

MINUTES OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL
WEDNESDAY, JUNE 09, 2010

I. CALL TO ORDER/ROLL CALL

- Mayor Binnie called the meeting to order at 7:00PM. Council members in attendance: Morgan, Ratzlaff, Binnie, Fulkerson. **Bhardwaj – Absent.**
- City Staff in attendance: City Manager Steve Albright, City Clerk Gabriel Adams.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION – No Closed Session was scheduled.

IV. RECONVENE TO OPEN SESSION

V. APPROVAL OF AGENDA

Motion (Fulkerson/Bhardwaj) to approve the agenda as written. Passed unanimously.

VI. APPROVAL OF MINUTES

May 12, 2010 cc

May 19, 2010 scc

Motion (Fulkerson/Bhardwaj) to approve all the minutes as written. Passed unanimously.

VII. COMMISSIONERS REPORTS

Binnie:

- **HCAOG:** Regional trails plan approved. Updates from PlanWest Partners on the Annie & Mary Rails to Trails Plan. Staff announced retirement party for Spencer Clifton.
- **PG&E:** Met with PG&E regarding street light replacement.
- **Streets:** Work done on East Street tree pruning was completed. That Tree Guy did an excellent job.
- **Misc:** Attended the senior pen pal brunch at Trinidad School yesterday.

Bhardwaj:

- **Planning Commission:**

Morgan: Attended the Humboldt Lodging Symposium. May be asking the City to contribute 2% of its TOT to the association for 2-5 years.

Fulkerson:

- **RREDC:** Economic specialists suggest that marijuana legalization could impact the County's estimated 1 billion cash flow from the product annually.
- **Misc:** Concert at Town Hall on Sunday raised nearly \$1000.

Ratzlaff: Update on energy grant.

VIII. STAFF REPORTS

City Manager - Albright: Summarized staff activities report and highlighted various other accomplishments.

Fulkerson: Requested that the recruitment process for a Police Chief be brought back to the Council for discussion.

City Clerk - Adams: Reported on Town Hall Rent, Upcoming election schedule, and Drinking Water Notice mailed to all water customers earlier this month

IX. ITEMS FROM THE FLOOR

(Three (3) minute limit per Speaker unless Council approves request for extended time.)

Pat Morales – Trinidad

Requested an update on the progress of the violations for Mike Morgan and Mike Reinman. Neither individual has complied nor responded within 90 days. No permits have been issued or inspections performed.

Sungnome Madrone – Fox Farm Road

The Water Quality Violation the City recently informed its customers of is a serious threat to public safety. Every time it rains heavily there will be a problem. Water is a BIG issue, and the City should clarify the problem to its customers.

X. CONSENT AGENDA

1. Staff Activities Report through May, 2010
2. Financial Status Reports for April, 2010
3. Proclamation 2010-05 Supporting “Americans with Disabilities Act” Week
4. Resolution 2010-07 Regarding the November, 2010 General Election
5. Set Public Hearing for August 11, 2010 for the Annual Water Rate Increase
6. Set Public Hearing for August 11, 2010 for Proposed Ordinance 2010-03 for a Transient Occupancy Rate Increase

Motion (Fulkerson/Binnie) to approve the consent agenda as written.

Passed unanimously.

XI. AGENDA ITEMS

1. Public Hearing to Adopt the FY2011 Annual Budget
City Manager Albright explained that the proposed FY2011 City of Trinidad Budget is being submitted to the City Council for adoption. There was one Public Workshop meeting held on the draft budget on May 19, 2010.

There are several key points related to this year’s General Fund budget proposal:

- 1) The proposed General Fund Budget is balanced (projected revenues exceed planned expenditures). The General Fund includes Administration, the Police Department, the Volunteer Fire Department, and the Public Works Department.
- 2) Overall, General Fund expenditures are down from the previous year due to decreased “special projects” spending, a decrease in insurance costs, and costs savings related to the 6-month contract with the Sheriff’s Office for law enforcement services.
- 3) Staff salaries are proposed to increase by 2% as a cost-of living adjustment and 5% for merit increases for salaried and hourly employees.
- 4) Transient Occupancy Tax (TOT) is proposed to be increased from 8% to 10%. 40% of the projected revenue from TOT is proposed to be re-allocated to tourism-related support activities (Chamber of Commerce, HCCVB, Museum, others undetermined).
- 5) Year-end Fund Balances will be reported when the FY2009 and FY2010 Audits are complete.
- 6) Special Project Funds (such as grant budgets) are not included for adoption in the City’s budget because they are determined by the funding source.

The City also manages two Enterprise Accounts, the Water Fund and the Cemetery Fund. The budgets are also submitted for Council consideration.

Revenue generated by the City Cemetery Fund annual fund balance nearly supports the cemetery expenses. When the actual fund balances for the Cemetery Fund are determined by the last two years’ annual audits, it will be recommended that the Cemetery funds be isolated and considered as an “endowed” enterprise fund.

The Water Fund does not demonstrate a balanced budget for the coming year. There is an anticipated expenditure of approximately \$40,000 for a grant match that will need to be withdrawn from Water fund reserves. Minus this expenditure, the Water Fund budget’s projected revenues exceed the proposed expenditures.

