



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

Tuesday, January 19, 2021

6:00 PM

A. CLOSED SESSION ROLL CALL

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Kevin Blake, Council Member Fernando Echevarria, Council Member Delray Shelton, Council Member Bertha Perez, Council Member Jesse Ornelas, and Council Member Sarah Boyle

Absent: 0

B. CLOSED SESSION

Mayor SERRATTO called the Closed Session to order at 5:01 PM.

- B.1.** SUBJECT: PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Finance Officer; Authority: Government Code Section 54957
- B.2.** SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS - Agency Designated Representatives: Mayor and City Council Members. Unrepresented Employee: Finance Officer; Authority: Government Code Section 54957 and 54957.6
- B.3.** SUBJECT: CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Property: 636, 638, and 640 West Main Street, APN: 031-134-003; Agency Negotiator: Stephanie Dietz, City Manager; Negotiating Parties: Corbett Browning, Esq. and City of Merced; Under Negotiation: Price and Terms of Payment
- B.4.** SUBJECT: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Paragraph (1) of Subdivision (d) of Government Code section 54956.9, Name of Case: Victoria Marie Castillo v. City of Merced, Officer Christian Lupian, Officer Lance O'Brien, Sergeant Luis Solis, Unknown Law Enforcement Officers; United States District Court, Eastern District of California, Case Number 1:18-cv-01413 LJO BAM
- B.5.** SUBJECT: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation pursuant to Government Code section 54956.9(d)(2): (1) case

Clerk's Note: Council adjourned from Closed Session at 5:57 PM.

C. CALL TO ORDER

Mayor SERRATTO called the Regular Meeting to order at 6:02 PM.

C.1. Invocation - Imam Khalid Khan, Ahmadiyya Muslim Community, Merced Chapter

The invocation was delivered by Imam Khalid Khan from the Ahmadiyya Muslim Community, Merced Chapter.

C.2. Pledge of Allegiance to the Flag

Council Member ECHEVARRIA led the Pledge of Allegiance to the Flag.

D. ROLL CALL

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Kevin Blake, Council Member Fernando Echevarria, Council Member Delray Shelton, Council Member Bertha Perez, Council Member Jesse Ornelas, and Council Member Sarah Boyle

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 and the Public Financing and Economic Development Authority. 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 and the Public Financing and Economic Development Authority receive no compensation.

E. REPORT OUT OF CLOSED SESSION

There was no report.

F. CEREMONIAL MATTERS

F.1. **SUBJECT:** Proclamation - Dr. Martin Luther King, Jr. - Day of Service

REPORT IN BRIEF

Mayor Serratto will present the proclamation.

Mayor SERRATTO presented the Dr. Martin Luther King, Jr. Day of Service Proclamation to NAACP President Allen BROOKS.

G. WRITTEN PETITIONS AND COMMUNICATIONS

Clerk's Note: The following comments were received via email and forwarded to the Council prior to the meeting.

Item I.4. - Mayra LOPEZ.

Item J.1. - Kathleen MCCLATCHEY, Jerome RASBERRY, and Marilyn MOCHEL.

Item K.1. - Michael BELLUOMINI.

Item K.2. - Michael BELLUOMINI.

Item K.4. - Tim ROBERTSON.

Item K.5. - Jonathon WHITAKER and Michael BELLUOMINI.

Item K.7. - Michael BELLUOMINI.

H. ORAL COMMUNICATIONS

Jennifer XIONG, New Hmong Center - spoke on Covid-19 outreach to ethnic groups.

I. CONSENT CALENDAR

Item I.4. Introduction of an Ordinance Amending Sections 10.28.230 “No Parking Zones,” and 10.16.010 “Speed Limits” to Include, but not be Limited to, Adding No Parking Along the North and South Sides of Eagle Street, Adopt a 25 mph Speed Limit on El Portal Between McKee Rd. and Parsons Ave., and to Add No Parking Zones on All Four Quadrants of K St. and the BNSF Crossing; was pulled for separate consideration.

Approval of the Consent Agenda

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

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

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: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of June 15, June 29, July 6, July 20, and August 3, 2020

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority - Adopt a motion approving the meeting minutes of June 15, June 29, July 6, July 20, and August 3, 2020.

This Consent Item was approved.

I.3.

SUBJECT: Information Only - Planning Commission Minutes of November 4, 2020

RECOMMENDATION

Information only.

This Consent Item was approved.

I.5.

