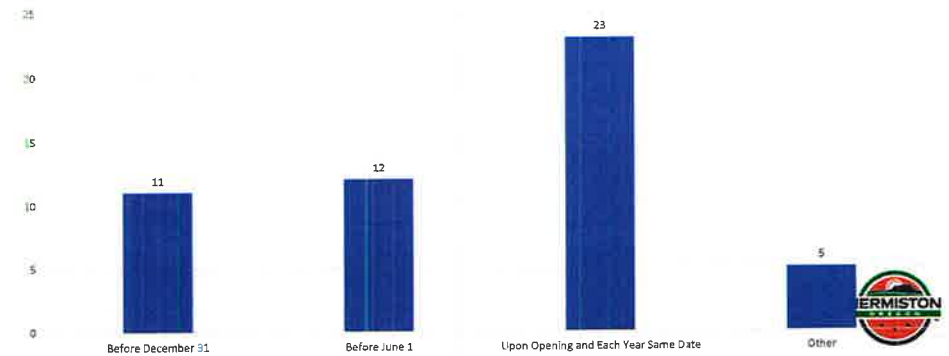
Survey Results

Exemptions



Survey Results

Exemptions



Economic Opportunities Analysis

- Economic Opportunities Analysis Draft
 - **Johnson Economics**
- 755 Businesses
 - **90% fewer than 20 employees**
 - **1% more than 100 employees (14)**
 - **2 firms over 500**
- 10,000 workers (including self-employed)



Proposal

• Hermiston Proposed

Businesses WITH a Permanent Location WITHIN City Limits	
1. Base Fee – Includes 0-5 Full-Time Equivalent (FTE) Employees	1. \$85.00
2. 6-49 FTE Employees	2. Base + \$15.00 per Employee over 5
3. 50+ FTE Employees	3. \$1,000.00
Businesses WITHOUT a Permanent Location WITHIN City Limits	
1. Base Fee- Includes 0-5 Hermiston FTE	1. \$100.00
2. 6-49 FTE Hermiston Employees	2. Base + \$20.00 per Employee over 5
3. 50+ FTE Hermiston Employees	3. \$1,200.00

• Pendleton Actual

Businesses WITH a Permanent Location WITHIN City Limits	
Base Fee – Includes 0-5 Full-Time Equivalent (FTE) Employees	\$105.00
6-49 FTE Employees	Base + \$21.00 per Employee over 5
50+ FTE Employees	\$1,030.00
Businesses WITHOUT a Permanent Location WITHIN City Limits	
Base Fee- Includes 0-5 Hermiston FTE	\$165.00
6-49 FTE Hermiston Employees	Base + \$21.00 per Employee over 5
50+ FTE Hermiston Employees	\$1,030.00



Discussion

Next Steps?

Where Life is Sweet

Constant Contact Survey Results

Campaign Name: Hermiston Business License Survey

Survey Starts: 142

Survey Submits: 50

Export Date: 05/09/2024 04:53 PM


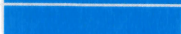


CHECKBOXES

Are you a member of one of the following organizations? (Check all that apply)

Answer Choice	0%	100%	Number of Responses	Responses Ratio
Hermiston Chamber of Commerce	<div></div>		35	70%
Hermiston Downtown District	<div></div>		8	16%
Neither	<div></div>		14	28%
Total Responses			50	100%

MULTIPLE CHOICE

When the City of Hermiston institutes a business license fee, how should the fee amounts be determined?

Answer Choice	0%	100%	Number of Responses	Responses Ratio
Number of FTEs			20	40%
Type of business			14	28%
Business revenue			5	10%
Other			11	22%
Total Responses			50	100%

CHECKBOXES

What are the most important factors the City of Hermiston should consider when implementing a business license fee (choose up to 3)

Answer Choice	0%	100%	Number of Responses	Responses Ratio
Easy to understand fee structure	<div></div>		39	78%
Comprehensive application process	<div></div>		8	16%
Transparency on how funds are spent	<div></div>		34	68%
Ensuring all businesses pay their designated amount	<div></div>		17	34%
Creating an online registry of businesses	<div></div>		19	38%
Specific business benefits	<div></div>		17	34%
Other	<div></div>		4	8%
Total Responses			50	100%

CHECKBOXES

Should any of the following be exempt from a business license?

Answer Choice	0%	100%	Number of Responses	Responses Ratio
Businesses operated by children (under 18)	<div><div></div></div>		34	68%
Non-profit vendors	<div><div></div></div>		35	70%
Home-based businesses with one employee	<div><div></div></div>		31	62%
Total Responses			50	100%

CHECKBOXES

What is the best time frame for collecting business license fees?

Answer Choice	0%	100%	Number of Responses	Responses Ratio
Before December 31	<div><div></div></div>		11	22%
Before June 1	<div><div></div></div>		12	24%
Upon opening and each year after by the same date	<div><div></div></div>		23	46%
Other	<div><div></div></div>		5	10%
Total Responses			50	100%