

MINUTES OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL
WEDNESDAY, MARCH 14, 2012

I. CALL TO ORDER/ROLL CALL

- Mayor Pro-Tem Fulkerson called the meeting to order at 7:00PM. Council members in attendance: Morgan, Davies, Fulkerson. **Miller & Bhardwaj were absent.**
- City Staff in attendance: City Clerk Gabriel Adams, City Manager Karen Suiker.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION - No closed session scheduled.

IV. RECONVENE TO OPEN SESSION

V. APPROVAL OF AGENDA

Motion (Davies/Morgan) to approve the agenda as written. Passed 3-0.

VI. APPROVAL OF MINUTES – February 08, 2012 cc

Motion (Morgan/Davies) to approve the minutes as written. Passed 3-0.

VII. COMMISSIONERS REPORTS

Fulkerson: **RREDC**: Announced that Gregg Foster is leaving RREDC for a position in the private sector.

Davies: Gateway Advisory Committee reviewing sheer wall concrete pattern design.

Morgan: **HCAOG** – Tribal membership discussion continues.

VIII. STAFF REPORTS

Karen Suiker – City Manager

- Summarized staff report included in the Council meeting packet.

IX. ITEMS FROM THE FLOOR

Sungnome Madrone – Trinidad Area Resident

Encouraged the City to keep up on the Green Diamond Sediment Reduction grant. Offered to volunteer services if needed.

Shirley Laos – Trinidad Rancheria

X. CONSENT AGENDA

1. Staff Activities Report for February 2012
2. Acceptance of maintenance responsibility for flowering trees along city streets from Garden Club.
3. Proclamation 2012-02; Celebrating Girl Scouts 100 year anniversary.
4. Submit 2012 grant applications to the Humboldt County Indian Gaming Benefit Committee
5. Submit PARSAC grant program application to develop ADA compliance program
6. City of Trinidad Pavement Management Program Report
7. Authorize the City Manager to sign a revised Green Diamond California Timberlands Master Land Use Permit for the Luffenholtz Creek Sediment Reduction Project.
8. Resolution 2012-02: Requesting an increase in ARRA grant funds for Town Hall furnace replacement project.

- *Motion (Morgan/Davies) to approve the consent agenda as written. Passed 3-0.*

XI. AGENDA ITEMS

1. 2010-2011 Audit Report – *teleconference with Auditor begins promptly at 7:30pm*

City Manager Suiker explained that the firm of Marcello and Company CPA's, has performed the fiscal and management audit for the City of Trinidad for the past eight years. The principal in the firm, Ralph Marcello, has personally performed these audits and is keenly aware of the City's practices and finances.

The prior year audit required over fifty (50) adjusting journal entries to correct or adjust various account balances in order to properly complete the audit. This audit required only nine (9) such adjustments, and is an indication of improvement in the bookkeeper's ability to provide accurate and complete financial schedules, and improved coordination between city staff and its bookkeeping services provided by the firm of Cunningham, Malone & Morton, CPA's.

Mr. Ralph Marcello, CPA, will be available via telephone connection during the Council's discussion of this item. This is to save the travel costs that would be associated with an on-site visit.

Mr. Marcello is again willing to perform the audit for FY2011-12 at the same cost as the prior year (\$18,000 financial audit, \$900 reimbursable expenses, \$2,000 preparation of financial statements), and staff recommends continuation of this satisfactory arrangement. Due to Mr. Marcello's knowledge of the city's financial practices and methods, he requires minimal support from the city's limited staff to conduct his audit.

There was no comment from the Council or public.