SUBJECT: Adoption of Resolution Approving an Update to the City's Investment Policy Which Includes Modifications Related to Authorized and Suitable Investments and Prohibited Investment Vehicles and Practices

REPORT IN BRIEF

Considers approving an update to the City's Investment Policy.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2021-03**, a Resolution of the City Council of the City of Merced, California, adopting Investment Policy.

This Consent Item was approved.

I.6.

SUBJECT: Approval of an Extension of City of Merced Administrative Policies 16A and 16B Related to City of Merced Employee Emergency Paid Sick Leave and Family and Medical Leave Due to COVID-19 Until March 31, 2021

REPORT IN BRIEF

Considers approving an extension of City Administrative Policies 16A and 16B to allow for the continued availability and use of the Emergency Paid Sick Leave and Family and Medical Leave until March 31, 2021.

RECOMMENDATION

City Council - Adopt a motion:

- A. Extending Administrative Policies 16A and 16B as a response to the continued spread of COVID-19 allowing for the continued use of the Emergency Paid Sick Leave and Family and Medical Leave until March 31st, 2021; and,
- B. Authorizing the City Manager or designee to execute the extension as directed by City Council; and,
- C. Authorizing the Finance Officer to make any necessary budget adjustments.

This Consent Item was approved.

I.7.

SUBJECT: Authorization to Apply for and Receive, Local Early Action Planning Grant (LEAP) Funding from the State of California Department of Housing and Community Development (HCD) Planning Grants Program

REPORT IN BRIEF

Authorizes Development Services Division Staff to apply for grant funding under the Local Early Planning Grant (LEAP) Grants Program in association with a Notice of Funding Availability issued by the California State Department of Housing and Community Development (HCD) and authorizes the receipt of grant funds, authorizes the City Manager to execute documents associated with the grant application and award process, authorizes the use of pooled cash to cover the

appropriation until grant funds are reimbursed, and authorizes the Finance Officer to make necessary budget adjustments should the funding be awarded.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2021-04**, a Resolution of the City Council of the City of Merced, California, authorizing application for, and receipt of, Local Government planning support grant program funds; and,
- B. Authorizing the City Manager or designee to execute the standard agreement and other necessary documents associated with the grant application and award process; and,
- C. Accepting the grant and authorizing the Finance Officer to make any necessary budget adjustments if the grant is awarded; and,
- D. Authorizing the use of pooled cash to cover the appropriation until grant funds are reimbursed.

This Consent Item was approved.

I.8.

SUBJECT: Adoption of Resolution Authorizing the City Manager to Apply for the Proposition 64 Public Health and Safety Grant Program, Execute the Grant Agreement and any Amendments and any other Necessary Documents Associated with the Grant Application on Behalf of the City of Merced

REPORT IN BRIEF

Considers the adoption of a Resolution authorizing the City Manager to apply for the Proposition 64 Public Health and Safety Grant Program, execute the grant agreement, any amendments, and other necessary documents associated with the grant application on behalf of the City of Merced.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2021-02**, a Resolution of the City Council of the City of Merced, California, authorizing the submittal of an application/proposal for the Proposition 64 Public Health and Safety Grant Program; and,

B. Authorizing the City Manager to execute the standard grant agreement, any amendments, and other necessary documents associated with the grant application.

This Consent Item was approved.

I.9.

SUBJECT: Approval of a Memorandum of Understanding with the County of Merced, Department of Public Health, Division of Environmental Health Regarding On-Site Wastewater Treatment Systems Located in the City of Merced

REPORT IN BRIEF

Considers approving a memorandum of understanding with the County of Merced, Department of Public Health, Division of Environmental Health regarding on-site wastewater treatment (septic) systems.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the memorandum of understanding with the County of Merced, Department of Public Health, Division of Environmental Health regarding on-site wastewater treatment systems; and,

B. Authorizing the City Manager or designee to execute the necessary documents.

This Consent Item was approved.

I.4.

SUBJECT: Introduction of an Ordinance Amending Sections 10.28.230 "No Parking Zones," and 10.16.010 "Speed Limits" to Include, but not be Limited to, Adding No Parking Along the North and South Sides of Eagle Street, Adopt a 25 mph Speed Limit on El Portal Between McKee Rd. and Parsons Ave., and to Add No Parking Zones on All Four Quadrants of K St. and the BNSF Crossing

REPORT IN BRIEF

Introduction of an Ordinance to amend sections 10.16.010 and 10.28.230 of the Merced Municipal Code.

