

MINUTES OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL
WEDNESDAY, JANUARY 09, 2008

I. CALL TO ORDER/ROLL CALL

- Mayor Lin called the meeting to order at 7:00PM. Council members in attendance: Binnie, Ratzlaff, Bhardwaj, Fulkerson.
- City Staff in attendance: City Clerk Gabriel Adams; Police Chief Ken Thrailkill; TPW Director Bryan Buckman, Assistant City Clerk Robin Fraser. City Attorney Paul Hagen, City Accountant Deborah Brooks.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION

1. Personnel Review – Government Code section 54957
 - a. Police Chief Annual Review

IV. RECONVENE TO OPEN SESSION

Mayor Lin reported that the annual review of the Police Chief was conducted in closed session.

V. APPROVAL OF AGENDA

Fulkerson: Pull consent item no. 2 for discussion.

*Motion (Fulkerson/Ratzlaff) to approve the agenda as amended. **Passed unanimously.***

VI. APPROVAL OF MINUTES

December 12, 2008 cc

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

VII. COMMISSIONERS REPORTS

Binnie - Parks and Recreation, Streets

TPW: Most of the Trinidad trails avoided significant damage throughout the recent storm events, with the exception of the Axel Lindgren Memorial Trail. High seas once again eroded the foot of the ALMT trail, and the City will see that the damage is repaired at the conclusion of the storm season.

Resident Glenn Saunders brought to the City's attention in early 2007 that there were some discrepancies associated with the City's easement along Parker Creek Drive. The City Engineer is working on documents correcting the easements, and will report back to the City at a future meeting.

Edwards Street parking, speeding, visibility, and overall safety issues are being reviewed by City staff and will be brought to the Council for discussion at a future meeting.

Thanked volunteers who helped get the new Police Facility up and running.

Bhardwaj – Health & Human Services, Planning

Health: Announced the upcoming village keeper list of events.

Planning: Highlighted the upcoming Planning Commission agenda for January 16. The following items will be discussed: 1) New home construction on Edwards Street, 2) Accessory Dwelling Units, 3) Tree Planting Guidelines, 4) General Plan discussion – Land Use and Conservation Element, 5) Lighting options for the streetlight at the Memorial Lighthouse.

Lin – Water, Town Hall

Town Hall: Nothing to report.

Fulkerson – Public Safety

Deferred to Police Chief's report.

Ratzlaff – Finance – Deferred to CPA report.

VIII. STAFF REPORTS

City Clerk/IWMC – Adams: Announced the Christmas Tree recycling program that's taking place behind Murphy's Market, and thanked Caltrans and Glenn Saunders for their assistance.

City Attorney – Hagen: Nothing to report.

Police Chief – Thraikill – Announced arrests, service calls, and statistics. Also noted that the department will be looking ahead to develop priorities and new programs for 2008.

TPW Director Buckman - Troy Ivie is doing a great job. The Water Department is in the process of replacing defunct meters. Water use is low during this time of year. Applied to a reimbursement program from the State for Plant Operator training and testing expenses.

City Accountant Deborah Brooks – Apologized for the delay in providing quarterly statements and monthly reports to the Council. She presented the September 30 statement and the October and November expense reports.

IX. ITEMS FROM THE FLOOR

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

Bill Taylor – Verizon Wireless Representative

Requested that the City take action on Verizon's request to install an Appleton Plug to its facility on Trinidad Head. The plug will allow for a quick transition to standby generator power in the event of long power outages or emergencies. He noted that secondary power supplies are critical to the reliability of Verizon's network, and that they take this issue very seriously.

Council member Binnie asked Taylor how long the current standby battery power will last, and asked if the company was required by law to provide back-up service. Taylor replied, stating that the power would last approximately 4-5 hours, and that he wasn't aware of the law requiring back-up power installations.

Glenn Saunders –Trinidad

When will the Town Hall rental rate schedule be updated?

Jim Cuthbertson – Trinidad

Suggested that the Council hold its meetings in the Civic Club Room.

Sam Merriman – Trinidad/Moonstone Heights

The purpose of this tax should be explained to the residents who live outside the city limits. They're the ones being unfairly taxed, and should be alerted of the situation. If the tax is continued, the city should make serious efforts to educate the public as much as possible on how to avoid paying the tax, and how to obtain refunds on tax paid mistakenly.

