

City of Salem, Massachusetts



"Know Your Rights Under the Open Meeting Law, M.G.L. c. 30A ss. 18-25 and

City Ordinance Sections 2-2028 through 2-2033."

The City Council Committee on Administration & Finance co-posted with the Committee of the Whole

met in the Council Chamber on Thursday March 7, 2019 at 6:00 P.M.

for the purpose of discussing the matters(s) listed below. Notice of this meeting was posted on

February 14, 2019 at 9:00 A.M.

(This meeting is being recorded)

ATTENDANCE

ABSENT WERE: Councillor Flynn (arrived 6:10pm)

SUBJECT(S)

24 petitioning the General Court for a local entertainment tax

- Furey: History of Issue; He previously voted against; Tourism is important to city; We need new streams of revenue; If not ticket tax, what? when? A tool in the toolbox?
 - Turiel: Not a no-brainer either way - ^{looking forward} to conversation
 - ↳ what would it apply to? Need to explore
 - Gerard: Let Mayor speak
 - Driscoll: Tourism important; Hotel Motel tax; Meal tax have significantly increased; ^{Parking} Property Tax
 - ↳ Tourism has grown but is fragile
 - ↳ How can we keep ensuring visitor-resident benefits
 - ↳ Support our industry
 - ↳ would require permission from State legislature
 - ↳ Can override Federal non-profit exemption
 - ↳ Understand tradeoffs
- ↳

Gerard: Industry is doing phenomenal job; not comfortable setting tax at this point

• Jeff Cohen: 12 Hancock: wife owns B&B (difficult regulations and taxes); more revenue sources can come from sustainability

• Kylie Sullivan: Tourism is "Big Business" not "Big Businesses"

↳ Fewer than 10 downtown businesses are not micro-enterprises; would place larger burden w/o big return

↳ Would be harder to employ teens

• Rinus Ooster (Salem Chamber): Why not now? Will create a wedge between City & tourism industry; Highest commercial/industrial tax of the N.S. → Every increase

is higher impact for commercial than residential

↳ All businesses invest and give free help to Salem

• Eric Rodheiser (Gallows Hill Museum) - Not a good idea

↳ Small businesses will really struggle

• William Legault - not a good idea; taxes always make smaller businesses hurt

• Biff Michaud (Salem Witch Museum) - Has contributed to many city expenses at his expense, using local businesses (spend \$350,000 on city property) also air conditioning for schools + increase re: minimum wage

↳ Never asked for anything but fairness

↳ Already at "retail refusal" on ticket price

↳ Numbers down for the first month due to high ticket price

↳ Beatles - "Tax Man" lyrics - has come to fruition

↳ 'Control Your Spending' - Foolish

↳ Very serious

• John Andrews - 9 English Street - Large segment of artists/makers that this tax will crush

• Kate Fox (Destination Salem) - A ticket tax may make a family choose only one attraction

↳ An industry we need to nurture & continue to grow

• Tim Maguire (Salem 28 High St - Salem Night Tour)

↳ Minimum wage is really hurting small businesses

↳ Can't cut employees - would have to cut marketing

• Sandra Wright (GM of Hex) - Entertainment is also educational & spiritual [Tourists go from store to store] - not just about 'having a good time' → Not a non-profit, but about the greater good for the community

↳ Bigger issues than financial

- David Pizery (Thomas Circle - Tour Guide) - Bigger issues than taxing local businesses - make museums; not condos
 - Giovanni Alabeso (Haunted Ghost Tours) -
 - ↳ A tax on services vs. goods
 - ↳ Passing fees onto customers
 - Turiel: For city solicitor: what could this tax?
 - ↳ Don't want something that is too far-reaching.
 - Renard: would have to be done w/ a Home Rule petition → would need to be very specific and narrowly defined (was debated and voted down last time)
 - Furey: City of Salem needs taxes - what happens when we go into recession - brought as conversation
 - Gerard: Motion for negative recommendation
 - Turiel: Second (would have preferred to keep it in committee to see data)
 - Flynn: Recommend vote
 - Gerard: In the future, a data analysis would be good to see.
- Vote: 5 in favor; 0 against; 0 abstain

On the motion of C.

the meeting adjourned at 7:25 P.M.

Lisa J B Peterson

(Chairperson)

