



CITY OF MERCED

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

Minutes

City Council/Public Finance and Economic Development Authority/Parking Authority

Monday, May 6, 2024

6:00 PM

A. CLOSED SESSION ROLL CALL

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Bertha Perez, Council Member Jesse Ornelas, Council Member Sarah Boyle, Council Member Ronnie DeAnda, Council Member Shane Smith, and Council Member Fue Xiong

Absent: 0

B. CLOSED SESSION

Mayor SERRATTO called the Closed Session to order at 5:03 PM.

B.1. SUBJECT: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION One (1) Potential Case Pursuant to California Government Code § 54956.9

B.2. SUBJECT: PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: City Manager; Authority: Government Code Section 54957

B.3. SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representatives: City Manager Scott McBride, Deputy City Manager Frank Quintero, Finance Officer Venus Rodriguez, Human Resources Manager Suzanne Fierro, LCW Legal Representative Che Johnson, and LCW Legal Representative Michael Jarvis; Employee Organizations: Merced Police Officers' Association (MPOA) and Merced Association of Police Sergeants (MAPS). AUTHORITY: Government Code Section 54957.6

B.4. SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative(s): City Manager Scott McBride, Deputy City Manager Frank Quintero, Finance Officer Venus Rodriguez, Human Resources Manager Suzanne Fierro, LCW Legal Representative Che Johnson, and LCW Legal Representative Michael Jarvis; Employee Organizations: American Federation of State, County, and Municipal Employees (AFSCME) Council 57 and Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6

B.5. SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representatives: City Manager Scott McBride, Deputy City Manager Frank Quintero, Finance Officer Venus Rodriguez, Human Resources Manager Suzanne Fierro, LCW Legal Representative Che Johnson, and LCW Legal Representative Michael Jarvis; Unrepresented Management AUTHORITY: Government Code Section 54957.6

B.6. SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representatives: City Manager Scott McBride, Deputy City Manager Frank Quintero, Finance Officer Venus Rodriguez, Human Resources Manager Suzanne Fierro, LCW Legal Representative Che Johnson, and LCW Legal Representative Michael Jarvis; Employee Organizations: International Association of Fire Fighters, Local 1479. AUTHORITY: Government Code Section 54957.6

Clerk's Note: Council adjourned from Closed Session at 6:04 PM.

C. CALL TO ORDER

Mayor SERRATTO called the Regular Meeting to order at 6:06 PM.

C.1. Invocation - Pastor Ella Luna Garza, United Methodist Church, Merced

The Invocation was delivered by Pastor Ella Luna GARZA of the United Methodist.

C.2. Pledge of Allegiance to the Flag

Mayor SERRATTO led the Pledge of Allegiance to the Flag.

D. ROLL CALL

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Bertha Perez, Council Member Jesse Ornelas, Council Member Sarah Boyle, Council Member Ronnie DeAnda, Council Member Shane Smith, and Council Member Fue Xiong

Absent: 0

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority, the Public Financing and Economic Development Authority, and the Successor Agency to the Redevelopment Agency. City Council members receive a monthly stipend of \$400.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$100.00 each month as a part of the adopted budget and Resolution 2020-86. The members of the Parking Authority, the Public Financing and Economic Development Authority, and the Successor Agency to the Redevelopment Agency receive no compensation.

E. REPORT OUT OF CLOSED SESSION

There was no report.

F. CEREMONIAL MATTERS

F.1. **SUBJECT:** Continued City Council Volunteer of the Year Awards

REPORT IN BRIEF

Council Members nominated a volunteer within their district to highlight those who have given back to their community. This is a continuation for the District 1 volunteer.

Mayor SERRATTO briefly described the Volunteer of the Year Awards.

Council Member ORNELAS presented the District 1 award to Nathan AVELAR.

F.2. **SUBJECT:** Proclamation - Merced Hmong American Day

REPORT IN BRIEF

Received by members of the Hlub Hmong Center.

Mayor SERRATTO presented the Merced Hmong American Day Proclamation to representatives of the Hlub Hmong Club.

