

MINUTES OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL
WEDNESDAY, MARCH 09, 2016

I. CALL TO ORDER

- Mayor Fulkerson called the meeting to order at 6:00PM. Council members in attendance: Miller, West, Fulkerson, Baker, Winnett.
- City Staff in attendance: City Manager Dan Berman, City Clerk Gabriel Adams, City Planner Trever Parker.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION – *No closed session.*

IV. RECONVENE TO OPEN SESSION

V. APPROVAL OF AGENDA

Motion (Baker/West) to approve the agenda as written. Passed unanimously.

VI. APPROVAL OF MINUTES – February 10, 2016 cc, February 17, 2016 scc

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

VII. COUNCIL MEMBER REPORTS:

West: HCAOG reports that many regional transportation projects are being postponed due to funding issues. Wrote a letter to HCOAG recently asking shoulders of highways to be better maintained so cyclists have a clear path of travel.

Baker: Nothing to report.

Miller: Nothing to report.

Fulkerson: Introduced Pen-Air now offering direct service to Portland, OR from ACV.

VIII. STAFF REPORTS:

City Manager Berman submitted a report to the City Council at the meeting highlighting various accomplishments and project status for the month, including;

- Requested that members of the City send letters of support for the Measure Z funding grant for Blue Lake and Trinidad to receive additional police services.

IX. ITEMS FROM THE FLOOR:

Carol Fernandez – Trinidad Area

Concerned with Verizon cell tower proposed on Ox Road in Westhaven. Concerned that the stand-by diesel generator and fuel storage tanks pose a risk to the Luffenholtz Watershed if runoff occurred.

Sam Fernandez – Trinidad Area

Regarding the Verizon cell tower proposal for Ox Road, that road is not suitable for commercial vehicles.

Elaine Weinreb – Trinidad Area

This is a County issue but no one is looking out for the City. A little diesel fuel leak or spill creates a lot of pollution. Concerned about the impacts the stand-by generator required at the proposed cell tower site may have on the Luffenholtz watershed. I would prefer they use propane, not diesel.

Pat Morales – Trinidad

Concerned with the City Manager's salary, as well as adding additional \$20,000 to Planning budget as well. Also stated that the February minutes did not clearly reflect the decision-making process regarding approval of the City Manager's contract amendments.

Steve Ruth – Trinidad

Asked question about process for getting items on the agenda vs. having questions addressed during items from the floor format.

* **Council member Fulkerson** requested that the City Manager report back at a future meeting regarding the status of the proposed cell tower in Westhaven.

X. CONSENT AGENDA

1. Financial Status Reports for January 2016.
2. Law Enforcement Report – February 2016.

Motion (Baker/West) to approve the consent agenda as submitted.. **Passed unanimously.**

XI. DISCUSSION/ACTION AGENDA:

1. Presentation/Discussion regarding General Plan Update

City Planner Trever Parker explained that the City is working towards adopting a revised General Plan and a revised LCP, including revisions to the ordinances to reflect the new General Plan and LCP. This presentation will provide some basic background on these important documents, an update on our current status, and a timeline for completion of this process.

State planning law requires all cities and counties to adopt general plans. The General Plan is intended to contain policies to guide land use and development in and around the City over a 20 year period. The City's existing General Plan was first adopted in 1975, revised in 1978 and certified by the Coastal Commission in 1980. Most of it is not broken down by element, but it does cover most of the same topics, including public services, circulation, housing, recreation, etc. There is another separate document – Public Safety Element, Noise Element and Scenic Highway Element – also adopted in 1975 that was not part of the Coastal Commission's certification.

In addition to state planning law, the City also has to meet the requirements of the CA Coastal Act, which requires that a somewhat different set of issues be addressed and a variety of coastal resources protected. Under the Coastal Act, cities and counties must adopt a Local Coastal Program (LCP), which must be certified by the Coastal Commission as adequate to carry out the provisions of the Coastal Act and associated regulations. Trinidad's LCP was the first in the State to be certified, which occurred under a pilot program in 1980. Since that time, the Coastal Act and associated regulations have evolved, but Trinidad's LCP has not always kept up. There are a number of places where the existing LCP is inconsistent with or insufficient compared to current requirements.

