

MINUTES OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL
WEDNESDAY, FEBRUARY 25, 2009

I. CALL TO ORDER/ROLL CALL

- Mayor Binnie called the meeting to order at 7:00PM. All council members were in attendance: Bhardwaj, Ratzlaff, Morgan, Binnie, Fulkerson.
- City Staff in attendance: City Manager Steve Albright, City Clerk Gabriel Adams, and Police Chief Ken Thraillkill.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION

Real Property Negotiations: Section 54956.8, Lease/Sale of 12.5 Acres of City Property

IV. RECONVENE TO OPEN SESSION

Mayor Binnie announced that no decisions were made in closed session, but that a public information meeting/discussion will be held within the next 30 days.

V. APPROVAL OF AGENDA

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

VI. APPROVAL OF MINUTES – No minutes to approve.

VII. COMMISSIONERS REPORTS

Bardwaj: The Planning Commission appointed Richard Johnson as Chairman, and Judy Lake as Vice Chair, approved the Gateway Project plan, discussed conflict of interest, and organized goals for the General Plan update. She also announced that the City is seeking volunteers to serve on the Citizens Tax Advisory Committee. Deadline is March 03.

Binnie: Met with Congressman Mike Thompson regarding the federal stimulus package. Also met with Water Plant Operator for a tour of the water treatment plant.

Fulkerson: Toured the water treatment plant with Mayor Binnie. It was very informative, and the City is very lucky to have Buckman on staff.

Morgan: Attended the Indian Gaming Committee meeting. This is the perfect opportunity to fund the purchase of a new rescue vehicle for the TVFD.

VIII. STAFF REPORTS – No staff reports.

IX. ITEMS FROM THE FLOOR

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

Jim Cuthbertson – Trinidad

Edwards Street parking is still a major safety issue that should be resolved before the busy summer season.

Richard Johnson – Trinidad

Distributed a packet to the Council created by the Cascadia Center for Leadership containing great information on how to conduct public meetings.

X. CONSENT AGENDA – No consent items.

XI. AGENDA ITEMS

1. Presentation on Accounts Receivable

City Manager Albright explained that the Council has received varied reports regarding the status of funds owed to the City of Trinidad from the State of California. The funds are related to grant contract reimbursements that have been frozen until the State's current financial crisis is addressed.

In addition, there are two other primary sources of accounts receivable. They relate to the Water Department and fees related to applications where charges are incurred by the City's contract planning firm, Streamline Planning.

There is a relatively significant balance of overdue fees owed to the City for planning-related services. Unlike a building permit, where the building permit fee is paid in advance of receiving the requested permit, planning fees historically in Trinidad have been paid after they are incurred. Typically, a \$400 deposit is required, but this is usually not sufficient to cover the costs of planning review of a requested action of the Planning Commission. Currently, the outstanding and overdue fees which have been billed total approximately \$12,670, and 58% of that amount is owed by one applicant (Redwood Oil Company).

Overdue accounts to the Water Department are less serious.

Council comments:

Bhardwaj: In some cases, certain billable hours may be a result of poor decisions made in the past. For instance, the Redwood Oil project was complicated both legally and emotionally. It seems reasonable to bill them for time spent analyzing the project's consistency with the zoning ordinance, but not for historical research done to understand what when wrong in the beginning. Councilmember **Morgan** agreed.

Fulkerson: All applicants should be treated equally. Just because someone is powerful doesn't mean they should be overlooked. We want to focus our attention on cooperative citizens who pay their obligations on time. I support Staff take input from the hearing tonight and draft a policy that is black and white.

Ratzlaff: Applicants should pay for the permit before it is issued.

Morgan: I would support handling past issues that were based on City mistakes with discretion, and move forward with a new policy that is black and white.

Public comment included:

Jim Cuthbertson – Trinidad
Agreed with Bhardwaj.

Brad Twoomey – Trinidad

Chevron is a commercial business and their project has provided a lot of training to the Planning Commission as to how to review a project based on its consistency with the design review ordinance. Peter Van Alyea enjoyed 13 years of having an illegitimate sign on his property. He also has been non-responsive to the City, which, in many cases caused many delays and left a number of conditions incomplete at his leisure. He has had clear instruction from the Planning Commission. The City's nuisance abatement ordinance should be enforced in this case. Also, the improvements should be harmonious with the proposed Gateway Project improvements.

