

Municipal Service Review

For the



May 2008



HUMBOLDT
Local Agency Formation Commission

For the City Sphere of Influence Report










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LOCAL AGENCY FORMATION COMMISSION AUTHORITY

Latent Powers, Enabling Legislation and Empowered Services

The fundamental role of the Local Agency Formation Commission (LAFCo) is to implement the Cortese-Knox-Hertzberg Act (The Act) consistent with local conditions and circumstances. The Act guides LAFCo's decisions. The major goals of LAFCo as established by The Act are to:

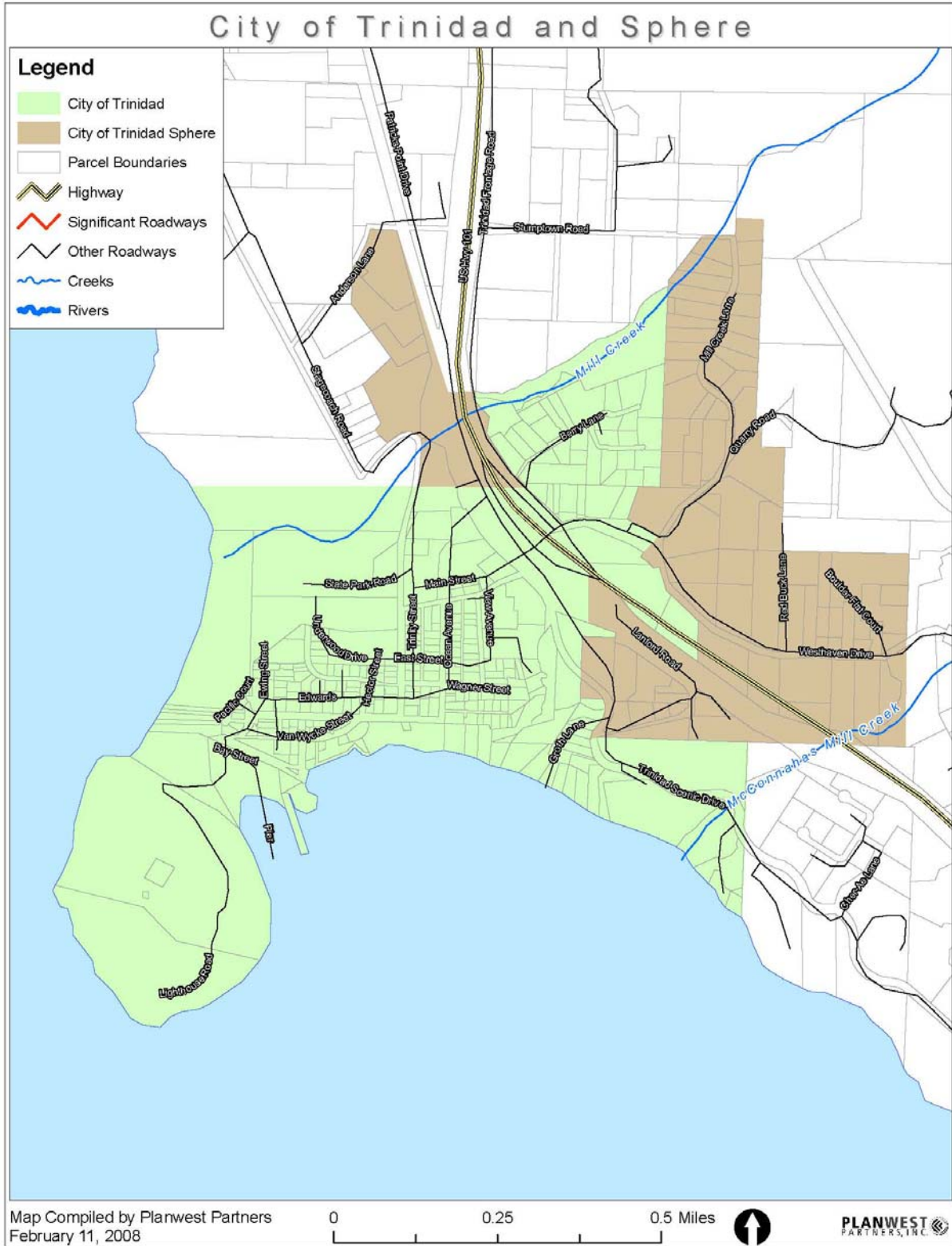
-  Encourage orderly growth and development;
-  Promote orderly development;
-  Discourage urban sprawl;
-  Preserve open-space and prime agricultural lands by guiding minimizing resource loss;
-  Exercise its authority to ensure that affected populations receive efficient services;
-  Promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide services;
-  Make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies to provide for present and future needs;
-  Establish priorities by assessing and balancing community service needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions and financial resources;
-  Determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary,