Elements and Background Reports

The General Plan update process was (re)started in 2007 as part of a regional watershed planning effort funded by a Prop 50 grant. This grant funded, among other things, the Trinidad-Westhaven Integrated Coastal Watershed Management Plan. It also funded several background reports and the initiation of a comprehensive General Plan update. Additional background reports have been prepared as part of other projects as well as senior practicums and internships at HSU. Since 2007, the update has slowly been moving forward element by element as staff time and budget allows.

The following background reports have been prepared for the general plan update so far:

- Impervious Surfaces Study and LID Recommendations, April 2006
- Background Report: Geologic and Seismic Characteristics of Trinidad, CA, April 2007
- Trinidad-Westhaven Integrated Coastal Watershed Management Plan, May 2008
- Trinidad Walkability Study, May 2008
- Fundamentals of a Circulation Element for the City of Trinidad, May 2009
- Background Report: Biology and Environment of the Trinidad Area, October 2009
- Background Report: Soil Characteristics of Trinidad, CA, October 2009
- Trinidad Architectural Survey (incomplete), November 2009
- Draft Trinidad Climate Action Plan, April 2010

There are a variety of other reports that are utilized or referred to in the general plan update which are not listed here.

Much of the General Plan update is complete in draft form. The following elements / chapters have been drafted and recommended / approved by the Planning Commission on the listed dates.

- Chapter 1: Introduction – October 2009
- Chapter 2: Land Use – September 2009
- Chapter 3: Conservation & Open Space – December 2009
- Chapter 4: Circulation – July 2012
- Chapter 5: Noise & Safety – December 2012
- Chapter 6: Housing – December 2013
- Community Design – Draft July 2014
- Cultural & Historic – drafted June 2013, not fully reviewed
- Glossary – October 2009, partially updated July 2014

The City Council has also reviewed the first 6 chapters (which includes all of the 7 state required elements). Once the last two elements (Community Design and Cultural and Historic) are reviewed by the Planning Commission and the Council, the entire document will need to be reviewed for internal consistency. Therefore, once all the elements are completed and updated, the entire draft will go back to the Planning Commission for final review and recommendation and then the City Council for discussion and adoption. Formal Tribal Consultation, and environmental review, will occur during this final step, although informal consultation is ongoing, especially regarding the Cultural and Historic Element.

LCP Update Grant and Current Work

The City currently has a grant through the Coastal Commission to finish the LCP update. Because of the overlap with the General Plan, this grant is effectively helping with both efforts. That grant goes through April 2017. Work on the General Plan update did get put on hold during the grant application and contract process in order to save the City money.

Work is proceeding on the LCP update. The following is a list of tasks that have been completed in the last year broken down by grant task.

- *Stakeholder Coordination and Consultation*
 - City staff have been meeting with Coastal Commission staff every other month to discuss progress.
 - A hand-out / flyer was created to let people know about the update (attached).
 - A section on the City's website (under the Planning and Building Services) was added where updates and documents can be provided: <http://www.trinidad.ca.gov/departments-a-services/planning-a-building-services.html>
 - Updates have been given at Planning Commission and Trinidad Bay Watershed Council Meetings.
- *Conduct Climate Change Planning*
 - A draft Climate Change Vulnerability Report has been prepared that identifies risks and adaptation strategies.
- *Perform Needs Assessment*
 - A Land Use Plan consistency analysis was completed that identifies gaps in the draft general plan as compared with the Coastal Commission's LUP update guidance.
 - A needs assessment for the zoning ordinance update has been created that identifies where the zoning ordinance falls short of current Coastal Act requirements.
- *Tribal Consultation and Cultural Resources Element Development*
 - City staff have met with representatives of the Yurok Tribe, Trinidad Rancheria and Tsurai Ancestral Society to discuss and gain input on the update and cultural element.

The final step for the grant will be to update the zoning ordinance based on all this background work and outreach. It is anticipated that at the end of the grant period, the City will have a complete draft LCP.