Kim Tays – Trinidad

According to the City Manager, a letter was sent by the City Attorney to Redwood Oil brining to their attention the past due amount they owe. A response was then received by the City Manager. Is the public entitled to obtain copies of this correspondence? Mr. Van Alyea owns a number of gas stations in Northern California. His company received approximately 98.4 million dollars in revenue last year. The City should stand up for itself and not back down. A message should be sent that the planning process is taken seriously. We shouldn't negotiate.

Cindy Lindgren – Trinidad Area Resident, Gateway Committee member

Has anyone seen the Chevron Station off Guintoli Lane recently? It is ridiculous. It looks like a spaceship. The protests raised during the recent Chevron hearings helped keep the Trinidad station from looking like that one. Van Alyea purposely did certain improvements on a Sunday morning and admitted he did it to avoid hassles from City officials.

Mariva Russo – Trinidad

I've enjoyed the discussion so far. The points that are important to me have been introduced tonight. The City should consider completing the work that was conditioned by the Planning Commission itself and bill the applicant. The Planning Staff may have misinformed the applicant from the beginning and caused excessive fees. There is an interest and penalty process that the Water Department currently enforces. Maybe we should

consider applying the same policy to planning fee recovery. Policy driven vs. complaint driven issues would be appreciated by the citizens of Trinidad.

Staff comments included:

Albright: The City should be run like a business. Everyone should be treated equally, but we all know that spending more on Attorney fees than the fees do isn't good business.

By consensus, the Council directed the City Manager to draft new policies and procedures to handle planning fee recovery and bring back to a future meeting for review.

2. Presentation, Review, and Council Action on the Gateway/HR3 Project Design

City Manager Albright explained that the Gateway Committee has been working on the Gateway Project design since 2005. More recently, the Gateway Project was joined with the HR3 to consolidate the planning for beautification and safety improvement on Main and Trinity Streets from the 101 interchange to Trinidad Elementary School.

The Gateway Committee has approved the current design, and that design was also recently approved by the Trinidad Planning Commission. Each group is now referring the project to the City Council for approval. If this is done, the final engineering design will be done, and the project can go out to bid and begin construction in late Spring of this year.

There are several to-be-determined details of the project that relate to the "artistic enhancements" of the project.

At its meeting in November, 2008, the Planning Commission was presented the design for the combined Gateway/HR3 project planned for Main Street and Trinity Street. The Commission approved the requested Coastal Development Permit with conditions, but the Commission also requested that a revised design be re-presented in an effort to address certain concerns and questions raised by members of the public at that meeting.

This is a combined project because it includes two separately funded projects:

- The Trinidad Gateway Project, funded originally in 2003, which encompasses improvements within the public right-of-way on Main Street from the northbound 101 off-ramp to the western edge of the Chevron gas station property. The majority of the improvements are planned for the north side of Main Street.
- The High Risk Rural Route (HR3) Project, funded in 2007, which encompasses primarily sidewalk and other traffic/pedestrian safety improvement on the north side of Main Street from the western edge of the Chevron gas station property around to the parking lot entrance to Trinidad Elementary School.

There were three specific issues raised by the Planning Commission that have been addressed in some manner:

- Work directly with the adjacent business and property owners and the elementary school principal to complete a design that is acceptable to all parties.

Mayor Binnie, Steve Albright, and Steve Allen (Winzler & Kelly) met with the property and business owners who were concerned with their possible loss of parking. Some re-design was done, including removal of the planned bulb-out in front of the Trinidad Trading Company. Other questions were answered to the satisfaction of the citizens, including the changes proposed in front of Trinidad Elementary School. Jeff Proust (the school principal) and Barbara Snell (represented by the business owner) were involved in these discussions and changes

- Final design details need to be reviewed and agreed upon by the Gateway Committee and changes presented to the Planning Commission.