X. CONSENT AGENDA

1. Resolution #2008-01; Authorize the City to apply for a Prop 50 funding program for improvements to the Trinidad Water System and authorize the Mayor to sign the application on behalf of the City.

Motion (Fulkerson/Ratzlaff) to approve consent agenda item 1. Passed unanimously.

2. Letter to Verizon regarding the City Council's opinion of the cellular communications facility on Trinidad Head.
Moved to regular agenda for discussion.

Councilmember Bhardwaj read a draft letter to Verizon Wireless stating the Council's opinion of the cellular facility on Trinidad Head.

Public comment included:

Jim Cuthbertson - Trinidad

Why send this letter if Verizon didn't ask for it? This Council should not commit a future Council to something they may not agree with. **Tom Odom** agreed.

Terry Marlow – Trinidad

The Council owes Verizon a decision regarding the Appleton Plug.

Brad Twoomey – Trinidad

Argued that there is plenty of evidence to support the illegitimacy of the cell site on Trinidad Head, and proceeded to give the Council a lengthy speech outlining the acquisition and development history of Trinidad Head. He concluded that he was in favor of reliable cell service on an alternative, legal site.

Kim Binnie – Trinidad, Friends of Trinidad Head

Supported the draft letter and encouraged the Council to send it.

Staff comment included:

City Attorney Hagen: The draft letter proposed tonight has nothing to do with the Appleton Plug request, and gave a brief summary of why the Council decided to write it. He also suggested a few minor amendments.

*Motion (Bhardwaj/Binnie) to approve the letter as amended. **Passed unanimously.***

XI. AGENDA ITEMS

1. Discussion/Decision to call a special election on a proposal to extend the 1% increase of the transaction and use (sales) tax for another four years. (Lin)

Mayor Lin explained that in 2004, the citizens of Trinidad approved a 1% sales tax increase for a four period, which will end by the end 2008. The decision before us now is whether we want to extend this higher tax rate. His presentation included the following information:

I. Procedure

A. Schedule: The reason that we have to make a decision now is the extension needs to be approved by an election. Elections can only be held on certain dates designated by the State as election dates. In order for the sales tax be extended without a gap, it needs to be approved about four months before it is expired. The only election date available within this time frame is April 8, 2008. In order for the election to take place on April 8, the Council must approve a resolution and announce the election 88 days before the election date, that is before Jan 11.

B. Avoiding fees: Another procedure requirement is if we extend the sales tax increase by (1), keeping it as a "General Purpose Tax" and not change it to a "Special Purpose Tax" increase, (2), keeping the same 1% increase, and (3), approve by an election without a gap, then there will be no set up fee or discontinue fee charged to the City. Everything will continue without cost.

C. Voting majority: An increase of "General Purpose Tax" must be approved by a 2/3 majority vote of the Council and a simple majority of voters, while an increase of "Special Purpose Tax" needs to be approved with 2/3 majorities of both the Council and voters.

II. Impacts, Benefits for the Tax Increase and Need for Extension:

A. Impacts: In last Council meeting, I presented a review of the General Fund account before and after the tax increase (Table 1). The numbers show that:

- The extra 1% sales tax has no negative impact on the business of the City. Merchants in the City did 50% more business after the sales tax increase.
- The sales tax increase did not keep tourists from visiting Trinidad. The TOT (transient occupancy tax) increased by 70% (from \$26,000 to \$44,000) after 3 years of sales tax increase.

B. Benefits: The following benefits resulted from the tax increase.

- The current tax increase improves the General Fund balance. The extra 1% brought in \$150,000 to \$180,000 each year. In two years after the increase, the City was able to add \$330,000 to the General Fund reserve.
- The sales tax increase enables the City to make needed improvements in service and help the community. In the current fiscal year, this amounts to \$200,000. We were able to upgrade some fire fighting equipment that is critically needed by the Fire Department, rent a space for the Police facility, provide assistances to the Civic Club and the County Film Commission, contribute to the building of a library, provide funds for hiring a city manager, and set aside raining day funds for police and potential disasters.
- Extending the sales tax increase for another 4 years will bring in another \$600,000 to \$700,000 to the City. This is a resource we can use to benefit the City as well as to its neighboring communities.