As set fourth in § 56425 (g) of The Act, on or before January 1, 2008, and every five years thereafter, Humboldt LAFCo shall review and update each Sphere of Influence (SOI). Additionally, an MSR shall be conducted with, or in conjunction with the action to establish or to update a SOI pursuant to The Act. Together, the SOI and MSR documents analyze the City's ability to serve existing and future residents.

In order to prepare and to update Spheres of Influence in accordance with § 56425, Humboldt LAFCo shall conduct a service review of the municipal services provided in the City of Trinidad (CSD). The commission shall include in the designated for service review area any other geographic area as is appropriate for an analysis of the services to be reviewed, and shall prepare a written statement of determinations with respect to the following:

- (1) Infrastructure needs or deficiencies;
- (2) Growth and population projections for the affected area;
- (3) Financing constraints and opportunities;
- (4) Cost avoidance opportunities;
- (5) Opportunities for rate restructuring;
- (6) Opportunities for shared facilities;
- (7) Government structure options;
- (8) Evaluation of management efficiencies; and
- (9) Local accountability and governance.

Figure 1. City of Trinidad Map-City Boundary and Sphere of Influence



AGENCY PROFILE

Figure 1 (above) shows the city boundary, service boundary, and sphere of influence. Trinidad was incorporated as a City in 1870. Periods of growth and decline have followed changes in industries: gold rush days, timber, whaling, fishing, and tourism. Although Trinidad is its own political entity, it is still subject to a variety of State and Federal laws, everything from those governing conduct at public meetings to water quality regulations. The City consists of approximately 414.75 acres and is located approximately 15 miles from the Humboldt Bay. The city is bound on the West by the Pacific Ocean and the City boundary extends from Mill Creek south to McConnahas Mill Creek, and east to Westhaven Drive.

Trinidad was incorporated as a City in 1870. After several studies and a series of public hearings, Trinidad adopted its first General Plan in 1976. In that same year, the legislature enacted the Coastal Act, as the result of a voter initiative passed in 1972 to protect the State's more than 1000 miles of coastline. Since Trinidad is located in the Coastal Zone, the City has amended the new General Plan to be consistent with the Coastal Act. The amended General Plan was approved by the City in 1978. An update of the Trinidad General Plan began in 1998 but has not yet been completed. The General Plan guides development in the City as well as forms the basis for many of the City's planning policies and ordinances.

As an incorporated City, Trinidad has a Municipal Code that includes all the laws (ordinances) that have been passed by the City Council since Trinidad's inception. The ordinances were "codified" into a single volume in 1990. Trinidad City Council can and does regularly update old ordinances and write new ones as needed.

GROWTH AND POPULATION

According to the 2000 Census, the total population in the City of Trinidad was 311, and Humboldt County's population was 126,518. Trinidad the smallest, oldest and westernmost incorporated City in the state of California. The 2000 Census estimated a population density of 643 people per square mile and 228 housing units at an average density of 471.4 per square mile.

INFRASTRUCTURE

Facility/ Services Plans and Other Documents.