The Gateway Committee has been meeting weekly since December in an effort to expedite its final review of the varied design components of the two combined projects. The Committee is now in agreement regarding all but the most final details, and the current plans are to present the final (90%)

design to the City Council on February 25, 2009. This will enable the preparation of a bid package soon thereafter with plans to begin construction prior to summer 2009.

- Improvements Planned for the HR3 Project may include some of the design elements, but not necessarily all of them, such as the “bulb-outs.”

A final design schematic that will be presented to the Planning Commission seems to take into account the considerations of all concerned parties. One of the bulb-outs was removed, and the remaining ones do not seem to either impede pedestrian or vehicular traffic or cause the loss of more than two parking spaces. The project as now designed should meet the goals of the funding: to improve safety on a rural road.

Finally, these discussions and changes to the design affected primarily the HR3 portion of the combined project. The Gateway portion of the project has been in planning for a number of years, and there seems to be no community or citizen opposition to those designs. Final working drawings and details are not available, particularly the public artwork component of the project.

Finally, these discussions and changes to the design affected primarily the HR3 portion of the combined project. The Gateway portion of the project has been in planning for a number of years, and there seems to be no community or citizen opposition to those designs. Final working drawings and details are not available, particularly the public artwork component of the project.

Council comments included:

Morgan: I would caution any improvements that would urbanize Trinidad any more than necessary.

Fulkerson: Agreed with Morgan, and added her support for bulb-outs. She also inquired whether the any funding was included to improve the street lighting. If not, we she suggested looking into alternative sources of funding such as street lights dedicated to private individuals. There is evidence proving that street lights do not prevent crime, and any improvements reducing light pollution would be welcomed.

Public comment included:

Jim Cuthbertson – Trinidad

Someone better deal with the light pole in the middle of the sidewalk in front of the Art Gallery. Is there any money in this grant to fix that? I'm the only one in this town that cares about handicapped accessibility. ☺

Sungnome Madrone – Fox Farm

Sidewalks don't have rebar, and all the existing concrete that will be destroyed as a result of the improvements should either be offered to the public or somehow recycled.

Brad Twoomey – Trinidad

Offered a historical overview of the Gateway project in order to put into perspective how far it has come to reach the Council for a decision tonight: In 1998, Brent Twoomey discovered the Gateway Project funding availability. In 1999, Shirley Laos, Brent Twoomey, John Frame, and Barbara Snell started developing the project. 10 years have gone by, and no matter how hard you try sometimes, reality has a way of slowing you down. There's enough Gateway material to put on a major exhibit

*Motion (Bhardwaj/Fulkerson) to approve the Trinidad Gateway/HR3 project. **Passed unanimously.***

3. Presentation on a Proposal to Amend the City's Water Rate Structure.

City Manager Albright explained that this item has been discussed for several years. If a restructuring of the water rate system is to occur this year, then it is appropriate for decisions to be made soon that can be integrated into the 2009-10 budget process that will begin in April or May of this year.

The objective of considering restructuring of the water rates is twofold. First, water conservation would be the primary objective. In conserving water, there are other benefits such as the reduction of water going into Trinidad's septic systems and being eligible for certain future grant programs for improving the water system. Second, re-evaluating the rate structure should be done to assure that there are adequate revenues needed to run the system and build a reasonable financial fund balance for mandated future improvements.

Albright introduced Past-Mayor Chi-Wei Lin. Lin presented a water rate restructure proposal and started by outlining the following major problems with the current system:

- It does not encourage conservation.
- The major difference between in-city and outside-city rates.
- The consumption charge for water used in excess of the base rate is too low.
- Low water users subsidize high-users.
- At the current rate, the city charges less than $\frac{3}{10}$ th of a penny per gallon.

Lin also identified reasons Trinidad should pursue a structure that encourages conservation:

- To have adequate supply on hand during drought seasons.
- To allow room for future hook-ups.
- Reduce material use and labor costs.
- Prolong deterioration of the treatment plant.
- Use the progressive rate structure as leverage to obtain grant funding for future plant upgrades.

Lin highlighted features the proposed rate structure, such as:

- Eliminating the minimal allowance.
- Progressive tiered-rate system.
- A winter/summer rate alternate.
- Reduction of the difference between in-city and outside-city rates to 25%.