Council comments included:

Fulkerson: City Manager’s salary needs to be analyzed.

Morgan: I'd like to find Sungnome's proposal, but ask that he research grants to fund – or partially fund the spring proposal.

Public comment included:

Sungnome Madrone – Fox Farm Road

It's obvious that the ¾% sales tax is why Trinidad is so well funded. Rewarding employees is good, but be cautious how dependent the city becomes on this revenue. The Council should also consider spending a portion of TOT on Humboldt North Coast Land Trust. He also requested \$20,000 spent from the Water Fund on his spring water source proposal.

Motion (Fulkerson/Ratzlaff) to Approve Resolution 2010-08 Adopting the FY2011 Annual Budget. Passed 4-0.

2. Report and Recommendations from the Vacation Dwelling Units Advisory Committee

City Manager Albright in December 2009, the City Council appointed members to a citizens' advisory committee to study and make recommendations regarding vacation dwelling units in the City of Trinidad.

The Committee met nine times between January and May, 2010. Of the nine members appointed by the City Council to the Committee, seven remained active throughout the process:

Tom Davies, Mike Reinman, Jenifer Fraser, Gail Saunders, Dean Heyenga, Mary Wilbur, Pat Morales

The Committee members chose to end their discussions (in most instances) by voting on a specific item. Of course, not all votes were unanimous. As a result, some of the recommendations being forwarded to the Council resulted from compromise, and the Committee members are well aware that more change and compromise will likely occur prior to the Council ever enacting any or all of the Committee's work.

Tom Davies, who was selected by the members to be the Chairman of the Committee, presented the findings to the Council on the Committee's work and recommendations.

Public comment included:

Tom Davies – Trinidad

Explained the process, research completed, and the purpose of the committee. He explained that there was a broad range of representation on the committee. The housing stock includes 32 VDU's + 5 or 6 inactive ones. They represent 15% of the current housing stock.

Recommendations discussed by the committee:

- Limit the number of VDU's in Trinidad. (Voted down 4-3)
- Create a new business license form. (unanimous)
- Increase first-time fee to \$100 (unanimous)
- Increase TOT to 10% (unanimous)
- Establish regulations for all VDU's (unanimous)

Recommended Regulations:

- No grandfather exceptions – apply all regulations to VDU's.
- 2 person/bedroom + 2 additional guests.
- 10 person limit
- One off-street parking space per bedroom.
- 2 night minimum.
- Emergency contact numbers posted.
- Signs @ unit identifying the Vacation unit posted on the home and clearly visible from the street.

Public comment included:

Pat Morales – Trinidad

I was for a cap on units. I requested that any non-active unit be dropped after 1 year and be required to re-apply or be on a waiting list. 15% ratio is plenty. Tom Davies also supported the cap.

Mike Reinman – Trinidad

Thanked the committee for their effort. The dialogue was constructive. There is a perception that a cap will dictate occupancy. Having a neighbor permanently may or may not be preferred. The economy has declined, and deals are being made. There is a saturation, but demand in Trinidad is still high.

Tom Odom – Trinidad

My home is surrounded by 6 VDU's. If a permit is required to operate a VDU then the public will be notified and have an opportunity to voice their concerns. Then, no cap would be necessary.

Jim Cuthbertson – Trinidad

The VDU's in my neighborhood are occupied more than 50% of the time. I have had no problems, and enjoy the visitor's company.

Glenn Saunders – Trinidad

This is more red-tape than it's worth. More paperwork means more work the employees. It's a hassle. You'll spend more time and money on this and the City won't be any better off.

Kathleen Lake – Trinidad

The committee was constructive and useful. It inspired communication and dialogue between individuals that wouldn't otherwise talk. The Clerk gets tired of my complaints. Over Memorial weekend I had 2 complaints that were responded to by Trinidad Retreats immediately.

Kim Tays – Trinidad

Cuthbertson doesn't have trouble with the Snell's rentals because they're incredibly particular when it comes to the tenants they allow to use the rental. However, not all rental agencies use discretion. I'm in favor of a cap. Community is important.

Tom Davies – Trinidad

We expect everyone to follow the rules and vacation rental operators should enforce them. If they don't, their right should be taken away. This is a serious problem in Trinidad and it should be taken seriously.

Council comments included:

Morgan: Thanked the committee for their hard work, and suggested the Council support their suggestions and develop a policy to enforce.

City Manager Albright explained that staff will not go around policing these units at night. Community policing will be necessary, but complaint driven regulations may assist both the owners and operators.

*Motion (Fulkerson/Ratzlaff) to receive and file the report from the members of the Vacation Dwelling Units Citizens' Advisory Committee, thank the members for their service, and direct staff to develop a draft ordinance to be considered by the Council within 2 months. **Passed 4-0.***

3. Proposed Council Policy for Commenting on County Land Use Issues

City Manager Albright explained that at the City Council meeting in April, the Council had a lengthy discussion regarding how and when the City of Trinidad should comment on land use proposals in the adjacent County areas. This discussion continued in the last meeting in relation to the proposed Homan subdivision project off Stagecoach Road.

