

MINUTES OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL
WEDNESDAY, APRIL 11, 2012

I. CALL TO ORDER/ROLL CALL

- Mayor Pro-Tem Fulkerson called the meeting to order at 7:00PM. Council members in attendance: Morgan, Davies, Fulkerson. ***Bhardwaj was absent.***
- City Staff in attendance: City Clerk Gabriel Adams, City Manager Karen Suiker, City Engineer Steve Allen, City Attorney Andy Stunich attended the closed session.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION

1. Government Code section 54956.95: Liability Claims for Damages, etc. against the City of Trinidad

IV. RECONVENE TO OPEN SESSION

No action to report.

V. APPROVAL OF AGENDA

- Pull Consent #6 for discussion.
Motion (Davies/Morgan) to approve the agenda as amended. Passed 4-0.

VI. APPROVAL OF MINUTES – March 14, 2012 cc

Motion (Davies/Morgan) to approve the minutes as written. Passed 3-0.

VII. COMMISSIONERS REPORTS

Fulkerson: **RREDC**: Hired new Director. Discussed American Airline deal and attended the Prosperity meeting.

Davies: Fire Department purchased a new response vehicle from Blue Lake.

Morgan: **HCAOG** – Will be attending this month's meeting as alternate.

VIII. STAFF REPORTS

Karen Suiker – City Manager

- Summarized staff report included in the Council meeting packet. Announced that No Skateboarding will be more actively enforced at the Museum/Park site. Deputy Hicks will be responding. Hoping for cooperation from the community.
- Miller complimented Suiker on grant management success.
- Morgan asked about Van Wycke trail status. Suiker explained that a sign is on order warning users of trail hazards, and that TPW will make best efforts to maintain safe passage along the trail.

IX. ITEMS FROM THE FLOOR

Danny O'Shea – Trinidad Area Resident

Read a letter on behalf of the Trinidad Westhaven Watershed Council in support of the Luffenholtz Creek sediment reduction grant that the City is pursuing.

X. CONSENT AGENDA

1. Staff Activities Report for March 2012
2. Financial Status Reports for February 2012
3. Authorize the City Manager to sign an amended contract for services with GHD for the Water System Turbidity Monitoring Project.
4. Authorize the City Manager to sign Prop 50 Funding Notices of Intent to Apply for Funding for Water System Improvements.
5. Repeal of Accessory Dwelling Unit Ordinance (ADU 2010-04, and Vacation Dwelling Unit Ordinance (VDU 2011-02, and Adoption of Amended ADU Ordinance 2012-01 and VDU Ordinance 2012-02.

- *Motion (Miller/Davies) to approve consent agenda items 1-5, and pull #6 for discussion. Passed 4-0*

6. Authorize the City Manager to sign the Agreement Protecting the Public Interest in Certain Improvements Funded by the California State Coastal Conservancy contingent upon Rancheria execution of Harbor Lease Agreement. City Manager Suiker explained that the Trinidad Rancheria owns and is reconstructing the public Trinidad Pier. The Rancheria was awarded funding from the California Coastal Conservancy (Conservancy) for the Pier Reconstruction Project. As a condition of this grant, the Rancheria has agreed to execute an agreement to protect the public interest in the improvements constructed with Conservancy funds. The City owns and leases to the Rancheria the Harbor tidelands below the Pier. The Trinidad Rancheria and the Conservancy have requested the city enter into this 20 year agreement to ensure the public interest in the pier and harbor area be protected. The lease agreement between the city and the Rancheria expired on January 19, 2011. The City attorney has a concern that signing the Public Interest Agreement without a Harbor Lease in force could be seen as an implicit right regardless of whether there is a lease or the annual \$5000 rent has been paid. He recommends that the Public Interest Agreement be signed by the city manager following execution by the Rancheria of a renegotiated lease agreement with a 20 year term.

Public comment included:

Jacque Hostler – Trinidad Rancheria CEO

Presented 4 documents to the Council; 1) Letter requesting government-to-government meetings, 2) The City Manager's response to that letter, 3) Letter from Coastal Conservancy urging the council to approve the Public Interest Agreement, and 4) Letter from Rancheria expressing good faith in completing the Harbor Lease Agreement.

Hostler explained that as part of the Pier project, the Rancheria's Attorney has been reviewing many documents and agreements. He expressed concern with certain language in the draft lease agreement. Also, in reviewing the lease history, we've noticed that Hallmark paid only \$1000 annually, and was required to only carry a 1 million dollar liability policy. We're piecing all the details together and thoughtfully reviewing the lease with intent to renew. She asked the city to read the letter of intent to negotiate in good faith, and consider signing the Public Interest Agreement tonight.

City Manager Suiker expressed support for the letter upon review and approval by the City Attorney.

Hostler introduced James, the Pier Construction Manager from Trinity Valley Engineers to answer any questions that the Council had regarding construction process.

