

**MINUTES OF THE SPECIAL MEETING OF THE TRINIDAD CITY COUNCIL**  
**WEDNESDAY, JUNE 04, 2014**

**I. CALL TO ORDER**

- Mayor Fulkerson called the meeting to order at 6:00PM. Council members in attendance: Miller, Fulkerson, Baker, Davies. **West was absent.**
- City Staff in attendance: City Manager Karen Suiker, City Clerk Gabriel Adams, City Planner Trever Parker.

**II. PLEDGE OF ALLEGIANCE**

**III. ADJOURNMENT TO CLOSED SESSION**

1. Personnel Issue: Section 54957(b), City Manager Selection and Recruitment Process.

**IV. RECONVENE TO OPEN SESSION**

No report out from closed session.

**V. APPROVAL OF AGENDA**

*Motion (Miller/Baker) to approve the agenda as written. Passed 4-0.*

**VI. APPROVAL OF MINUTES** – No Minutes to approve.

**VII. COMMISSIONERS REPORTS** – *No reports were given.*

**VIII. ITEMS FROM THE FLOOR** – *None.*

**IX. CONSENT AGENDA**

1. Financial Status Reports for April 2014.
2. Law Enforcement Activity Update – May 2014
3. Resolution 2014-05; Requesting the County Elections Department to Conduct the November General Election Services on Behalf of the City of Trinidad.
4. Contract Amendment for Water Treatment Plant Upgrade Project.
5. Budget Adjustment for Planning Services.
6. Resolution 2014-07; Approving Grant Application to the Coastal Commission for Funding Through the LCP Planning Assistance Program.
7. Resolution 2014-08; Approving the Application to the Ocean Protection Council for Funding Through the LCP Sea Level Rise Grant Program.

*Motion (Baker/Davies) to approve the consent agenda as written. Passed 4-0.*

**X. DISCUSSION AGENDA**

1. Discussion/Decision regarding Resolution 2014-06; Requesting the 2012 VDU Ordinance Submitted to the Coastal Commission for Review be Withdrawn.  
City Planner Trever Parker explained that significant changes have been made to the VDU ordinance since it was adopted by the City in 2012. This has occurred through City staff negotiations with Coastal Commission staff and subsequent public hearings at City Council meetings over the last few months. The changes that have been made are so substantial that 'track changes' (with strikethroughs and underlines) can no longer be used to document the changes. This has made explaining and understanding the changes onerous. Coastal Commission staff is worried that this situation will cause problems with gaining approval and certification of the amended ordinance by the Coastal Commission. This confusion is unnecessary if the City and Coastal Commission staff are generally in agreement with the changes. At this point, the only outstanding unresolved issue is regarding the exact language of the water use limitation section (§6.26.H.3). (The Coastal Commission would like to see numerical limits on water use, but I feel flexibility is needed to accommodate landscaping on various size lots. As a compromise, we are going to try to come up with categories of average / maximum water use based on house and lot sizes.) In addition, the Coastal Commission is under a deadline of July 28, 2014 by which it must take action on the submitted coastal program amendment.

Therefore, Coastal Commission staff has requested that the City withdraw transmittal of the VDU ordinance adopted in 2012 that was submitted to the Coastal Commission. Further, Coastal Commission staff recommend

that the City rescind that ordinance and adopt a superseding version (pending new water use language) that incorporates the changes negotiated and made to date on the 2012 version. At this point, if not withdrawn, Coastal Commission staff would be recommending against certification of the 2012 VDU ordinance. If the new version of the ordinance has not been adopted by the City, then explaining and justifying all of the changes that have been proposed in recommending approval of the revised ordinance would be a very onerous, time-consuming, and likely confusing undertaking. This, in addition to the July processing deadline is problematic. Consequently, Coastal Commission staff have requested that the City withdraw the current LCP Amendment application to avoid scheduling the VDU ordinance for the July 9-11 Coastal Commission agenda. Such a submittal retraction would be accomplished through a Resolution of Withdrawal adopted by the City Council at the June 04, 2014 meeting.

The proposed course of action at this point is to adopt the attached Resolution withdrawing the proposed VDU LCP Amendment application. The next step will be to finalize the water use limitation language to the satisfaction of both parties, or to agree to disagree on that one point. Then the City Council would rescind the 2012 VDU ordinance and adopt the current ordinance with two readings. At the same time, a new Resolution of Transmittal can be adopted for resubmitting the VDU LCP amendment to the Coastal Commission. This way, Coastal Commission staff can present a clean version of the VDU ordinance that has been adopted by the City and recommend approval of it as submitted (again, pending the final water use language).

There was no public comment.

The Council agreed that this was the most cumbersome and confusing process, but didn't want it to be held up any longer.

*Motion (Miller/Baker) to adopt Resolution 2014-06; Requesting the 2012 VDU Ordinance submitted to the Coastal Commission for review be withdrawn. **Passed 4-0.***

2. Discussion/Decision regarding Resolution 2014-09; Adoption of the FY2015 City Budget.

City Manager Suiker explained that the proposed FY 2014-15 City of Trinidad budget is herewith submitted to the Council for adoption. A public study session that included a power point presentation of the draft budget was held on May 21, 2014. At that meeting the Council generally supported the proposed presentation and took action to support the continued distribution of 12% of the city's prior year Transient Occupancy Taxes as follows: Chamber of Commerce 60%; Museum 30%; Library 10%.

