

**LODI CITY COUNCIL - SHIRTSLEEVE  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM  
305 WEST PINE STREET, LODI  
TUESDAY, JANUARY 23, 2024 - 7:00 AM**

**A. Call to Order / Roll Call**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, January 23, 2024, commencing at 7:00 a.m.

Present: Council Member Hothi, Council Member Nakanishi, Mayor Pro Tempore Bregman, and Mayor Craig

Absent: Council Member Yopez

Also Present: Interim City Manager Keys, City Attorney Lucchesi, and City Clerk Nashed

NOTE: Council Member Yopez arrived at 7:03 a.m.

**B. Topics**

**B.1 Receive Information on the Tourism Business Improvement District and the Transient Occupancy Tax Audit Conducted by Hinderliter de Llamas and Associates (HdL) for the Period Covering January 2019 to September 2022 (FIN)**

Interim City Manager Keys provided a brief introduction. Accounting Manager Melissa Munoz and Keri Calloway, of Hinderliter de Llamas and Associates (HdL), provided a PowerPoint presentation regarding the Tourism Business Improvement District and the Transient Occupancy Tax audit conducted by HdL for the period covering January 2019 to September 2022. Specific topics of discussion included the Transient Occupancy Tax (TOT), hotel audit, audit process, findings, summary of City-accepted findings, summary of original findings, City-accepted vs. summary findings - gain/loss, comped rooms, and current payment status.

In response to Mayor Craig, Ms. Calloway and Interim City Manager Keys explained the three-year audit process and the policy regarding short-term rentals, such as Airbnbs.

In response to Mayor Craig, Ms. Calloway, Accounting Manager Munoz, and Interim City Manager Keys provided information regarding comped rooms, including other communities' inclusion as TOT-taxable, profit and loss statement, and the California Tourism Assessment Fee (CTAF).

In response to Mayor Craig, City Attorney Lucchesi and Ms. Calloway provided information regarding the rent definition in the Lodi Municipal Code and the TOT ordinance, and the definition's relation to TOT-taxability for comped rooms.

Interim City Manager Keys acknowledged Nancy Beckman, CEO of the Visit Lodi! Conference and Visitors Bureau, for her assistance in the process and noted the City is in possession of her letter regarding the hoteliers' requests.

Nancy Beckman, CEO of the Visit Lodi! Conference and Visitors Bureau, spoke on behalf of 95 lodging establishments and asked that the taxes from the audit be forgiven and refunded, that the ordinance clarify what is taxable, and that comped rooms are not taxed.

Ryan Ranchhod, hotelier and commercial developer representing Diede Development Companies and American Hospitality Services, asked that the taxes from the audit be forgiven and refunded, that the new ordinance clarify what is taxable, that comped rooms are not taxed, and that the start date for collection should be the second quarter of 2024.

In response to Mayor Craig and Council Member Hothi, Mr. Ranchhod explained his hotel's policy regarding comped room guest fees and taxes, comped rooms being mainly charitable donations, his experience in other communities, and the future of charitable donations of comped rooms if they are taxed.

JP Doucette, President of the Lodi Chamber of Commerce, spoke in support of the hotel community.

Interim City Manager Keys responded to the comments from the public.

In response to Council Member Hothi, Interim City Manager Keys addressed the historical collection of TOT on comped rooms.

Council Member Hothi spoke in favor of forgiving the past taxes and penalties and not collecting TOT on comped rooms in the future.

Mayor Pro Tempore Bregman concurred with Council Member Hothi.

Mayor Craig spoke regarding her dissatisfaction with the way audits are being handled; collection of the TOT starting in the second quarter; a clarification form being sent to all hoteliers, including Airbnbs; the value comped rooms bring to the City; and a refund for TOT related to comped rooms and CTAF.

Interim City Manager Keys clarified what taxes have been collected and what penalties have been waived.

In response to Council Member Yopez, Interim City Manager Keys and City Attorney Lucchesi clarified the definition of rent in the Lodi Municipal Code and addressed future steps to exclude comped rooms.

Interim City Manager Keys summarized City Council direction as: 1) comped rooms will not be assessed, in the future or retroactively; 2) CTAF will continue to not be taxed; 3) a clarifying document will be created; and 4) the other audit findings will stand and taxes will be collected.

Mayor Craig stated Council direction would include the refund of any TOT paid for comped rooms in the past.

**C. Comments by the Public on Non-Agenda Items - None**

**D. Adjournment**

No action was taken by the City Council. The meeting was adjourned at 8:03 a.m.

ATTEST:

Olivia Nashed  
City Clerk