F.3. **SUBJECT:** Proclamation - Bike Month

REPORT IN BRIEF

Received by the Bicycle and Pedestrian Advisory Commission.

Mayor SERRATTO presented the Bike Month Proclamation to Commissioner Lisa KAYSER-GRANT of the Bicycle and Pedestrian Advisory Commission.

F.4. **SUBJECT:** Proclamation - Mental Health Awareness Month

REPORT IN BRIEF

Received by a representative of the Behavioral Health and Recovery Services of Merced County.

Mayor SERRATTO presented the Mental Health Awareness Month Proclamation to Assistant Director Alexandra PIERCE of the Behavioral Health and Recovery Services of Merced County.

F.5. **SUBJECT:** Proclamation - Trap-Neuter-Release (TNR) Program

REPORT IN BRIEF

Received by representatives of the Merced TNR.

Mayor SERRATTO presented the Trap-Neuter-Release (TNR)
Proclamation to representatives of the Merced TNR Program.

G. WRITTEN PETITIONS AND COMMUNICATIONS

Clerk's Note: Emails were received for the following agenda item and forwarded to Council prior to the meeting.

Oral Communication: Steven DONAHUE.

H. ORAL COMMUNICATIONS

Clerk's Note: The following comment was received via voicemail.

Merced Resident - spoke on limiting public comment to citizens.

Clerk's Note: The following speakers appeared in person.

Police Chief Steven STANFIELD - shared the importance of Autism Awareness Month and gave Council an update on the Merced Police Department's efforts for Autism Awareness Month.

Pat TRIEWEILER, Merced - shared a personal story regarding his daughter's mental health situation and communication with health care agencies.

Josh FLUETSCH, Merced - spoke on the Pizza N' Pints event and shared details of the Burgers N' Brews event.

Cindy KELLY, Merced - thanked Council for recognizing animal rescue organizations and shared updated information on the Yard Sale event.

Ashley SUAREZ, Merced - shared details of the upcoming South Merced Community meeting, invited Council to attend, and thanked Council Member ORNELAS for attending.

Mayor SERRATTO and Ms. SUAREZ discussed Brown Act procedures Council must follow.

Christan SANTOS, Congressman John DUARTE Representative, Merced - spoke on the Bear Creek Clean-Up event, Hmong American Day event, and highlighted that May is National Asian American Pacific Islander Heritage Month.

I. CONSENT CALENDAR

Agenda Items I.8. Award Bid to Square Signs LLC, DBA Front Signs for the Gateway Monuments, Project No. CP230058, in the Amount of \$515,618 as Part of the Department of Transportation (CALTRANS) Clean California State Beatification Program, I.10. Approval to Waive the Competitive Bidding Requirement for Professional Services and Award Granicus a Contract for Website Redesign and Content Review Services in an Amount not to Exceed \$222,061, I.12. Adoption of a Resolution Approving Final Map #5414 for Renaissance 154, Phase 4 Subdivision for 29 Single-Family Lots, Generally Located North of Merced Avenue, Approximately 2,000 Feet East of Coffee Street, and the Approval of the Subdivision Agreement for the Renaissance 154, Phase 4 Subdivision, and I.13. Adoption of a Resolution Approving Final Map #5415 for Renaissance 154, Phase 5, Subdivision for 33 Single-Family Lots, Generally Located North of Merced Avenue, Approximately 2,000 Feet East of Coffee Street, and the Approval of the Subdivision Agreement for the Renaissance 154, Phase 5 Subdivision; were pulled for separate consideration.

Approval of the Consent Agenda

A motion was made by Council Member Boyle, seconded by Mayor Pro Tempore Perez, to approve the Consent Agenda. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

I.1. **SUBJECT: Reading by Title of All Ordinances and Resolutions**

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

This Consent Item was approved.

I.2.**SUBJECT: Information Only Contracts for the Month of April 2024**

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$37,000 and of Public Works contracts under \$84,338.

This Consent Item was approved.

I.3.**SUBJECT: Information Only - Recreation & Parks Commission Minutes of February 26, 2024 and March 25, 2024**

RECOMMENDATION

For information only.