C. Need for extending the increase: Why extend sales tax?

- *Extra services are needed for large number of visitors:* With a population of 311, the City has a very limited tax source of revenue. The General Fund is not just providing essential services to the 311 residents of the City, but also to thousands who visit here. The high visitors to residents ratio puts a heavy burden on the City's ability to provide adequate and essential services.
- *Protection against poor economic condition:* The ability for the City to provide relies to a large extent on the state and federal grants. Their budgets are influenced by politics and economic conditions. With today's economic and political uncertainty, we need to set aside funds so that we can continue providing the essential services when a grant is lost.
- *Preparing for a secure and better future.*

Staff comment included:

City Attorney Hagen: Clarified that this is not a case of "taxation without representation" as it has been popularly characterized. He emphasized that the tax is intended to be applied only within the City limits of Trinidad, but has been incorrectly implemented. Due to implementation discrepancies, the City has diligently assisted citizens living outside the City limits with methods of avoiding the tax.

Public comment included:

Richard Johnson – President, Trinidad Chamber of Commerce

The Chamber would like to work with the City to develop a public awareness campaign to help eliminate tax discrepancies.

Steve Ruth – Trinidad

The purpose of the original tax has been met. If the sales tax initiative is approved by the voters in April, the new funds should be spent based on priorities set by the public.

Sam Merriman – Trinidad

Suggested that the City annex everyone in the 95570 zip code so that they may be included in voting for City issues that will impact them. In the meantime, the City should work to educate the greater Trinidad residents on ways to avoid paying the tax.

Tom Odom– Trinidad

The tax was originally intended to build up reserves and protect the City from bankruptcy. Now that the goal has been met, the City should tighten its belt and reduce spending.

Jim Cuthbertson - Trinidad

Let's get back to the old days when there were no sidewalks ☺.

Mike Morgan – Trinidad

As a Trinidad business owner and member of the Fire Department, I support the tax. \$300,000 is not a large enough reserve. I also agree that the residents should have a say in how the additional revenue is spent.

Kim Tays-Binne - Trinidad

I'd like to see some of the additional revenue spent to pay part-time employees of the City a decent, living wage.

John Spyropolous – Trinidad

I support the tax and want to have a say in how the additional revenue gets spent.

Council comments included:

Binnie: The Governor may soon be declaring a fiscal emergency. This will no doubt impact local governments. The additional sales tax revenue will allow Trinidad to become less dependent on State resources.

Fulkerson: Thanked Mayor Lin for his presentation and stated her support for the additional sales tax. She agreed with Mr. Merriman that public education is key.

Bhardwaj: It is important to invest in the future. Rainy day accounts are important, and the City should continue to build a healthy savings account to prepare for future unknowns such as disasters or budget crises.

Council action:

Motion (Lin/Fulkerson) to:

- *Approve Resolution 2008-02 calling a special election to be held on April 08, 2008 on a proposal to extend the 1% increase in transaction and use (sales) tax for another four (4) years*
- *Approve the public announcement of the election by newspaper advertisement*
- *Seek and develop methods for providing non-residents of the city with information on ways to avoid being wrongfully taxed and ways to obtain refunds.*

Motion passed unanimously.

2. Discussion/Decision regarding purchase of an emergency generator for the Water Plant. (Lin)

Mayor Lin explained that the Water Plant is in need of an emergency generator to maintain its operation during power outage. The City currently rents a generator when necessary. There have been times when reserving a unit at the last minute is difficult and risky. During the January 2006 storm, we spent more \$5,000 to rent a unit shipped from Oregon. It is possible to purchase and install a suitable unit for the Water Plant for less than \$10,000. The funds will be provided by the Water Fund reserve.

Staff comment included:

Chief Water Plant Operator Buckman: \$12,500 would be more realistic.

Public comment included:

Sam Merriman – Trinidad

Suggested contacting the Shelter Cover Resort Improvement District to find out what type of generator they use.

Council action:

*Motion Fulkerson/Binnie to approve the purchase of a standby generator to provide power to the Water Plant during emergency outages at a cost not to exceed \$12,500 and funded by the Water Fund reserve. **Passed 5-0.***

XII. COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

XIII. ADJOURNMENT

- **Council meeting ended at 9:30pm.**

Submitted by:

Approved by:

Gabriel Adams
City Clerk

Chi-Wei Lin
Mayor