Trinidad General Plan. Trinidad General Plan Trinidad adopted its first General Plan in 1976. In that same year, the legislature enacted the Coastal Act, as the result of a voter initiative passed in 1972 to protect the State's more than 1000 miles of coastline. Since Trinidad is located in the Coastal Zone, the City had to amend the new General Plan to be consistent with the Coastal Act. The amended General Plan was approved by the City in 1978. An update of our General Plan began in 1998 but has not yet been completed. The General Plan guides development in the City as well as forms the basis for many of our planning policies and ordinances.

Local Coastal Plan (LCP). The Coastal Act requires all jurisdictions within the Coastal Zone to adopt a Local Coastal Plan (LCP). Trinidad's LCP consists of the City's General Plan and

implementing ordinances (Zoning, Subdivision and Grading ordinances). While each LCP reflects unique characteristics of individual local coastal communities, regional and statewide interests and concerns must also be addressed in conformity with Coastal Act goals and policies. Following adoption by the City Council, an LCP is submitted to the Coastal Commission for review for consistency with Coastal Act requirements. Trinidad's 1980 LCP was the first in the State to be certified by the Coastal Commission.

The California Coastal Commission was established by voter initiative in 1972 (Proposition 20) and later made permanent by the Legislature through adoption of the California Coastal Act of 1976. The Coastal Commission, in partnership with coastal cities and counties, plans and regulates the use of land and water in the coastal zone. Information about the Commission's purpose and programs may be found at: [<http://www.coastal.ca.gov>]

Onsite Wastewater Treatment System (OWTS) Management Program. Currently, the City of Trinidad is comprised of approximately 200 residences, all of which have individual on-site wastewater treatment systems. The maintenance of these systems is a responsibility that falls on the landowner. A large proportion of the existing on-site wastewater disposal systems are more than 20 years old and were either installed prior to permit requirements or prior to permanent record keeping. It is unknown whether systems in and around Trinidad are being maintained or functioning properly. Maintenance of septic systems is very important because it ensures the system is functioning properly, extends the life of the system and helps prevent system failure. Failing septic systems pose a huge problem for homeowners and the City as a whole.

The City of Trinidad is in the process of implementing an Onsite Wastewater Treatment System (OWTS) Management Program to provide for sustainable development and better water quality protection, public health and safety and economic stability in our coastal community through improved management of onsite septic systems in Trinidad.

There are four main elements of Trinidad's OWTS Management Program:

- 1 **Regulatory Framework:** A new ordinance will establish the requirement for operating permits for all OWTS within the City. Periodic inspections and proper maintenance will be required prior to issuance or renewal of operating permits.
- 2 **Water Quality Monitoring:** A water quality monitoring program for both surface and groundwater in and around the City is being implemented to ensure that septic systems are not degrading the environment.
- 3 **Database Management / GIS:** The City is using a GIS (geographic information system) to inventory and track septic systems and operating permits in the City.
- 4 **Public Outreach:** Landowner education is one of the most effective means of preventing septic system failures. This program has been, and will continue to be developed based on community input.

Current Infrastructure and Facilities

The City of Trinidad operates and maintains the following infrastructure components:

- Water collection, distribution and storage system;
- Police Department and vehicles;
- Trinidad Public Cemetery;
- Public trails;
- Street lighting; and
- Public Roads.

Infrastructure Deficiencies

The present total storage capacity gives the City only a two-hour capability to fight a major wildfire. Beginning in 2003, the City Council embarked on a plan to acquire property and construct a one-million gallon steel water tank. Such a tank would provide enough water to fight a wildfire for several hours.

A major deficiency within the City of Trinidad is adequate disposal of wastewater. Since the City does not have a wastewater treatment facility, all Trinidad residents are on septic. Due to lack of maintenance and the antiquity of many of these systems, it is recommended that the City construct a wastewater treatment plant to serve the City residents and possibly nearby communities to protect water quality and allow for increased density within the City.

Planned Improvements

This fiscal year there are three major new water projects and one smaller one that will be funded out of the reserve:

1. Purchasing property for a new water tank.
2. Burying pipes to increase "chlorine contact time" to improve water quality.