The new rate structure would look something like this:

- \$18.00/month base rate for in-city, \$22.50/month for outside-city. Base rate would include no water, and could be accounted for as payment toward the infrastructure.
- Consumption charges for winter (Oct-Mar) would be \$4.00/cuft & \$5.00/cuft, but in the summer (April-Sept) they would be \$5.00/\$6.25 respectively.
- The rate progression would be 1-200, 200-400, 400-600, 600-1000, 1000-4000, with consumption rates that increase gradually with each step.
- The projected revenue that this proposal targeted was 109% of the this year's projected water department income.

Council comment included:

Bhardwaj: I like the new conservation structure. I would like to see the difference between city and outside-city lowered. I would also like to see that the residents of the trailer park are handled gently during the change. They are our low-income residents. Disagreed with Morgan's comment that higher-rates equal punishment. It's not punishment, it's paying for what you use.

Ratzlaff: One way to look at it is that a 25% rate reduction to residents outside the city limits may provide some relief to those charged the city's sales tax rate incorrectly.

Binnie: By adopting a progressive rate structure will make the City more competitive when searching for grants to improve the water system. I too support and will consider programs that encourage water conservation.

Fulkerson: Also in support of reducing the in-city/outside-city difference. She also thanked Lin for time and effort on this proposal.

Morgan: Conservation is a moral decision. I disagree that people use less when they are threatened to be punished with higher rates. We need to look at how this will impact businesses and high-users. I don't see people wasting water around town.

Staff comment included:

Albright: Explained why cities and utility districts often time charge more to users outside district boundaries.

Public comment included:

Glenn Saunders – Trinidad

I don't agree at all with this proposal. The City has had the current system in place for many years. This one is too complicated. The City Engineer designed the current structure and it works fine. The proposal is not in the

interest of users. We have never run out of water. Customers outside the city were happy to pay the higher rates because at the time they had little to no water. The residents inside the city limits are liable to pay off the Davis-Grunsky Loan. We should improve the system, not change the rates.

Lin added that a number of other cities have adopted the progressive rate system successfully.

Jim Cuthbertson – Trinidad

What happens if everyone conserves and we don't have enough revenue coming in to run the plant? Will we have to adjust the rates again? We better be careful that this doesn't end us costing us so much that we can't afford it.

Janine Volkmar – North Westhaven resident, Trinidad Water System customer

Thanked Lin and the Council for the presentation. She explained that not only are the rates higher for outside-city residents, so were the connection fees. The rates should be unified. Water is a commodity, not a lifestyle choice. People outside the city have been helping pay back the Davis-Grunsky Loan in different ways, and at a greater rate with sales tax revenue.

Ellen Golla – North Westhaven

Supported a rate structure that was equal for in-city and outside-city customers. Our family conserves greatly, and pay dearly for our water.

Shirley Laos – Trinidad Rancheria representative

The Rancheria has contributed many ten's of thousands of dollars to the Trinidad Water System. Its residents also pay the outside-city rate. The Rancheria captures its gray water, treats it, uses it for landscaping, and is very concerned with conservation and environmental protection. A balanced water rate system is preferred.

Sungnome Madrone – Fox Farm

For decades, fishing was the #1 economic engine for this community, but not anymore. Why? Partly due to stream degradation. Taking more water from the creek has a direct impact on the fisheries. The proposed structure still doesn't account for future improvements to the distribution system. Another good way to conserve water is to protect the watershed.

No decision was made, but the Council agreed to continue the discussion at a future meeting. The following main points were noted by the Council to guide staff as the proposal is developed. It must:

- *Be fair and equitable.*
- *Encourage conservation.*
- *Protect bluff stability.*
- *Decrease the difference between in-city and outside-city rates.*
- *Position the water department so that it is more eligible to receive grant funding for improvements.*

*Motion (Fulkerson/Bhardwaj to approve proposed Resolution 2009-07 amending the FY 2009 Budget for the City of Trinidad. **Passed unanimously.***

XII. COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

XIII. ADJOURNMENT

- **Meeting ended at 10:30pm.**

Submitted by:

Gabriel Adams
City Clerk

Approved by:

Stan Binnie
Mayor