



ADMINISTRATIVE REPORT

File #: 26-261

Meeting Date: 4/20/2026

Report Prepared by: Jeff Bennyhoff, Director of Information Technology

SUBJECT: Approval of a Supplemental Appropriation in the Amount of \$21,300 from the Unreserved, Unencumbered Fund Balance of Fund 7008 Support Services and Authorize Procurement of SB 707 Compliance Technology up to \$123,824, for Public Meeting Access and Broadcasting Systems

REPORT IN BRIEF

Staff recommends that the City Council approve a supplemental appropriation of \$21,300 from the unreserved, unencumbered balance of Fund 7008-Support Services, waive competitive bidding as permitted by Municipal Code, and authorize the procurement of SB 707 compliance technology for a total cost not to exceed \$123,824.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a supplemental appropriation of \$21,300 from the unreserved, unencumbered fund balance in Fund 7008-Support Services and appropriating the same to Software subscription account; and,
- B. Waiving the City competitive bidding requirements as permitted by Merced Municipal Code Section 3.04.210 for standardization of equipment and cooperative purchasing; and,
- C. Authorizing the increase of expenditure authority under the Sourcewell Contract #121923 by \$20,872 for a total not to exceed of \$520,872 for several cooperative agreements for technology and equipment for Fiscal Year 2025-26; and,
- D. Authorizing the City Manager to execute a change order agreement with Granicus for \$1,901; and,
- E. Approving the procurement and implementation of SB 707 compliance technology, including the required components identified in this report, for a total cost of \$34,546; and,
- F. Approving the procurement and implementation of the optional enhancements identified in this

report, for a total additional cost of \$89,278.

ALTERNATIVES

1. Adopt the motion as recommended; or,
2. Approve, subject to other than recommended; or,
3. Refer the item back to staff for further evaluation; or,
4. Deny.

AUTHORITY

Merced Municipal Code Section 3.04.210

CITY COUNCIL PRIORITIES

Supports transparency, public access, operational stability, and legal compliance as provided in the adopted fiscal year budget.

DISCUSSION

Background

Senate Bill 707 (SB 707), titled “*Open Meetings: Meeting and Teleconference Requirements*,” was signed into law on October 3, 2025. The legislation constitutes a substantial update and reorganization of the Brown Act in many respects. At the April 6, 2026 City Council Meeting, the City Attorney’s Office made a presentation providing an overview of many of these changes affecting how meetings are held, and specifically changes that must occur with respect to the way City Council conducts its meetings. This evening, the City Attorney’s Office presented information focused on the legal changes to teleconferencing rules under the Brown Act as a result of SB 707.

One of the most significant changes under SB 707 is the requirement that eligible legislative bodies conducting meetings must provide the public with the ability to participate and provide public comment remotely in real time.

Information Technology Department Impacts

Implementation of SB 707 will increase live-meeting support and real-time monitoring responsibilities for the Information Technology Department. While additional staffing is not required, the expanded operational demands are expected to result in approximately \$1,600 annual overtime costs. In addition, anticipated on-going licensing and support costs of \$21,104 will be borne by the department and incorporated into future operating budgets.

SB 707 Compliance Technology Cost Summary

The following expenditures are required to achieve and maintain compliance with SB 707 requirements for meaningful public access, disruption management, accessibility integration, and operational continuity.

Required Items

Item No.	Description	PEG Fund	Support Services Fund	Total Cost	Anticipate FY26/27 Expense (Support Services Fund)	Authority
1	Remote Registration and Queue Status Public Portal	\$0	\$19,399	\$19,399	\$18,112	Below Bid Threshold FYI Contract Already Executed
2	Portable Equipment (Offsite / Town Hall Use)	\$6,615	\$0	\$6,615	\$0	Waive Bid Cooperative Agreement
3	Stream/Comment Monitoring Stations	\$8,532	\$0	\$8,532	\$0	Waive Bid Cooperative Agreement
Total		\$15,147	\$19,399	\$34,546	\$18,112	

Optional Items

The following optional expenditures would enhance meeting operations by improving remote public access, accessibility, and overall meeting efficiency. While not strictly required for baseline compliance with SB 707, these enhancements support smoother meeting administration and improved experience for in-person and remote participants.

Item No.	Description	PEG Fund	Support Services Fund	Total Cost	Anticipate FY26/27 Expense Support Services Fund	Authority
1	Council Chambers 3 rd party Usage	\$16,469	\$0	\$16,469	\$0	Below Bid Threshold
2	Asynchronous Public Comment Portal	\$0	\$1,901	\$1,901	\$2,992	Waive Bid Standardization
3	Video Production and Streaming System Replacement	\$48,463	\$0	\$48,463	\$0	Waive Bid Standardization
4	Agenda Item Display System	\$13,063	\$0	\$13,063	\$0	Below Bid Threshold
5	Remote Public Comment Countdown Timer Integration	\$3,657	\$0	\$3,657	\$0	Below Bid Threshold
6	Sam Pipes Room Backup Meeting Capability	\$5,725	\$0	\$5,725	\$0	Waive Bid Cooperative Agreement
Total		\$87,377	\$1,901	\$89,278	\$2,992	

Funding Source: Public, Educational, and Governmental (PEG)

Pursuant to Merced Municipal Code Section 3.50.010(A), the City receives a 1% Public, Educational, and Governmental (PEG) fee based on the gross revenues of state cable franchise holders. These funds are restricted for use in supporting public, educational, and governmental audiovisual access consistent with state and federal law. Capital equipment and installation directly supporting governmental broadcasting, including Council Chambers Audio Visual systems, qualifies PEG

funding.