Some key milestones and estimated timelines are included below.

- Cultural resource element to PC - Spring 2016
- Harbor area policies to PC - Summer 2016

- Draft GP (whole thing) to PC – Summer 2016
- Zoning ordinance update to PC - Winter 2016
- Draft GP (whole thing) to Council – Winter 2016
- Update and PC review of other implementing ordinances – Winter / Spring ‘16/’17
- City Council review of LCP – Spring and Summer 2017

Staff time for the LCP and General Plan update has been a limiting factor considering everything else the City is working on, and VDUs in particular. The Council, City Manager, and Planner will need to continue to coordinate on the City’s priorities and available resources to ensure we can fulfill our grant obligations and complete these important projects.

The General Plan is a very important document with significant influence on community character. It serves as the land use “constitution” for development patterns in the City and furthers the following purposes: (1) Expresses the community’s vision of the future physical development of the City of Trinidad; (2) Enables the Planning Commission and the City Council to establish long-range conservation and development policies in the City; (3) Provides the basis for judging whether specific private development proposals and public projects are consistent with these policies in the City; and (4) Informs the residents, developers, decision makers, and other jurisdictions of the ground rules that will guide development and conservation in the City. Finalizing the update of the entire LCP should continue to be a City priority.

No decision was made. Presentation item only.

2. Presentation/Budget Overview and Future Revenue Scenarios

City Manager Berman presented an overview of the City’s primary revenues and expenses. This is the kickoff to developing next year’s budget, and is also important context as the City considers the sales tax renewal item on tonight’s agenda, and Ordinance changes that could affect transient occupancy tax revenue.

Trinidad has four main types of Revenue:

- **General Fund Revenue**, which can be used for almost anything (in the City Budget)
- **Enterprise Fund** – The City’s water service and the cemetery are Enterprise Funds, where we (try to) charge our cost for services, and revenues can only be used to run those ‘businesses’.
- **Competitive Grant Funds** – These are tied to specific projects like stormwater improvements, or septic system replacements. They can cover staff time spent on those projects.
- **Restricted State Tax Revenues** – These are restricted to specific uses – like Gas Tax for Transportation related projects, and COPS revenue for our Sheriff’s contract.

Our focus is on General Fund Revenues and Expenses, and to consider how the City could adapt to different revenue scenarios. Specifically the potential loss of the 0.75% sales tax, which expires next year unless the voters extend it, and potential changes in TOT revenue due to new VDU regulations.

2014-15 General Fund Revenue Sources and Amounts

TOT (Transient Occupancy Tax)	\$115,000	22%
Sales Tax (statewide, not City voter approved)	\$100,000	19%
Trinidad Sales Tax (Voter approved)	\$82,000	15%
Property Tax and Vehicle License Fees	\$91,000	17%
Grant Reimbursement	\$55,000	10%
Leases (Cell Tower, Franchise agreements...)	\$43,000	8%
Permit and License Fees	\$42,000	8%
Miscellaneous	\$6,000	1%
Total GF Revenue:	\$534,000	100%

2014-15 General Fund Expenses

Public Administration	\$248,000	46%
Public Works	\$143,000	27%
Public Safety (Sheriff)	\$76,000	14%
Planning and Building	\$51,000	10%
Fire Dept.	\$18,000	3%
Total	\$536,000	100%

Both City staff and contracted staff personnel expenses make up the single largest portion of our general fund expenses.

Future Revenue Scenarios, over the next 2-3 years.

The most obvious potential revenue changes on the horizon is the sales tax renewal vote this fall. That voter approved tax provides about 15% of our General Fund Revenue, or almost \$100,000 per year. VDU regulations could result in changes to TOT revenue as well. With those revisions still under development, this is hard to predict. If there are changes that affect revenue, they may be implemented over time, but that is also still unclear. TOT has been a major GF Revenue source in recent years.

Best Case Scenario: Local Sales Tax is renewed at 0.75%, TOT revenue remains stable, assume other revenue is stable. GF Revenue remains stable in the \$520K to \$550K range. With reasonable budgeting, this is sustainable for the near future.