This Consent Item was approved.

I.4.**SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority/Successor Agency to the Redevelopment Agency Meeting Minutes of January 23, 2024, January 29, 2024, February 5, 2024, February 15, 2023, February 20, 2024, February 24, 2024, March 4, 2024, and March 18, 2024**

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority/Successor Agency to the Redevelopment Agency - Adopt a motion approving the meeting minutes of January 23, 2024, January 29, 2024, February 5, 2024, February 15, 2023, February 20, 2024, February 24, 2024, March 4, 2024, and March 18, 2024.

This Consent Item was approved.

I.5.**SUBJECT: Adoption of a Resolution Designating the City Manager or Deputy City Manager as the Authorized Agent for the State of California Governor’s Office of Emergency Services**

REPORT IN BRIEF

Considers adopting a Resolution designating the City Manager or Deputy City Manager as the authorized agent for and on behalf of the City of Merced for Financial Assistance from the Federal Emergency

management Agency (FEMA) and the California Governor's Office of Emergency Services (CalOES) for recovering costs associated with declared emergencies.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2024-45**, a Resolution of the City of Council of the City of Merced, California, designation of authorized agent to file applications and execute documents required to obtain disaster relief assistance.

This Consent Item was approved.

I.6.

SUBJECT: Approval to Waive the Competitive Bidding Requirement, and Authorizing the Agreement with the Merced Main Street Association for \$40,000 for Services and the Administration of the Downtown Business Improvement Area for Fiscal Year 2023-2024

REPORT IN BRIEF

Considers approving to waive the competitive bidding requirements pursuant to Merced Municipal Code Section 3.04.210 and approving an Agreement between the City of Merced and the Merced Main Street Association for \$40,000 to provide services to the Downtown Business Improvement Area during Fiscal Year 2023-2024.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 based on the Merced Main Street Association's proven experience of providing the Administration of Downtown Services since 2015 and providing continuity during the formation of the PBID; and,

B. Approving the agreement with the Merced Main Street Association for Downtown Services for 2023-2024 in the amount of \$40,000; and,

C. Authorizing the Finance Officer to make the necessary budget adjustments; and,

D. Authorizing the City Manager to execute the necessary documents.

This Consent Item was approved.

I.7.

SUBJECT: Approval of Agreement for Landscape Maintenance

Services with Green Horizon, Inc., for Turf Maintenance of all City-Owned Parks, in an Annual Amount of \$314,160 for a Two (2) Year Term Beginning July 1, 2024 Through June 30, 2026, with an Option to Extend the Agreement for Three (3) Additional One (1) Year Term(s)

REPORT IN BRIEF

Considers approving an Agreement for Services with Green Horizon, Inc., for maintenance services in an annual amount of \$314,160 at City Parks.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving an Agreement for Services with Green Horizon, Inc., in the annual amount of \$314,160, to provide landscape maintenance services at City-owned parks for two years, with an option to renew for a maximum of (3) three additional one-year periods, effective July 1, 2024; and,

B. Authorizing the City Manager or designee to sign the necessary documents; and,

C. Authorizing the Finance Officer to make the necessary budget adjustments.

This Consent Item was approved.

I.9.

SUBJECT: Award the Managed Cybersecurity Operations Center Bid to SecureSky Inc for a Period of One Year, with the Approval to Extend Four Additional One-Year Periods, for the Cumulative Total Amount of \$431,438 for the Five-Year Period

REPORT IN BRIEF

Considers awarding the Managed Cybersecurity Operations Center bid to Secure Sky Inc for a Period of One Year, with the approval to extend four additional one-year periods, for the cumulative total amount of \$431,438 for the five-year period.

RECOMMENDATION

City Council - Adopt a motion:

- A. Awarding managed cybersecurity operations center service bid to SecureSky Inc; and,
- B. Authorizing the Not to Exceed spending authority to SecureSky Inc for \$431,438; and,
- C. Authorizing the City Manager to execute the necessary Documents to include, documents for the four additional one-year extensions; and,
- D. Authorizing the Finance Officer to make necessary budget adjustments.