Motion:

1. *(Morgan/Davies) to accept the FY2011 Annual Financial Audit. **Passed 3-0.***
2. *(Davies/Morgan) to authorize the City Manager to execute an Audit Engagement Letter to perform the FY2011-12 audit at the same costs as the prior year. **Passed 3-0.***

2. Update/Discussion regarding Treasurer's Report & mid-year Financial Report. *(continued from Feb.)*

City Manager Suiker explained that the Financial status reports are included in Council packets for public review and inspection each month, and the budget is continuously monitored. The purpose of this report is to provide for the opportunity for a brief presentation on the status of the budget as compared to actual revenues and expenditures midway through the fiscal year, as of December 31, 2011.

The General Fund consists of four budget units: administration, law enforcement, fire services and public works. Overall the General fund is on target and actually expected to end the year in a better position than budgeted due to one time funding from (1) sale of surplus police equipment and (2) transfer of separately held asset seizure forfeiture funds to offset General Fund law-enforcement related expenses and (3) receipt of one time PG&E franchise fees due to boundary reassessment. A number of budget adjustments are recommended to recognize this revenue and provide funding for expenditures not anticipated during preparation of the budget. Excess revenues over expenditures will increase the fund balance forward for future budget year considerations.

- Expenditures for building inspection exceeded budget estimates due to contracting plan checking services for the pier project, but this is entirely offset by permit revenues (\$20,000).
- Moss Subdivision appeal not anticipated (\$2,322)
- Police vehicle maintenance expenditures were necessary to ready units for surplus (\$883, but more than offset by surplus sale revenue)
- Planning charges may exceed budget estimates due to unanticipated involvement in head vegetation issues and the Moss Subdivision appeal.
- Engineering expenses were budgeted in administration (201) but more appropriately applied to Public Works (501)
- Fire utilities budget line item did not take into account purchase of and filling the propane tank to support the fire station emergency generator (\$1,838)
- Fire budget for vehicle repairs did not anticipate \$3,400 in repairs to fire-fighting equipment.
- Public Works budget did not anticipate over \$2,300 in necessary transmission overall and front end work on one of its units.

- Budget for general materials and supplies is inadequate to provide for materials necessary (striping, signing, tools, traffic control devices) to support operations.

The Integrated Waste Management, Water and Cemetery Funds are on target and no budget adjustments are recommended at this time.

The following supplemental budgets are requested to be updated:

General Fund Revenue:

201-54050 Building Inspection	\$ 20,000
201-56150 Franchise Fees	12,944
301-53090 Miscellaneous (asset seizure funds)	21,875
Total Revenue Increase	\$ 54,819

General Fund Expenditure:

201-71420 Building Inspection/contract svcs	\$ 20,000
201-75200 Municipal Expense	2,322
201-71340 City Planner	5,000
201-71210 Engineering (Adm)	- 5,000
501-71210 Engineering (PW)	5,000
301-78150 Police Vehicle Repairs	883
301-92100 Gains on Sale of Assets	- 8,815
401-75180 Fire Utilities	1,838
401-78150 Fire Vehicle Repair	3,400
501-78150 PW Vehicle Repair	2,300
501-78190 PW Materials & Supplies	3,000
Total Expenditure Increase	\$ 29,928

There were no public or Council comments.

*Motion (Morgan/Davies) to receive the Treasury Cash and Investments Report as of November 31, 2011, and receive the mid-year budget update and approve changes as recommended to re-align the budget to actual figures. **Passed 3-0.***

3. Discussion/Decision to reconsider Event Host requirement for Town Hall events. (continued from Feb.)
City Manager Suiker explained that at the November 10 regular meeting, the Council decided on a number of amendments/upgrades to the Town Hall Rental Agreement policies and procedures. Fees were adjusted, a fee component to establish a maintenance reserve fund was incorporated, rental rates for Saunders Park reservations were determined, and city staff was directed to implement the service of Event Host for parties with attendance over 100 or where alcohol was to be served.