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance 2520**, an Ordinance of the City Council of the City of Merced, California,

amending sections 10.16.010 "Speed Limits;" 10.28.230 "No Parking Zones" of the Merced Municipal Code.

Mayor SERRATTO pulled this item due to public comment received via email from Mayra LOPEZ.

A motion was made by Mayor Pro Tempore Blake, 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 Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

J. REPORTS

J.1.

SUBJECT: Consider and Approve, Amend, or Deny the Recreation and Parks Commission Recommendation to the City Council on a Participatory Budget Process to be Used for a 2-3 Year Pilot Program for a Portion of Measure Y Funds Beginning in Fiscal Year 2021/22

REPORT IN BRIEF

Considers a recommendation from the Parks and Recreation Commission for a 2-3 year pilot program for spending a portion of the Measure Y Parks and Recreation and discretionary funds.

RECOMMENDATION

City Council- Adopt a motion approving a 2-3 year pilot project for a participatory budgeting process for a portion of Measure Y Parks and Recreation and discretionary funds.

Recreation and Parks Director Joey CHAVEZ gave a brief report on the Recreation and Parks recommendation to use a participatory budget process to help with allocation of funds received from the Measure Y tax.

Council and Mr. CHAVEZ discussed the cost of the participatory budgeting process, how participatory budgeting works, other uses for the funds requested, and other ways for the public to participate in the City budget process.

Clerk's Note: The following comments were received via voicemail.

Emily, Merced resident - spoke in favor of the use of participatory budgeting.

Dorthea Lynn WHITE, Merced resident - spoke in favor of participatory budgeting.

Maricio FUENTES, Merced resident - spoke in favor of participatory budgeting.

Richard LOPEZ, Merced River School District - spoke in favor of participatory budgeting.

Mr. MUNOZ, Project Grow Merced - spoke in favor of participatory budgeting.

Casey STEED, Merced resident - stated his opposition due to the cost of this item.

Norma CARDONA, Merced resident - stated support for the participatory budgeting process.

Steve RUSSOS, Merced resident - spoke in support of participatory budgeting.

Marilyn MOCHEL, Merced resident - spoke in support of participatory budgeting.

Ana PADILLA, Merced resident - spoke in favor of the use of participatory budgeting.

Council discussed the cost of the program, current outreach efforts done by the Recreation and Parks Department, and possibly reevaluating the program to be brought back in the future.

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

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

K. BUSINESS

K.1. SUBJECT: Provide Staff Direction on the Virtual Town Hall Design,

Content and Survey

REPORT IN BRIEF

Seeks direction on draft Virtual Town Hall website landing page, including but not limited to the design, content and survey of residents.

RECOMMENDATION

Provide staff direction on the Virtual Town Hall website landing page, including but not limited to the design, content and survey of residents.

City Manager Stephanie DIETZ gave a brief presentation on the webpage and survey created to engage the public for the upcoming Virtual Town Hall Meetings.

Council and Ms. DEITZ briefly discussed additional items to be added to the survey and webpage and other forms of outreach to engage citizens.

Clerk's Note: No formal Council action was taken on this item.

K.2.

SUBJECT: Discussion and Direction from the Merced City Council Regarding a Request from the Merced Hotel Motel Association to Waive the 3.15% Convenience Fee from January 31, 2021 Through December 31, 2021 When Paying Quarterly Transient Occupancy Taxes

REPORT IN BRIEF

The members of the Hotel Motel Association are asking that the City of Merced waive the 3.15% convenience fee when they pay the quarterly Transient Occupancy Tax for one-year effective January 31, 2021 through December 31, 2021.

RECOMMENDATION

City Council - Adopt a Motion:

A. Providing direction to approve or disapprove the request by the Merced Hotel Motel Association to waive the 3.15% convenience fee when paying the Transient Occupancy Tax by credit card from January 31, 2021 through December 31, 2021, and;

B. Providing direction to staff identifying how to fund the 3.15% convenience fee gap created should the request by the Merced Hotel-Motel Association be approved.

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

Manny, Hotel Motel Association of Merced - asked Council to waive the fees associated with credit card use when paying their Transient Occupancy Tax.

Edwin KAINTH, Hotel Motel Association of Merced - asked Council to waive the credit card use fee to pay the Transient Occupancy Tax.

Council briefly discussed the waiver, the cost to the City, and bringing this back at an August meeting to review.

A motion was made by Council Member Echevarria, seconded by Mayor Pro Tempore Blake, to waive the credit card fees for Transient Occupancy Tax payments for the quarters ending January 31st, April 30th and July 31st with a reevaluation of the waiver in August. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

K.3.