The water commissioner estimates the cost of these projects at \$110,000. A smaller fourth project is \$1000 toward getting electricity to a shed on the cemetery property, where tools and other water-plant items are stored.

SERVICES

The City of Trinidad provides water, police, fire, cemetery, street maintenance and repair, curb painting, trail maintenance, weed abatement, and trash container maintenance. Public Works employees also keep Town Hall clean and ready for use. The City also provides fire hydrants in all areas where water service is available within its boundaries.

Water

The City of Trinidad Provides treated water that meets State standards, which includes water collection, treatment, storage and distribution. Trinidad's water source is Luffenholtz Creek, about two miles south of Trinidad, which supplies the City with fresh water. The Luffenholtz Creek Watershed drains several hundred acres owned by a commercial timber company and various private parties. The Creek empties into the ocean in Westhaven.

Storage and Distribution. After being treated and chlorinated, water is stored in two redwood tanks, which are carefully monitored to keep the wood wet to avoid warping. Water lines distribute treated water to homes and businesses from the redwood storage tanks. Some out-of-city residents are served from the line that carries water from the treatment plant to the tanks. These residents may experience a higher chlorine level than customers farther down the line, a problem currently under study.

Parks and Recreation

The City of Trinidad operates and maintains a tennis court adjacent to City Hall as well as trails connecting the downtown area with the beach. The Trinidad School is also used by residents of the City as a park.

Trinidad Police Department

Trinidad's Police Department is a professionally staffed, nearly full-time department using a combination of City and State funds. The Police Chief supervises officers who meet Police Officer Standards Training (POST) certification.

Trinidad Volunteer Fire Department

911 Fire and Emergency Medical calls within the City bring out Trinidad's Volunteer Fire Department - VFD. The Trinidad Volunteer Fire Department is a City department, governed by the Trinidad City Council, and protects the area within the boundaries of the City of Trinidad. The Trinidad VFD has a district boundary of 0.6 square miles, and a total response area of 2.2 square miles. A total of 58 calls were received in 2006 and most of those calls were medically related. The district served by 11 volunteers; there are no paid personnel. Trinidad VFD has a mutual-aid agreement with The California Department of Forestry and Fire Protection - CAL FIRE (<http://www.fire.ca.gov/>). The departments respond to each other's calls as needed with additional support from other local departments. CAL FIRE maintains a station about a mile from Trinidad on Patricks Point Drive. Firefighters train to the First Responder level for Medical Emergencies, with ambulance service provided by Arcata-Mad River Ambulance.

Other Service Providers

The County of Humboldt provides general governmental services throughout the territory of the City.

FINANCING CONSTRAINTS AND OPPORTUNITIES

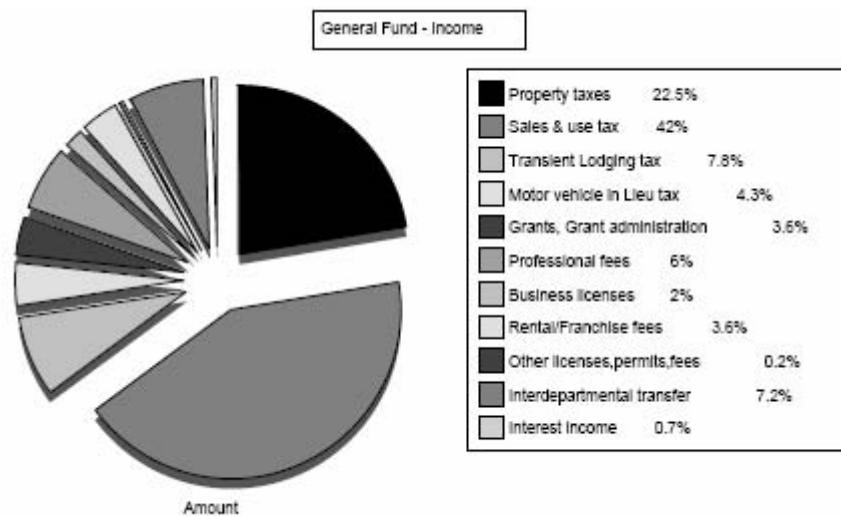
Budget

Below is the budget summary from the 2007-2008 Fiscal Year for the City of Trinidad.