Rental Agreement procedures and rate adjustments have been implemented and initiated. However, after much review, consideration and discussion, and preparation of a draft detailed job description, city staff requests that the Council reconsider the decision to hire an Event Host for a variety of reasons, including:

- The position will likely require multiple employees to provide adequate coverage throughout the busiest months. Hiring, coordinating, training and supervising multiple employees (contract or payroll) is time consuming and riddled with potential for last minute problems. In addition, should regular city staff need to substitute due to unavailability of event host, an overtime situation would occur which would require appropriate overtime compensation.
- Tenants who pay for an event host will likely expect more from services from the City. No matter how clear the explanation is to the tenant what the Event Host is there to do, larger events can be hectic and tenants will rely on or insist that the Host be readily available for chores that are not their responsibility.

Conflict may arise from the expectations, and drag the Host's supervisors into unnecessary disagreements with the tenant following the event.

- The City's Rental Agreement and Policies are comprehensive. They are designed to protect the City from tenant caused accidents, and cover expenses related to damages (major or minor) to the facility. If implemented properly, event safety and security is built in to the process.
- Until City staff is equipped with the time to manage and coordinate pool of Event Host employees to consistently attend every event, it is best to either postpone the decision to recruit Hosts or rescind the decision all together.

Staff is certainly open to discussion on this issue, but at this time suggests that the current Policies and Procedures adequately suit the City's needs

There were no comments from the Council or public.

Motion (Morgan/Davies) to reconsider hiring an Event Host for tenant users of the Town Hall with attendance over 100, and proceed with implementation of the November 2011 updated Rental Agreement and Policies.
Passed 3-0.

4. Discussion regarding consideration of Sales Tax Rate Extension.

City Manager Suiker 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 will end on March 31, 2013. This additional tax generates about \$100,000 per year (which represents about 21% 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 2012 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.

Budget preparation for fiscal year 2012-13 will soon be underway. Adopted General Fund budgets for the current 2011-12 fiscal year are as follows:

GENERAL FUND REVENUES: \$ 465,920

GENERAL FUND EXPENDITURES:

General Administration (City Manager, City Clerk, Accountant, Auditor, Planner, Attorney, liability Insurance, town hall expenses, etc.)	\$ 275,023
Police (Contracted services, office support)	\$117,185
Fire (equipment and materials)	\$17,210 (excludes capital reserve)
Public Works (staffing, street lighting, materials, etc.)	\$ 87,405 (excludes Prop 1B)

Total Expenditures \$ 496,823

Council comment included:

Morgan: It was a gentlemen's agreement between residents and the Council that it would only be used for Public Safety and that it would expire.

Fulkerson: I barely notice it.

No decision was made. Information only.

5. Discussion/Decision regarding Tribal Membership on HCAOG Board.

City Manager Suiker explained that on February 7th, the HCAOG Board subcommittee formed at the January 26th board meeting met to discuss expanding membership of the HCAOG Board to include tribal entities. The subcommittee presented a timeline, and developed 8 questions for discussion and consideration. They requested that each Board member discuss the questions with their individual city and county representatives and provide answers to the questions by April 5th.

Council comments included:

Fulkerson: My concern is that if HCAOG opens membership up to expand beyond the county and cities, then all other entities will expect to be considered as well. My intuition says yes, but I worry about the slippery slope this might cause.

Morgan: Requested clarification on Tribal transportation revenue streams as compared with HCAOG revenue sources.

Public comment included:

Shirley Laos – Trinidad Rancheria VP

Explained how Tribal representation on HCAOG began, tribal overlap, Tribal reps appointed to TAC, previous HCAOG board objections, and noted that Trinidad representatives voted yes in the past.

By consensus, the Council asked that the following questions be added to list and forwarded to HCAOG for consideration.

1. Clarify overlapping revenue streams from Tribal transportation revenue sources and HCAOG sources.
2. How will a representative be selected?
3. How many seats are in question?

XII. COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

XIII. ADJOURNMENT

- Meeting ended at 8:55 pm.

Submitted by:

Approved by:

Gabriel Adams
City Clerk

Julie Fulkerson
Mayor Pro-Tem