SUBJECT: Council Member Ornelas' Request to Discuss the Development of an Honorary Charles Huddleston Business Grant Program for Small Business Owners

REPORT IN BRIEF

Council Member Ornelas' request to discuss the development of an honorary Charles Huddleston Business Grant Program for Small Business Owners pursuant to City Council Administrative Policies and Procedures C-1.

RECOMMENDATION

Provide direction to staff to develop an honorary Charles Huddleston Business Grant Program for small business owners and return to Council with any necessary program approvals.

Council Member ORNELAS briefly discussed his idea to create a small business grant program honoring community member Charles HUDDLESTON.

Council discussed the plan, the amount to fund the plan, and the eligibility criteria of the businesses.

Council and City Attorney Phaedra NORTON discussed any legal issues associated with the program.

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

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

K.4.

SUBJECT: Council Member Ornelas' Request to Discuss Including an Equity Program into the Existing City of Merced Cannabis Regulations

REPORT IN BRIEF

Council Member Ornelas' request to discuss including an Equity Program into the existing City of Merced Cannabis regulations pursuant to City Council Administrative Policies and Procedures C-1.

RECOMMENDATION

Provide direction to staff on next steps regarding including an Equity Program into the existing City of Merced Cannabis regulations.

Council Member ORNELAS discussed his proposal to include an Equity Program to the current City ordinance for cannabis.

Council and City Attorney Phaedra NORTON briefly discussed some legal issues that could occur by changing current regulations that current license holders adhere to.

Council and City Manager Stephanie DIETZ discussed a review of the current cannabis regulations and having a discussion at a future meeting.

A motion was made by Council Member Ornelas, seconded by Mayor Serratto, that this agenda item be approved. The motion failed by the following vote:

Aye: 1 - Council Member Ornelas

No: 6 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, and Council Member Boyle

Absent: 0

K.5.

SUBJECT: Council Member Echevarria's Request to Discuss the Removal of the Portable Public Speaking Podium and Designate a

Press Area in the City Council Chambers

REPORT IN BRIEF

Council Member Echevarria's Request to Discuss the Removal of the Portable Public Speaking Podium and Designate a Press Area in the Council Chamber pursuant to City Council Administrative Policies and Procedures C-1.

RECOMMENDATION

Provide direction to staff on the removal of the portable public speaking podium and designating a press area in the City Council Chambers.

Council Member ECHEVARRIA discussed his proposal to remove the portable podium from the Council Chamber and create a designated press area.

Council briefly discussed the proposal and expressed agreement.

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

Casey STEED, Merced - spoke in favor of removing the podium.

Jonathan WHITAKER, Merced County Times - spoke in favor of having a specific press area.

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

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

K.6.

SUBJECT: Council Member Shelton to Provide an Update on Project Unity and to Seek City Council Direction on Next Steps for Community Engagement

REPORT IN BRIEF

Council Member Shelton to provide an update on Project Unity and to seek City Council direction on next steps for community engagement.

RECOMMENDATION

Provide staff direction to proceed with the community engagement as proposed by Council Member Shelton as part of the proposed Project Unity and to transfer funds from Council Member Shelton's Training and Travel allocation to support the initial need for the project.

Council Member SHELTON gave a brief update on the Project Unity idea to help foster community relations. He described the committee, community outreach, projects associated with Project Unity, and the projected timeline.

City Manager Stephanie DIETZ gave a brief overview of the next steps for the program.

Council discussed using budgeted travel funds to help fund this program.

Clerk's Note: No formal Council action was taken on this item.

K.7. **SUBJECT:** Discussion on the Format of Future City Council Meetings During COVID-19

REPORT IN BRIEF

Discuss the format of City Council Meetings.

RECOMMENDATION

Provide staff direction on the format of future City Council Meetings.

Council agreed to continue the next meeting in the same format.

K.8. **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.

There were none.

K.9. **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.

Council Member ORNELAS commented on challenges Covas Restaurant is facing.

Council Member ECHEVARRIA commented on the Presidential Inauguration.

Mayor SERRATTO commented on city cleanups and sponsorships for local businesses.

Clerk's Note: Council adjourned back into Closed Session at 9:25 PM.

L. ADJOURNMENT

Clerk's Note: Council adjourned from Closed Session and adjourned the Regular Meeting at 10:21 PM.

A motion was made by Mayor Pro Tempore Blake, seconded by Council Member Echevarria, that the meeting be adjourned. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0