Key points related to the final budget presentation include:

**Overall Budget Highlights**

- Funding for 3% across the board salary adjustments plus a six month 2.5% promotional progression in accordance with the procedures set forth in the Employee Policies Manual (total equivalent annual increase of 3% for employees at the top step in their classification and 4.25% for employees not currently at the top step in their classification).
- Medical insurance factored at a 50% increase January 2015.
- Continuation of 6.025 full time equivalent (FTE) positions with Grant Manager allocated 20% to General Fund (\$16,000).

**General Fund Revenues**

- Status quo most revenue sources with slight increases.
- Sales tax is highest revenue source (¾% sales tax add-on generates about \$100,400).
- Transient Occupancy Taxes estimated at \$126,000.
- Property Taxes estimated at \$96,500.
- Reflects transfer-in of \$30,000 gas taxes and transportation development act funds to offset street light expenses and pro-rated salaries of public works employees working on road-related activities.
- Reflects transfer-in of \$10,000 from public works reserve to offset some of town hall roof replacement costs.

**General Fund Administration (1.64 FTE)**

This budget unit funds pro-rated employee salaries, liability, property and casualty insurance, contracted planner, building official, attorney, financial contractor, bookkeeper, auditor, lease of city annex and new library, utility costs, distribution of transient occupancy taxes (TOT), office supplies

- Planner activities budgeted as follows\*
 

General Plan	\$ 18,000
ADU/VDU	5,500
Planning Commission	4,500
Permits (offset by revenue)	5,000
Code violations	2,500
Stormwater permit issues	1,500
Miscellaneous, general planning	5,000
VDU Cap (new)	<u>3,000</u>
	45,000

\*excludes separately funded OWTS

- Attorney costs are estimated at \$30,000, which includes \$10,000 toward defense of litigation(s)
- Building Official \$8,000 (includes \$1,000 sign survey)
- Distribution of 12% of prior year TOT receipts (\$15,045)
- Replacement of city clerk computer (\$1,500)

**General Fund Law Enforcement (.10 FTE)**

- Contract for law enforcement services \$150,644 + 8hours/week supplemental on site law enforcement availability @ \$90/hour (\$37,440)
- \$100,000 anticipated to be funded by Community Oriented Policing Services (COPS) revenue, same as has been the case over the last several years.
- Animal control services \$1,925

**General Fund Fire**

- Building extension at fire hall to accommodate equipment (\$25,000)
- New roof at fire hall (\$10,000)
- Transfer-in \$25,000 from fire reserves to offset capital improvements.

**General Fund Public Works (1.03 FTE)**

Budget includes pro-rated staffing costs, town hall, annex and library supplies, street paint, signs, trail and park maintenance.

- Reroof town hall (\$30,000)
- Grant match for Van Wycke Trail (\$40,000)
- Remodel city clerk office (\$10,000)
- Transfer-in \$10,000 public works reserve
- Transfer-in \$30,000 from gas tax/transportation funds

General Fund Revenue:	\$ 608,759
General Fund Expenditures:	
Administration	\$325,875
Police	107,430
Fire	45,545
Public Works	<u>201,098</u>
	\$550,903

Difference (from carry forward) \$ 71,189

The General Fund financial position improved by over \$100,000 last fiscal year, and this use of carry forward funds still achieves the goal of a fund balance of around \$1 million for cash flow purposes, especially given the City's heavy reliance on grants which are usually retroactively reimbursed.

This is a sustainable level of operations in that the one-time transfer-in amounts offset the the one-time expenditures.

**Integrated Waste Management (.28 FTE)**

Budget includes pro-rated staffing costs, franchise revenue and AB939 pass through from Humboldt Waste Management Authority.

Revenue:	\$ 12,640
Expenditures:	\$ 21,380
Difference (from fund balance)	\$ 8,740

The difference of \$8,740 can be absorbed from the fund balance (\$35,926 as of 6/30/2013), and compares a difference of \$8,841 last year when the recycling bins were in operation. The program can be possibly be incorporated into the General Fund once the fund balance is depleted.

**Cemetery (.35FTE)**

Budget includes pro-rated staffing costs and plot sales.

Revenues:	\$ 8,400
Expenditures:	\$ 26,441
Difference (from reserve)	\$ 18,041

As of 6/30/2013 cash assets in this fund were approximately \$149,000. For the past two years, the revenues exceeded expenditures due to plot sales exceeding budget expectations. At some point in the future there may be a need to consider increase in plot sale amount or consider contribution from General Fund in the future.

**Water Fund (1.82 FTE)**

- \$15,000 set aside/reserve for capital
- All bonds paid in full as of 2013/14
- Annual water sales \$305,000

Revenue:	\$ 316,500
Expenditures:	\$276,038
Difference (add to fund balance)	\$ 40,462

Reflects projected progress on increasing fund balance to a goal of around \$750,000. Balance as of 6/30/2013 approximately \$680,000.

*There was no public comment.*

**Council comments included:**

Miller: Water is important. Would like more storage and redundancy. We need to plan for the next 5 years infrastructure needs. 3% rate increase was a good comment.

Fulkerson: Future discussion should be health insurance and water infrastructure needs. Thanked the Museum, Library, and Chamber for T.O.T. allocations. This budget is a direct response to community needs through feedback.

*Motion (Miller/Davies) to approve Resolution 2014-09 adopting the FY2015 City Budget. **Passed 4-0.***

### **XIII. ADJOURNMENT**

**- Meeting ended at 6:50pm.**

**Submitted by:**

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**Gabriel Adams**  
City Clerk

**Approved by:**

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**Julie Fulkerson**  
Mayor