Loss of Sales Tax: Sales Tax is not renewed, TOT revenue remains stable, assume other revenue is stable. If we assume revenue and expense are about equal, as we saw in the 2015 year end report, then this scenario puts us at a \$90,000 deficit annually. Unless we can identify new revenue, this requires putting many projects on hold and reducing personnel expenses to break even.

Loss of Sales Tax and TOT reduction: Sales Tax not renewed, and TOT revenue is reduced by 20%. This is a ~\$114,000 reduction in revenue. For a scale of reference, the full payroll cost of the City Clerk, City Manager, and Public Works Director are all in the range of \$75K to \$85K. So losing one of those positions would get us 2/3 of the way there.

Options for Increasing/Maintaining Revenue:

- The City can review services across the board to insure that our rate structure for permits, fees, licenses, etc. are truly covering the associated costs. This is worthwhile in any case, but will not make a large difference on the scale of the whole budget.
- The renewal of the sales tax.
- The City could increase the TOT rate, with voter approval. That rate is currently 10%. Rates across the state range from 8-14%* (Ca League of Cities data). Each one percent increase would result in approximately \$12,000 annually based on recent revenues.

Council questions included:

Winnett: Concerned with how much the City is spending on Planning related expenses.

Baker: Explained that the legacy costs of non-enforcement of certain issues is to blame. Supports additional expenses and continuing efforts to address the issues.

Public comment included:

Patti Fleschner – Trinidad Area

Question about the cell tower facility/income from Trinidad Head. City Manager Berman explained the current contract.

Leslie Farrar – Trinidad

When the State of California experienced budget shortfalls years ago, the employees took furloughs and didn't receive regular annual increases. I would support a 1% sales tax increase and would campaign for it.

Steve Ruth – Trinidad

I'd like to know how much staff time is covered by applicant generated projects.

Ben Morehead – Trinidad Area

I think the City should be thinking creatively to find new revenue sources without increasing taxes. Increasing admin charges for grant projects, revenue from natural resources, or leases to other businesses.

Jonna Kitchen – Trinidad

Fiscal responsibility is very important. 15% of the City's housing generates one of the top 3 revenue sources through Bed Taxes. More public safety is needed, and we should do what it takes to not lose any of the services we currently have.

Council reserved comments for the next agenda item discussion regarding sales tax increase.

3. Discussion/Decision regarding Consideration of Sales Tax Extension

City Clerk Adams explained that in April, 2004, the City of Trinidad voters approved a ballot measure to impose a 1% transactions and use tax (sales tax) for a period of four years, which took effect on January 1, 2005 and ended on December 31, 2008.

In 2008, the voters agreed to again institute an additional tax of .75% effective on April 1, 2009. Collection of this additional tax was scheduled to end on March 31, 2013, but was approved again by the voters in November 2012 for another 4-year term set to expire on March 31, 2017. This additional tax generates approximately \$100,000 per year (which represents about 17% of the total General Fund) and supplements the General Fund that supports police and fire protection, street and public facility services, park and trail maintenance and services provided by the town office.

In order to continue either the .75% tax add on or a different tax add on, a measure will need to be included on the November 2016 ballot at the latest. There would be no preparatory costs assessed by the Board of Equalization in the event the current tax add-on is continued. If the tax add-on lapsed and was subsequently approved again, the Board of Equalization would assess a preparatory start up cost. The preparatory start up in 2008 due to a break in application of the tax add-on was approximately \$15,700. If the add-on tax was continued but changed to a reduced (or increased) rate, there may be an associated set up cost assessed by the Board of Equalization.

Public comment included:

Laura Scott – Trinidad

Research related to Bed Tax concluded that higher housing stability equals lower crime rates. Most of the data came from inner-city statistics, but local people like myself are experiencing the psychological effects of having to move out of one home and into another. Also alerted the City that there could be vacation rentals that aren't reporting income and are illegally operating.

Tom Davies – Trinidad

The ¾% sales tax increase was sold as a public safety tax. That should be the same method the new tax extension is presented as. I would support the increase.