BUDGET SUMMARY - GENERAL FUND 2007 - 2008					
GENERAL FUND					
	ADMINISTRATION	FIRE	POLICE	PUBLIC WORKS	TOTALS
TOTAL OPERATING INCOME	\$ 501,008	\$ -	\$ 21,000	\$ -	\$ 522,008
TOTAL OPERATING EXPENSE	298,309	45,000	117,374	42,014	502,697
Net Operating Income (Loss)	202,699	(45,000)	(96,374)	(42,014)	19,311
Capital Outlay	-	12,000	-	-	12,000
Debt Service	-	-	-	-	-
Net Income (Loss)	\$ 202,699	\$ (57,000)	\$ (96,374)	\$ (42,014)	\$ 7,311

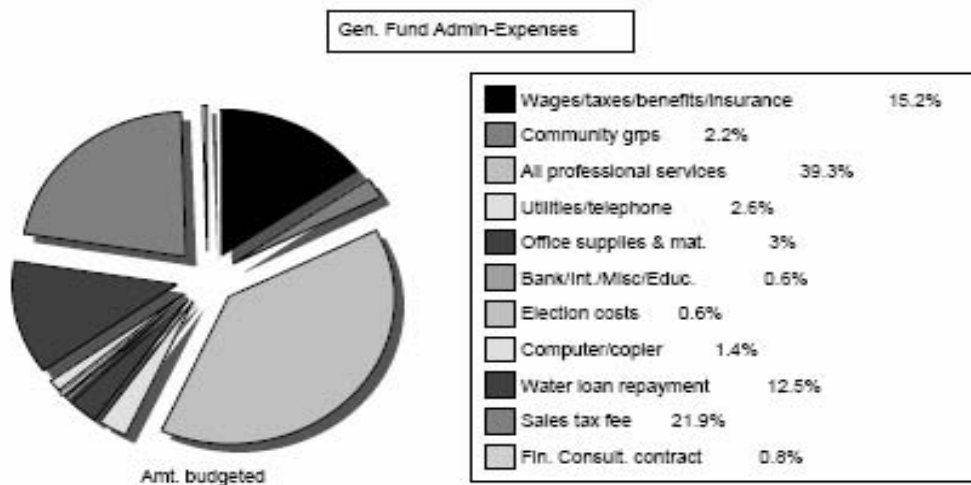
Revenues

Below is a chart showing the expected sources and income into the General Fund for Fiscal Year 2004-2005. Property, sales and use taxes make up 76.6 percent of the General Fund income.



The chart below summarizes Trinidad's predicted Fiscal Year 2004-05 General Fund expenditures. The largest expenses to the City are sales tax fees accounting for approximately

21.9 percent of the expenditures; the second biggest expenses are made up of wages, taxes,



Other funding sources. The City of Trinidad has recently been awarded two grants (totaling \$134,000) to implement an OWTS Management Program. The City applied for these grants in 2001 and 2002, but it has taken this long for the selection process and contract development to be completed. The City actually started work under the grants in July 2004.

The first grant is for a total of \$94,000, and comes from a bond act (Prop. 13) approved by California voters in 2000. This grant is administered through the State Water Resources Control Board (SWRCB) and overseen by the North Coast Regional Water Quality Control Board (Regional Board). This grant is directed at eliminating nonpoint source pollution in coastal areas.

The second grant, for \$40,000, is funded through the West Virginia University's National Environmental Services Center (NESC) by the Environmental Protection Agency (EPA). This grant is part of the NESC's National Onsite Demonstration Program (NODP) for Small Communities. This grant requires no match, but can be used as the matching funds for the first grant. The focus of this grant is on the process; a demonstration that the type of program Trinidad is implementing will work effectively for other communities. The emphasis of this grant is on developing a program that follows protocol, but is specific to the needs of Trinidad. Another focus of this grant is on public education and public participation. Trinidad's website is being developed as a component of this program.