There was no further comment from the Council or public.

*Motion (Miller/Davies) to approve the Public Interest Agreement subject to the City Attorney's review of the "Letter of Intent to Negotiate in Good Faith" submitted by the Trinidad Rancheria. **Passed 4-0.***

XI. AGENDA ITEMS

1. Discussion/Decision regarding Artistic Enhancement proposed for Highway 101 Overpass in Trinidad. City Manager Suiker explained that the City of Trinidad has been asked by CalTrans to provide input and suggestions on the design for an artistic rendering on the concrete walls to be installed as part of the overpass seismic retrofit project tentatively planned for construction next year. The Gateway Committee was established several years ago to plan for the City's Gateway Improvement Project, and it was thought this committee would also be appropriate to provide input on this proposed artistic rendering. The renderings have incorporated a number of changes as a result of those meetings, all of which have been open to the public and posted accordingly. The Council is now requested to consider and comment on the proposed project design in order for CalTrans to proceed accordingly.

Suiker introduced **Kim Floyd**, Caltrans project director. Floyd presented and reviewed the renderings with the Council.

Public comment included:

Janine Volkmar – Trinidad Area Resident

Questions about transients sleeping beneath the bridge and if the new walls will make it more encouraging to camp out there.

Council comments included:

Fulkerson: Thanked Floyd and the Gateway Committee for their hard work and guidance.

No action was required. By consensus, the Council supported the design and encouraged Caltrans to proceed.

2. Discussion/Decision regarding deadlines for consideration of Sales Tax Extension

City Manager Suiker explained that at the March 14 meeting, staff reminded Council that a decision to continue the ¼% sales tax increase would be required to either sunset the current tax or continue it without penalty. The current tax increase is scheduled to expire in April 2013.

It is also a Council member election year. There are deadlines shared with the Sales Tax election decision, but others that are independent from the Sales Tax election schedule. Our priority now is simply to not miss the most critical ones. There are multiple agencies involved in the process, and strict deadlines that must be adhered to in order to successfully re-implement or sunset the tax.

FIRST DEADLINE: June 13, 2012 Council meeting:

1. Decision to proceed or sunset the Sales Tax Increase must be made.

SECOND DEADLINE: July 11, 2012 Council meeting:

1. If a decision is reached to continue the sales tax increase, the wording must be drafted and approved in a resolution. Staff will draft the resolution based upon the decision reached at the June meeting and include it for adoption at the July 11 Council meeting.
2. A second resolution will be required at this meeting to approve requesting that the City and County consolidate their elections. Clerk will have the resolution prepared for discussion/approval at this meeting regardless of the Sales Tax election decision.

The next steps following the July 11 Council meeting deadline will be advised after each benchmark decision is reached. The Clerk's office will provide monthly updates and announcements to the Council regarding publishing deadlines and required notifications for both elements of the election.

Council questions included:

Fulkerson: Recap - \$100,000 additional revenue received by the City, and action must be taken by June 13.

Miller: Asked about current year revenues vs. expenditures. **Suiker** explained that revenues this year will likely exceed expenditures. Further, Chevron is the City's highest generator of sales tax revenue next to lodging establishments.

Public comment included:

Miller: The additional income generated by the increased sales tax essentially pays the City Manager's salary. Do we want to lose this position? The remaining 40% goes to public safety.

Morgan: The ¼% sales tax initiative barely passed. The City also promised to sunset the tax after its four year term was up. Public Safety was supposed to be the priority of this tax. I support a lower tax rate proposed, and a tighter budget. Let's find out if the BOE will charge to change the tax rate, and make a decision in May.

Davies: I'd like to see it proposed as-is. A significant amount of revenue is generated with a small impact on residents. It's a visitor tax. They pay the tax and the City benefits from it. The City, in turn, maintains the trails & streets, makes significant infrastructure improvements, and provides many public services.

Fulkerson: I agree with Morgan. We shouldn't get complacent. A list of successful projects should be generated and promoted with the new tax proposal. We don't want to lose the advantage of maintaining such a fine city. I haven't heard any complaints about the tax, and support continuation of it as-is.

*Motion Davies/Miller to direct staff to prepare necessary documents to place the current sales tax rate back on the ballot in November. **Passed 3-0-1. No, Morgan.***

3. Discussion/Decision regarding formation of the Humboldt County Tourism Business Improvement District.

City Manager Suiker introduced Tony Smithers from the HCCVB. Smithers explained that a tourism business improvement district levies assessments on lodging businesses, customarily passed along to overnight guests and collected on the guests' bills in a manner similar to the transient occupancy tax, that are used to promote tourism in the area and thereby attract additional guests to the lodging businesses. Tourism business improvement districts are currently in existence in several nearby counties, including Mendocino, Sonoma, Napa and Marin.