This Consent Item was approved.

I.11.

SUBJECT: Approval of Street Closure Request #24-08 by Vinhos, Wine Lounge and Tapas and Merced Running Club to Host the First Vinhos Wine Fun / Run Walk 5K for Saturday, June 15, 2024, from 5:00 a.m. to 10:30 a.m. Within the Downtown Perimeter of W. Main Street Between Canal and H Streets, H Street Between Main and 23rd Streets, W. 23rd Street Between H and Q Streets, Q Street Between 23rd and 18th Streets, and 18th Street from Q to Canal Streets

REPORT IN BRIEF

Considers approving a request by the Vinhos, Wine Lounge and Tapas and Merced Running Club for the closure and use of City Streets on Saturday, June 15, 2024, for the First Vinhos Wine Fun/Run Walk 5K event. The request seeks approval to close several streets in the Downtown area from 5:00 a.m. to 10:30 a.m.

RECOMMENDATION

City Council - Adopt a motion approving the street closures of W. Main Street (between H and Canal Streets), Canal Street (between W. Main Street and W. 18th Street), W. 18th Street (between Canal and Q Streets), Q Street (between W. 18th and W. 19th Streets), W. 19th Street (between Q and P Streets), P Street (between W. 19th and W. 20th Streets), W. 20th Street (between Q and P Streets), Q Street (between W. 20th and W. 21st Streets), W. 21st Street (between P and Q Streets), P Street (between W. 21st and W. 22nd Streets), W. 22nd Street (between P and Q Streets), Q Street (between W. 22nd and W. 23rd Streets), W. 23rd Street (between H and Q Streets), and H Street (between W. 23rd and W. Main Streets); as detailed in the staff report. The event will be held on Saturday, June 15, 2024, from 5:00 a.m. to

10:30 a.m. (event time from 8:30 a.m. to 10:30 a.m.), for the Vinhos Wine Fun/Run walk 5K, subject to the details and conditions outlined in the administrative staff report.

This Consent Item was approved.

I.10.

SUBJECT: Approval to Waive the Competitive Bidding Requirement for Professional Services and Award Granicus a Contract for Website Redesign and Content Review Services in an Amount not to Exceed \$222,061

REPORT IN BRIEF

Considers approving to waive the City's competitive bidding requirements of Professional Services pursuant to Merced Municipal Code Section 3.04.210 and approving the Professional Services Agreement with Granicus for website redesign and content review services in the amount not to exceed \$222,061.

RECOMMENDATION

City Council - Adopt a motion:

- A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code Section 3.04.210 for Professional Services; and,
- B. Approving a Professional Services Agreement with Granicus for website redesign in the amount not to exceed \$222,061; and,
- C. Authorizing the City Manager to execute the necessary documents or contracts; and,
- D. Authorizing the Finance Officer to make the necessary budget adjustments.

Clerk's Note: Agenda Item I.8. was moved to be heard last on the Consent Calendar.

Mayor SERRATTO pulled this item at the request of Council Member XIONG.

Council Member XIONG and Director of Information Technology Jeffrey BENNYHOFF discussed the city website redesign, easily searchable items, the scope of work, and archiving emails.

A motion was made by Council Member Xiong, seconded by Council Member

Boyle, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

I.12.

SUBJECT: Adoption of a Resolution Approving Final Map #5414 for Renaissance 154, Phase 4 Subdivision for 29 Single-Family Lots, Generally Located North of Merced Avenue, Approximately 2,000 Feet East of Coffee Street, and the Approval of the Subdivision Agreement for the Renaissance 154, Phase 4 Subdivision

REPORT IN BRIEF

Considers adopting the Final Map #5414 for 29 single-family lots, located north of Merced Avenue, approximately 2,000 feet east of Coffee Street, and the subdivision agreement for the Renaissance 154, Phase 4 Subdivision.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2024-49**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for the Renaissance 154, Phase 4 Subdivision (#5414); and,

B. Approving the Subdivision Agreement for the Renaissance 154, Phase 4 Subdivision; and,

C. Authorizing the City Manager to execute all necessary documents.

Mayor SERRATTO pulled this item at the request of Council Member XIONG and resident Ashley SUAREZ.