Outstanding Debt. According to the 2007-2008 Draft budget, the City of Trinidad has no outstanding debt.

Financial Sustainability of Financial Practices

Annual Fund Balance. In the FY '04-'05 budget approved by the City Council July 14, 2004, General Fund income was greater than expenses by \$649. Since the budget is a "best guess" some expenses may be higher or lower than expected, and some income may be higher or lower than predicted. The budget was balanced partly by "borrowing" money from the sale City-owned property on Himalaya Drive.

Outside Auditing. Each year the Council contracts with an outside firm to conduct a professional audit of the City's finances. The auditor examines the financial status of each City department, our investments, and fiscal policies and procedures. The auditor also makes recommendations for improvements in our fiscal practices. These reports are usually completed by November. Copies of the audit are available in the office for a nominal copy fee, and will soon be available for downloading online.

SERVICE RATES

Service Rates

Water. The City Council sets water rates. When the Luffenholtz Creek water plant opened, the City Council established a two-tiered rate system: water customers in the city limits pay a lower rate than water customers outside the city limits. A water service area was established between the treatment plant and the city limits, along Westhaven Drive. Residents along the pipeline were allowed to hookup to city water. Hookup fees for non-residents are also higher than hookup fees for residents.

Water plant operations are self-supporting. Major repairs to the plant, implementing new treatment methods, repairing water line breaks, and everyday plant operation - all must be covered by Water Fund income and its reserve.

Without the three major projects, the Water Fund reserve would grow this year by over \$16,000. However, these one-time project expenses will reduce the Water Fund reserve by around \$100,000.

Update Process

Each May the consumer price index (CPI) is checked and water rates adjusted accordingly. In May 2004 the CPI was 3%, so July 1 water rates increased by that percentage for both resident and non-resident customers. That adjustment will take place each year, depending on the CPI.

Adequacy

For nearly eleven years the water rates did not increase. However, a few years ago expenses began to exceed income, projecting a decrease in the Water Fund reserve. In 2002 the City Council studied water rates and agreed on two actions:

1. Increase the water rate so income exceeds expenses.
2. Build in an annual cost of living increase so rates keep pace with expenses.

GOVERNMENT STRUCTURE

Below is a chart that displays the approximate percentage of time each employee spends for various City tasks. The categories include services related to: Administrative, Public Works, Water, Cemetery, Transportation Development Act, Gas, and Integrated Waste Management.

In addition to the paid staff positions above, Trinidad has a five-member Planning Commission to review matters related to planning and development. Trinidad Planning Commissioners are appointed by the Mayor and approved by the City Council for four-year terms. Commissioners must reside in the city limits.

Trinidad City Council members are elected for four-year terms. Each two years either two or three Council seats are up for election, consolidated with State and Federal elections in November. Trinidad's Mayor is chosen by a vote of the Council after new Council members are sworn in. If a vacancy occurs before an election, the Council can appoint someone to serve the remainder of that term.

Efficiency of Service Delivery

To date, the City had been able to provide services without resulting in debt. Water plant operators and Public Works employees - often the same people - are on call 24 hours a day, seven days a week. If a problem is too large for City workers to fix a local contractor is called.

LOCAL ACCOUNTABILITY

City of Trinidad	
Contact:	Gabriel Adams, City Clerk
Mailing Address:	P.O. Box 390, Trinidad, CA 95570
Site Address:	409 Trinity Street, Trinidad, CA 95570
Phone Number:	(707) 677-0223
Email/ Website:	http://www.trinidad.ca.gov/
Types of Services:	Police, Fire, Street Maintenance and Lighting, Water, Trail Maintenance, Weed Removal and Cemetery Services.
Population Served:	~311
Size of Service Area (Acres):	414.75
Date of Formation:	1870

City Meetings. Regular city council and planning commission meetings are held twice per month on the 2nd and 4th Wednesday of every month and are noticed on the City's website at: www.trinidad.ca.gov as well as at three locations including Town Hall, Murphy's Market and at the Trinidad Post Office.