This past year the City Council received a presentation from the Humboldt County Convention and Visitors Bureau (CVB) about the process of forming a tourism business improvement district (TBID) in Humboldt, and the CVB has since been working with the local lodging industry to sign petitions in support of creating the TBID. Property or business owners who will pay more than 50 percent of the assessments must sign written petitions requesting the formation of the district in order to proceed. The County's Treasurer-Tax Collector has tallied the written petitions. According to this tally, the signed petitions have met the threshold necessary to allow consideration of forming a TBID to proceed.

On March 13, 2012, the County Board of Supervisors adopted a Resolution declaring their intention to establish the TBID and further adopted a resolution requesting the consent of the cities of Arcata, Eureka, Ferndale, Fortuna and Trinidad to create the TBID. The cities of Blue Lake and Rio Dell are not included because the City of Blue Lake lacks a process for collecting transient occupancy taxes and the City of Rio Dell has expressed a desire to be excluded. Should the Council wish Trinidad to participate in this program, adoption of a Resolution is required. Once the cities have provided their consent, the Board of Supervisors will be required to hold two public meetings on the topic of the TBID, which are set for May 15 and May 22, which dates would allow for the TBID to become operational by July 1, 2012.

Smithers also highlighted the following:

- 12% Bed Tax is reasonable.
- The local vacation rental industry has shown great support of the TBID.
- 25% of TBID revenue generated will be available for local community groups.
- Humboldt Lodging Alliance Board will be in charge of spending the money. Trinidad will get one representative.

Public comment included:

Richard Johnson – Trinidad Area Resident

We should select our representative for the Board. The local Chamber also depends on support from the City.

Council comments included:

Fulkerson: How will the Board member be selected, and what is the current HCCVB budget? **Smithers** explained that there will be 19 Board members, one from Trinidad. The current HCCVB budget is approximately \$700,000. **Fulkerson** expressed concern that the County may not be as generous with T.O.T. if the TBID is implemented. **Smithers** explained that the HCCVB has a contract with the County and the City of Eureka.

Motion (Morgan/Miller) to adopt Resolution 2012-03; Granting consent to the County of Humboldt to form the Humboldt County Tourism Business Improvement District (HCTBID). Passed 4-0.

4. Conduct Unmet Transit Needs Hearing.

City Manager Suiker explained that each year the City of Trinidad conducts a citizen participation process to assess unmet transit needs within Humboldt County on behalf of HCAOG. Anyone is invited to provide the City Council with feedback regarding public transportation in our area during this hearing. Comments will be collected and forwarded to HCAOG.

Public comment included:

John Webb – Trinidad Area Resident, Representative of HumBus

Submitted a 5 page proposal to provide expanded intercity ground public transportation service to and from Humboldt County. Summarized the need for such transportation, and provided a detailed solution for connectivity between larger transportation hubs in neighboring counties. Requested that the proposal be submitted to HCAOG.

Jacque Hostler – Trinidad Rancheria VP.

Update on the unmet transit needs of the Trinidad Rancheria, and how they are still working on a transportation planning grant that will provide students safe transportation to school, and disabled members transportation to tribal health facilities.

Janine Volkmar – Trinidad Area Resident

I'm a frequent user of the bus service. Trinidad needs an evening bus. The last bus arrives at 7:00pm. Anyone wanting to use the bus service to attend a public meeting, cultural event, class, or do anything in a neighboring city can't because the last bus arrives in Trinidad at 7pm. HTA has great drivers, and the ride is affordable and pleasant.

Danny O'Shea – Trinidad Area Resident

I'm a non-frequent bus user, but would if it was more convenient. It takes too long to get to Eureka. We need an express shuttle to Arcata and Eureka. Also, it would be much easier to take the bus if the schedule was more predictable and methodical, for example, arrivals at the top of the hour.

Richard Johnson – Trinidad Area Resident

Encouraged public to take survey that HCAOG has distributed to each community. Online or paper versions are available.

Council comments included:

Miller: I support this process, and also support Mr. Webb's proposal. I would like to endorse it if I can. Also, night service would be greatly appreciated.

Fulkerson: Encouraged participants to write follow up letters directly to HCAOG and attend the hearing on May 17. The more voices the better.

City Clerk will forward all comments to HCOAG for consideration.

5. Discussion/Decision regarding consideration of updating the Joint Powers Agreement to Reflect Data from 2010 Census.

Councilmember Fulkerson explained that HTA is considering updating the Joint Powers Agreement to reflect data from the 2010 Census. The Service Coordination and Technical Advisory Committees of the HCAOG have both recommended assessing the cities based on current population, but holding the County at 50%, to be reviewed every ten years.

Council comments included:

Morgan: Preferred table 2 on the attachments.

Miller: Preferred table 3.

There was no public comment. *No decision was made. Information item only.*

XII. COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

XIII. ADJOURNMENT

- Meeting ended at 9:00pm.

Submitted by:

Gabriel Adams
City Clerk

Approved by:

Julie Fulkerson
Mayor Pro-Tem