Clerk's Note: Mayor SERRATTO stated that Council will hear Agenda Items I.12. and I.13. together.

Clerk's Note: Council Member SMITH recused himself due to the applicant being a client at his law firm.

Council Member XIONG spoke on affordable housing and the request for separate consideration.

Ashley SUAREZ, Merced - spoke on affordable housing, low density, and assisting existing South Merced communities.

Mayor SERRATTO and Senior Planner Francisco MENDOZA discussed on the process of completing a subdivision map, details of the corrected subdivision agreement, details of steps following Council approval, the Regional Housing Needs Allocation policy, challenges if item is not approved, and an update on the planned apartment complexes.

Clerk's Note: Council made a motion for Agenda Items I.12. and I.13. together.

A motion was made by Council Member Boyle, seconded by Mayor Pro Tempore Perez, that this agenda item be approved. The motion carried by the following vote:

Aye: 5 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, and Council Member DeAnda

No: 1 - Council Member Xiong

Absent: 0

Recused: 1 - Council Member Smith

I.13.

SUBJECT: Adoption of a Resolution Approving Final Map #5415 for Renaissance 154, Phase 5, Subdivision for 33 Single-Family Lots, Generally Located North of Merced Avenue, Approximately 2,000 Feet East of Coffee Street, and the Approval of the Subdivision Agreement for the Renaissance 154, Phase 5 Subdivision

REPORT IN BRIEF

Considers adopting the Final Map #5415 for 33 single-family lots, located north of Merced Avenue, approximately 2,000 feet east of Coffee Street, and the Subdivision Agreement for the Renaissance 154, Phase 5 Subdivision.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2024-50**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for the Renaissance 154, Phase 5 Subdivision (#5415); and,

B. Approving the Subdivision Agreement for the Renaissance 154, Phase 5 Subdivision; and,

C. Authorizing the City Manager to execute all necessary documents.

Clerk's Note: Mayor SERRATTO stated that Council will hear Agenda Items I.12. and I.13. together.

Clerk's Note: Council made a motion for Agenda Items I.12. and I.13. together.

A motion was made by Council Member Boyle, seconded by Mayor Pro Tempore Perez, that this agenda item be approved. The motion carried by the following vote:

Aye: 5 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, and Council Member DeAnda

No: 1 - Council Member Xiong

Absent: 0

Recused: 1 - Council Member Smith

I.8.

SUBJECT: Award Bid to Square Signs LLC, DBA Front Signs for the Gateway Monuments, Project No. CP230058, in the Amount of \$515,618 as Part of the Department of Transportation (CALTRANS) Clean California State Beautification Program

REPORT IN BRIEF

Considers awarding a Construction Contract to the Lowest Responsive Bidder, Square Signs LLC, DBA Front Signs, in the amount of \$515,618 for the Project CP230058 - Gateway Monuments, that will be located at Highways 59, 99, and 140 as part as CALTRANS Clean California State Beautification Program.

RECOMMENDATION

City Council - Adopt a motion:

A. Awarding the Gateway Monuments, Project No. CP230058, to the Lowest Responsive Bidder, Square Signs LLC, DBA Front Signs in the amount of \$515,618; and,

B. Authorizing the City Manager to execute the necessary documents and to approve change orders not to exceed 20% of the total contract; and,

C. Authorizing the Finance Officer to make necessary budget adjustments.

Clerk's Note: Agenda Item I.8. was moved to be heard last on the Consent Calendar.

Mayor SERRATTO pulled this item at the request of Council Member XIONG.

Council, City Surveyor Joe CARDOSO, and City Attorney Craig CORNWELL discussed possibly changing locations, cost of changing or adding signs, cost for maintenance, approval process of changing location from Department of Transportation (CALTRANS), the different entrances to the city, details of the dimensions of the signs, next steps for approving agenda item, the usage of funds, and going over contingency amount.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Boyle, to approve as proposed with direction to staff to look into more options and alternatives. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

J. REPORTS

J.1.