MUNICIPAL SERVICE REVIEW DETERMINATIONS

Growth and Population

The City of Trinidad has maintained a compact urban development pattern, which has minimized growth and sprawl within the City. In 2000, the City of Trinidad had an estimated (US Census based) population of 311, which actually decreased from the 1990 census based population estimates of 362 people. Due to the limited amount of land available for development within the City limits, The City of Trinidad is not expected to have any significant expansions.

The February 2001 Planning Commission Administrative Draft General Plan states that there is a strong indicated desire on the part of Trinidad residents to maintain the compact urban form of Trinidad, and that preservation of the community character should be facilitated by the minimal population growth projected for the City and the adjacent areas as well as the restrictive nature of the land use policies contained in the Local Coastal Plan.

However, in the past few years the City has indicated that they wish to expand their service area to extend water to a couple of houses that are outside of the current City boundary, which would require LAFCo approval.

Infrastructure

The State Water Quality Plan for North Coastal Basin 1B suggests a public sewer system be provided in Trinidad and the immediate surrounding area in the near future. This recommendation was based on the density of development in the City and the fact that septic tanks have not provided satisfactory long-term service in most urban areas. Installation of a sewer system would remove a development constraint allowing consideration of higher residential densities, and commercial uses with high wastewater discharges. Also, the City should increase their water storage capacity to allow for increased capacity so that the City can provide adequate fire flows in the event of a large wildfire.

Financing Constraints and Opportunities

The City of Trinidad currently has adequate funding and infrastructure to support the projected need for basic services within the City. The City has recently been awarded two grants to improve the wastewater management conditions throughout the City and surrounding watershed areas. Furthermore, the City currently does not have any outstanding debts or loans.

Rate Restructuring

Water rates did not increase for about 11 years, but a few years ago expenses began to exceed income, projecting a decrease in the Water Fund reserve. In 2002 the City Council took action to increase the water rate so the income would exceed expenses, and to build in an annual cost of living increase to rates to keep pace with expenses. Every May the consumer price index (CPI) is checked and water rates adjusted accordingly.

Cost Avoidance Opportunities

Since the City of Trinidad has very little continual development; planning, building, and engineering services are provided through contracts with local companies, which serves to

reduce overhead costs. Many of the City employees perform multiple tasks to reduce the need for additional specialized employees.

Opportunities for Shared Facilities

The City of Trinidad currently shares classroom space with the public school to provide a public library space. The volunteer fire department receives some funding from the City to provide structural fire protection throughout the district. Beyond the existing shared facilities, it would be difficult for the City to share facilities with other service providers due to the rural location of the City.

Government Structure Options

Due to the secluded nature of the City of Trinidad, there are no viable options for reorganization or consolidation with nearby service providers, since there are none within a reasonable distance.

Evaluation of Management Efficiencies

The City had been able to provide adequate services with very few employees. Water plant operators and Public Works employees - often the same people - are on call 24 hours a day, seven days a week. If a problem is too large for City workers to fix a local contractor is called. Additionally, planning, engineering and other specialized services are provided through contracts with local firms. These

Local Accountability

The City of Trinidad holds regular City Council meetings twice per month. All public meetings are noticed in three public places and are posted on the Trinidad City website. The City's meetings and notifications are consistent with the goals and policies set fourth in the Brown Act. City staff members are also available through phones and email. The City's website, www.trinidad.ca.gov contains meeting minutes, packets, a schedule of City meetings, planning, budget, agency reports and other documents, which are available to the general public.

Sources

The City of Trinidad Website: <http://www.trinidad.ca.gov/> City of Trinidad General Plan.

Planning Commission Administrative Draft. February 2001. Trinidad General Plan. Policy as of November 2001.