The Council requested that staff return with a proposed policy on this issue.

A number of questions are attempted to be addressed in the proposed policy:

- What type proposals being made to the County merit comment from the City of Trinidad?
- Should a "threshold criteria" be established for making comment to the County?
- What factors make a proposal significant enough to merit comment from the City to the County?
- Who should comment on a proposal (staff, Planning Commission, or City Council).

Referral Process: The City of Trinidad receives many referrals for comment on some land use or environmental review action that is within the County's jurisdiction. The ability of another jurisdiction (or a private land owner) to comment could occur through a proposed land use action (i.e. zoning change, subdivision proposal, need for a zoning variance) or through an environmental review process (i.e. a NEPA or CEQA review period). There is no

mandate that the City respond to a notification of a review period, and in fact most notification that have been received in the past at Town Hall have not generated a formal response from Trinidad.

Relative Level of Importance: It would be untrue to say that some projects are unimportant to Trinidad. Every project is important to someone. In relative terms, however, those proposal that may impact the City of Trinidad in some manner rise to a level where the City may want to, at minimum, point out to the County that some potential impact needs to be addressed in the County's review process. For example, a project which may impact drinking water quality or quantity, surface drainage, traffic, municipal services, or other environmental issues may deserve attention from the City. On the other hand, a project proposal which is likely only to impact the specific property, such as a variance from a side-lot setback requirement, would have minimum if any impact on the City of Trinidad.

Staffing/Commission/Council Work: If it is determined that there is ample reason to comment on a proposal, there is a time and cost impact on the City staff, Planning Commission, and the City Council. That is not budgeted, especially if the burden of work falls on the City's contract Planner. Potential costs to the City even increase as the Planning Commission and/or City Council become involved. For this reason, as in the past, it is unlikely that many requests for comment will proceed as far as a public meeting in Trinidad.

Summary: Most jurisdictions leave the determination of whether or not to comment up to its professional planning staff. It is rare to see one jurisdiction actively support or oppose the actions of another jurisdiction unless a highly controversial proposal is involved. That has been the case only two times in the last three years in Trinidad, so this is not anticipated to be an ongoing concern or a huge budgetary implication. Rather, an adjacent jurisdiction will attempt to point out their "selfish concerns" that may relate to nay number of potential impacts from a proposed project. If the review process is intended to bring to light project impacts and potential problems, then the comment period is the City's opportunity to do just that.

Public comments included:

Robert Vogel – Trinidad Area Resident

It is a matter of interpretation whether a yes or no position is required on a specific project. If the citizenry doesn't like a Planning Commission decision, they can appeal it to the City Council. This is 2010, the process should be transparent. Put it on the web.

Kim Tays – Trinidad

The city did nothing wrong with regards to the Homan project noticing requirements. A development project of that scale IS the city's business. The Trinidad ASBS is a serious concern.

Sungnome Madrone – Trinidad Area Resident

Thanked the City Manager for his work on the policy. Government comments have the greatest strength. In the past 30 years only 2 projects have been raised to this level – Moss and Homan. I was at the PC hearing in Eureak. The Mayor and citizens asked for more information as to the relative impacts of the project. The City has jurisdiction to make comments and requests. Staff should not be making the call on projects of this scale.

Council comments included:

Fulkerson: This policy is way too complicated. I suggest it be re-worked, simplified, and brought back for review.

Morgan: I would like to see the City avoid taking a position on projects early on and focus on information gathering. City officials should also avoid using their positions to impact decisions of other governing agencies without Council approval.

By consensus, the Council agreed to direct staff to re-write a more simple and concise policy for consideration at a future meeting.

4. Street Light Report

City Manager Albright explained that this agenda item provides a status report on the City Street lights in Trinidad. At this time, it concentrates solely on the Museum/Library project, the Gateway Project on Main and Trinity Streets, and improvement plans for lights on Trinity Street and the Memorial Lighthouse area.

There are currently two projects, one now under construction and a second planned for construction later this year, which will be adding to or changing some of the street lights in Trinidad. Those projects affect seven (7) street lights. In addition to those lights, the City's budget includes funding for the relocation of three (3) street lights where their current location is an impediment to handicapped accessibility of the sidewalks. Finally, the improvement of the existing street light adjacent to the Memorial Lighthouse has long been a community desire, and this may also be the right time to address that light.

The street lights on Main Street, Trinity Street, and the one in front of the Memorial Lighthouse are all owned by PG&E. The City pays the electric bill for their operation. Since these lights are owned, and therefore maintained, by PG&E, it became apparent during the design of the Gateway Project improvements to either continue to use the same style of light and pole or select new lights and poles from the PG&E inventory. The street light that was chosen for the Museum Library Project is attached and reflects the style of light that was chosen by the Joint Committee.

No decision was made. Report item only.

XII. COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

XIII. ADJOURNMENT

- Meeting ended at 10:35pm.

Submitted by:

Approved by:

Gabriel Adams
City Clerk

Stan Binnie
Mayor