SUBJECT: Direction Regarding Potential Fire Services and Emergency Operations Coordination Between the City of Merced and Merced County Including Mutual Aid, Automatic Aid Agreement, and Service Agreement Options

REPORT IN BRIEF

Provide Direction to City Staff regarding potential aid agreements or service agreement between the City of Merced and Merced County.

RECOMMENDATION

City Council - Provide city staff with direction regarding aid agreements or service agreement with Merced County for the unincorporated county area adjacent to the City of Merced including County islands within the city limits.

Interim Fire Chief Casey WILSON and City Manager Scott MCBRIDE gave a slideshow presentation on the potential fire services and emergency

operations coordination with Merced County.

Council and Mr. WILSON discussed the terms of the city and county agreement, the effects on the computer-aided dispatch (CAD) and response times, potential delays in response times for specific locations, firefighter safety issues, the necessary response team for structure fires, the capacities of a single fire station, the benefits of adding resources to North stations, and funding for equipment.

Josh PEDROZO, Merced County Board Supervisor - spoke on the funding of the CAD system and asked to allow city staff to collaborate with Merced County.

Council and Mr. WILSON discussed the data regarding the impact of response times, the Merced County budget, details of the city resources that will be used for county, details of the mutual aid request, financial impact, and staff recommendation.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Smith, to continue this item, accepting staff recommendation (supporting further conversations to develop fair and equitable partnerships with Merced County to enhance fire services within the City of Merced and Merced County jurisdictions and staff bringing back options for Council's consideration). The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 1 - Council Member Ornelas

Absent: 0

J.2.

SUBJECT: Approval of Termination Documents to Cancel and Disencumber Existing U.S. Department of Housing and Urban Development (HUD) Funding Commitment Agreements that were Previously Approved for the Gateway Terrace II Affordable Housing Project that Will no Longer Utilize HUD Funding

REPORT IN BRIEF

Considers approving the Termination Documents that have been prepared to terminate the existing Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), and Community Housing Development Organization HOME (CHDO HOME) funding agreements relating to the future Gateway Terrace II affordable housing project; and, provides further information and required steps regarding 'Part Two' of the final corrective actions HUD repayment process relating to the October 2021 HUD Environmental Monitoring report that was discussed at the April

2, 2024, City Council Meeting.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Termination Documents that have been prepared to terminate the existing Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), and Community Housing Development Organization HOME (CHDO HOME) funding agreements relating to the future Gateway Terrace II affordable housing project; and,

B. Authorizing the City Manager to execute all related documents, subject to review and approval by the City Attorney, which may be necessary to support the above actions; and,

C. Authorizing the Finance Officer to make any necessary budget adjustments related to these actions.

Clerk's Note: Council Member SMITH recused himself due to the applicant being a client at his law firm.

Housing Program Supervisor Kim NUTT gave a slideshow presentation on the U.S. Department of Housing and Urban Development (HUD) environmental monitoring compliance's final cleanup process for Gateway Terrace II.

Ashley SUAREZ, Merced - asked for clarification regarding the affordable housing projects and funding allocation.

Council and Mr. MCBRIDE discussed clarification on the attempt to save an affordable housing project, correcting previous errors, and funding available by HUD.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Boyle, that this agenda item be approved. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, and Council Member Xiong

No: 0

Absent: 0

Recused: 1 - Council Member Smith

J.3.

SUBJECT: Consideration and Approval of the Second Substantial Amendment to the U.S. Department of Housing and Urban

Development (HUD) 2023 Annual Action Plan Involving Corrections to Available Community Development Block Grant (CDBG) Resource Amounts, Resulting in Necessary Adjustments to CDBG Projects and Activities and Related Goals and Objectives