Leslie Farrar – Trinidad

This should be on the November ballot. Increase it to 1%. Bed Tax is too closely tied to staff salaries and job security. Trinidad may not be in a position to give contributions to certain organizations and may have to limit spending to balance the budget.

Council comments included:

Fulkerson: I support extension of the current tax increase, and glad to hear citizens are willing to help get the word out. I will support it and campaign for it. Please keep staff salaries in perspective, a 1-hour

massage in Arcata is between \$60-70. We should definitely be having lease discussions with Verizon as well.

West: Worried about raising it to 1% and how that may change the voters perception.

Baker: I support the renewal and would direct staff to begin initiating the process to get it on the ballot in November.

Miller: I support the increase, and am also willing to consider the 1% rate.

*Motion (Fulkerson/West) to direct staff to take necessary steps to include the .75% sales tax increase extension for 4-years on the November 2016 ballot, and if time allows bring back the 1% and other options to the April meeting for further discussion. **Passed unanimously.***

4. Discussion/Decision regarding Resolution 2016-02 in support of declaring the Federally owned property on Trinidad Head as a California Coastal National Monument.

Mayor Miller read the Resolution, as proposed by the Trinidad Coastal Land Trust. Mayor Miller read the resolution aloud. City Manager Berman explained that he reached out to the local tribal entities (Yurok, Tsurai, and the Trinidad Rancheria). He received a letter of support from the Rancheria, and received a phone call from the Yurok Tribe raising concerns about the potential impacts that elevating the status of the area may cause.

Council questions included:

Winnett: Should we wait for the BLM to unveil their plan for Trinidad Head? What do we say to the Yurok?

Fulkerson: I contacted the BLM, and attended a League of CA meeting hosted by Trinidad and discussed this with a city official from Point Arena. The only down side seems to be more visitor traffic on Trinidad Head. I support the designation. It is not our Head. It belongs to the people. I trust the BLM.

Public comment included:

Elaine Weinreb – Trinidad Area

Will this new status change public access in any way? If so and access is increased to the area, will there be a need for additional police service to ensure the area is protected?

Leslie Farrar – Trinidad

It could change the character of the property quite a bit.

Robert Hempsted – Trinidad Rancheria

The Rancheria supports this designation.

Patti Fleschner – Trinidad Area

Coastal National Monument Committee meets quarterly. The Trinidad Head lighthouse area is open periodically and by request. It is a very popular site. If it is on another Federal map, there will be a higher demand for visits and the question is how we accommodate them.

Tom Davies – Trinidad

Questions regarding ownership of the parking lot area.

There was no further Council comment.

*Motion (West/Fulkerson) to adopt Resolution 2016-02 in support of declaring the Federally owned property on Trinidad Head as a California Coastal National Monument. **Passed unanimously.***

5. Discussion/Decision regarding Council Committee Assignments.

The committee assignments were amended as follows:

COMMITTEE	REP	ALT
Humboldt Waste Management Authority HWMA	Miller	West
Humboldt County Association of Governments HCAOG	West	Miller
Tsurai Management Plan Implementation Committee	West, Baker	Miller
Redwood Regional Economic Development Corp. RREDC	Fulkerson	Baker
HTA Humboldt Transit Authority HTA	Fulkerson	West
Redwood Coast Energy Authority RCEA	Miller	Baker
BLM Gateway Committee	Miller	City Manager
Humboldt County Convention & Visitors Bureau HCCVB.	Winnett	Miller
Library, Museum, Park Committee	Baker, West	Miller
Office of Emergency Services OES	Winnett	West/Miller
Hazardous Materials Response Authority HMRA	Winnett	West/Miller
Indian Gaming Benefit Committee	Miller	West
Humboldt Mayors Committee	Miller	
Local Law Enforcement Committee	Baker	
Trinidad Rancheria Liaison	Fulkerson, West	
League of CA Cities	As Needed	

XII. ADJOURNMENT

Meeting ended at 9:00pm.

Submitted by:

Approved by:

Gabriel Adams
 City Clerk

Dwight Miller
 Mayor