

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 28, 2014**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 28, 2014, commencing at 7:26 a.m.

Present: Council Member Johnson, Council Member Nakanishi, Mayor Pro Tempore Hansen, and Mayor Katzakian

Absent: Council Member Mounce

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Robison

B. Topic(s)

B-1 Review of Building Permit Fees for City of Lodi Projects with Non-Profit Organization Funds Donated (CD)

City Manager Schwabauer provided a history of Community Development, stating that, until two years ago, the department relied on a \$900,000 transfer from the general fund for its operations. The department was created as a special revenue fund; however, it was not raising the funds necessary to pay the cost of operating that department, and the general fund backfilled the services it was providing. Former City Manager Rad Bartlam brought forth programs that realized marginal gains for the department, which included no longer using Community Development fees as incentives for projects being constructed in the community, no longer waiving fees for non-profit organizations, including those for City of Lodi projects, and changing the overall fee structure. Due to those decisions, the department went from a \$1 million deficit in 2008/09 to a current reserve balance, which will be used to pay for the upcoming General Plan and Housing Element updates. Over the last five years, non-profit organizations have raised money for approximately 15 projects that benefited the City, and each of those projects paid the required permit fees, which covered staff time and the services it provided. If those fees were not charged, the general fund would have backfilled that loss in the amount of \$77,000. Should Council provide direction to waive fees for non-profit organizations, staff would bring each project to Council with a request to designate a source to backfill any lost fees to Public Works and Community Development.

In response to Council Member Nakanishi, Mr. Schwabauer stated he was unsure how other cities handle non-profit organizations that construct projects on behalf of their city.

Council Member Johnson provided some history about this request, stating it was brought to his attention that members of the Lodi Library Board of Trustees, which contributed \$500,000 into refurbishing the Library through citizen donations, were displeased about the fees that were charged. There have been a number of non-profit organizations that have built facilities for the City, and he believed they should be given some consideration. He was unsure if that would equate to waived or modified fees or if a dollar amount or value should be tied to a project that would qualify it for a fee waiver. He agreed it is a cost to the City to waive fees; however, it is also a good-faith gesture to those working to raise money to provide something the City does not have and cannot afford.

Mr. Schwabauer responded that the total contract value to the City from the 15 projects over the last five years equates to \$3.5 million.

In response to Mayor Katzakian, Mr. Schwabauer stated that impact fees can only be utilized for an expansion of a level of service; therefore, impact fees could not have been used toward the

Library remodel. In further response, Mr. Schwabauer stated that Community Development had to draw funds from its reserve because the impact fee account did not increase due to a slow-down in project applications.

In response to Mayor Pro Tempore Hansen, Mr. Schwabauer stated that the City has used other resources to incentivize projects but not building fees. Mayor Pro Tempore Hansen agreed this was a challenging issue because these projects benefit the City and organizations raise funds to make them happen, yet the City also has to cover the associated costs. He agreed that it would be beneficial to know what other cities are doing with this similar issue. In further response to Mr. Hansen, Mr. Schwabauer stated he would prefer to have a consistent policy in place that staff can follow and suggested the matter be discussed when the new Council meets for its goal setting session.

Council Member Johnson agreed there needs to be a protocol in place so each request does not come before Council and that it would be advantageous to see what other communities are doing.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:50 a.m.

ATTEST:

Jennifer M. Robison
City Clerk