REPORT IN BRIEF

Considers approving a Second Substantial Amendment to the HUD 2023 Annual Action Plan, which is necessary to correct calculation errors of CDBG Expected Resources that were discovered during the final approval stages of the First Substantial Amendment approved by the City Council in January 2024.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2024-51**, A Resolution of the City Council of the City of Merced, California, Approving Substantial Amendment #2 to the Program Year 2023-2024 Annual Action Plan; Authorizing the City Manager or Deputy City Manager to Execute Any Related Documents, Certifications, and/or Agreements Resulting from this Amendment; Certifying Compliance with the Requirements of the Community Development Block Grant (CDBG) Program; and, Authorizing Staff to Submit All Required Documents to the U.S. Department of Housing and Urban Development; and,

B. Authorizing the Finance Officer to make any necessary budget adjustments.

Housing Program Supervisor Kim NUTT gave a slideshow presentation the second substantial amendment to the 2023 U.S. Department of Housing and Urban Development (HUD) Annual Action Plan.

Council, Ms. NUTT, City Manager Scott MCBRIDE, and City Surveyor Joe CARDOSO discussed details of the projects being deleted, details of projects listed, and South Merced sidewalk projects.

Ashley SUAREZ, Merced - spoke on the Community Development Block Grant (CDBG) funds promised for the South Merced sidewalk and grocery store projects, timeline of funds, and asked if the project will added to the 2024 Annual Action Plan.

Council, Mr. MCBRIDE, and Ms. NUTT discussed the timeline, South Merced projects, the process of expending funds, details of funding for the South Merced projects, and details of the remaining amount of funding.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Smith, that this agenda item be approved. The motion carried by the following vote:

Aye: 5 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Boyle, Council Member DeAnda, and Council Member Smith

No: 2 - Council Member Ornelas, and Council Member Xiong

Absent: 0

Clerk's Note: Council took a recess at 8:25 PM and reconvened at 8:37 PM.

J.4.

SUBJECT: Report on the City Council Adopted American Rescue Plan Act (ARPA) Strategic Investment Plan, Including Seeking Direction on Other Reinvestment Options

REPORT IN BRIEF

Report on the City Council adopted American Rescue Plan Act (ARPA) Strategic Investment Plan, including seeking direction from the City Council on other Reinvestment options.

RECOMMENDATION

Provide staff direction on reinvestment options related to the implementation of the ARPA Strategic Investment Plan.

City Manager Scott MCBRIDE gave a slideshow presentation on the American Rescue Plan Act (ARPA) Strategic Investment Plan.

Council and Finance Officer Venus RODRIGUEZ discussed the Utility Bill Relief funding allocation and the number of families that received relief.

Cindy KELLY, Merced - spoke on the importance of parks in a community, the decrease of donations to non-profit organizations, and asked Council to prioritize non-profit organizations in the community.

Council, Mrs. RODRIGUEZ, and Mr. MCBRIDE discussed public input on projects, previous programs funded by the city, details of the process for ARPA funds, details of the current allocations for all categories, update on the Community Park #42 (CP42) project, potential funding sources for CP42, future community service funding, details of youth programs, and timeline of allocating ARPA funds.

Council agreed to approve staff recommendation.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Ornelas, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

K. BUSINESS

K.1. **SUBJECT:** Request to Add Item to Future Agenda

REPORT IN BRIEF

Provides members of the City Council to request that an item be placed on a future City Council agenda for initial consideration by the City Council.

Council Member XIONG requested an information only report on the timeline for ARPA contracts at the July 15, 2024 Council meeting.

K.2. **SUBJECT:** City Council Comments

REPORT IN BRIEF

Provides an opportunity for the Mayor and/or Council Member(s) to make a brief announcement on any activity(ies) she/he has attended on behalf of the City and to make a brief announcement on future community events and/or activities. The Brown Act does not allow discussion or action by the legislative body under this section.

Mayor Pro Tempore PEREZ congratulated Maddie DIETZ for breaking her school record at El Capitan.

Council Member BOYLE reported on attending the Pizza N' Pints event, a Homeowner Association meeting with city staff, the Mercado event, and the Lao New Year event.

Mayor SERRATTO spoke on the 1213 V Street project.

L. ADJOURNMENT

Clerk's Note: The Regular Meeting was adjourned at 9:11 PM.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Boyle, that this Regular Meeting be adjourned. The motion carried by the

following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0