Other Funding Sources

Any remaining project costs not eligible for or covered by available PEG revenues will be funded from unreserved, unencumbered fund balance in Fund 7008-Support Services.

Additional Enhancements Not Mandated by SB 707

1. Third-Party Governmental Use of Council Chambers

The Council Chambers technology system is configured solely for City of Merced legislative bodies and cannot support third-party governmental agencies conducting SB 707-compliant meetings under the existing system architecture. To enable outside governmental entities to conduct SB 707-compliant meetings in the Council Chambers, the City would need to procure approximately \$16,469 in additional equipment. Pursuant to Administrative Policy A-4, governmental entities are not charged a facility use fee for use of the room. Accordingly, this expenditure would not be offset through rental revenue under the existing policy.

2. Asynchronous Public Comment Portal

Staff recommends an optional online public comment portal allowing written comments to be submitted in advance of meetings. By organizing comments beforehand, the City can improve efficiency and potentially shorten the duration of live public comment, while preserving all required real-time participation rights.

The portal would expand accessibility for residents unable to attend live meetings and provide an alternative for individuals uncomfortable with public speaking. Advance submissions would supplement, not replace, real-time public comment rights required under SB 707.

3. Video Production and Streaming System Replacement

Staff recommends replacing the Council Chambers video production and streaming system. While not required under SB 707, the existing system is reaching the end of its useful life and is scheduled for replacement in the upcoming fiscal year. Proceeding at this time allows the City to coordinate the replacement with current operational adjustments, avoid duplicative efforts, and incorporate minor streaming and production enhancements. Funding for the replacement is in Public, Educational, and Governmental (PEG) access funds, consistent with allowable uses.

4. Agenda Item Display System

Staff recommends funding a display system in the Council Chamber that clearly identifies the agenda item currently under consideration. This improvement is intended to assist both in-person attendees and remote participants, particularly those who join the meeting after discussion has begun. By providing a real-time indication of the active agenda item, the system will reduce confusion regarding

the appropriate time for public comment and support more efficient and orderly meeting proceedings.

5. Remote Public Comment Countdown Timer Integration

Integrate the countdown clock into the remote meeting platform to ensure remote participants can consistently view remaining speaking time and hear the audible buzzer when time expires. Due to current camera system limitations, I.T. cannot reliably display the timer for remote speakers. This enhancement would provide consistent visual time tracking, improve transparency and reduce the need for Clerk staff to verbally notify speakers when their allotted time has concluded.

6. Secondary Meeting Space Redundancy (Sam Pipes Room)

Staff recommends configuring the Sam Pipes Room to meet the minimum requirements necessary to host legislative body meetings, allowing it to accommodate meetings or serve as a backup location during technology failures, maintenance, or construction in the Council Chambers. Establishing this redundancy supports uninterrupted public access, reduces operational risk.

Total Project Cost (All Options)

If the Council elects to proceed with all recommended options, the total estimated project cost would be \$123,824 as outlined in the table below.

	PEG Fund	Support Service Fund	Total Cost
Required	\$15,147	\$19,399	\$34,546
Optional	\$87,377	\$1,901	\$89,278
Total	\$102,524	\$21,300	\$123,824

Competitive Bidding Waiver

Pursuant to Merced Municipal Code Section 3.04.210, staff recommends that the City Council authorize the use of cooperative purchasing agreements and, where necessary, waive competitive bidding requirements due to standardization requirements for the procurement of SB 707-related public meeting technology systems and associated equipment.

1. Standardization: Remote Registration and Queue Status Public Portal, Video Production and Streaming System Replacement, Asynchronous Public Comment Portal. Should Council authorize these components, procurement would be based on the operational necessity of maintaining compatibility and standardization with the City’s existing agenda management and video streaming platforms.
2. Existing Procurement Authority and Requested Increase: Certain related equipment and ancillary

items fall within the Information Technology Department's existing cooperative purchasing authority previously approved by Council in July 2025 through a Sourcewell cooperative agreement with CDW-G or remain below formal bidding thresholds established by the Municipal Code and may be completed administratively. Staff is requesting authority to increase the previously approved expenditure authority with CDW-G by \$20,872 to accommodate the additional equipment identified in this report.

State Mandates Reimbursement Considerations

SB 707 imposes additional procedural, staffing, and operational requirements on local legislative bodies. As a result, the City will evaluate whether the legislation constitutes a reimbursable state mandate under Article XIII B, Section 6 of the California Constitution.

The State Mandates process requires local agencies to file a test claim with the Commission on State Mandates (CSM) asserting that a new law or regulation imposes costs mandated by the State. If the Commission determines that SB 707 contains reimbursable mandates, it will adopt parameters and guidelines defining eligible activities and cost categories. Local agencies may then submit reimbursement claims through the State Controller's Office for qualifying costs incurred.

At this time, it is uncertain whether SB 707 will be determined to be a reimbursable mandate, in whole or in part. Even if deemed reimbursable, the process for approval, adoption of guidelines, and appropriation of funding by the Legislature can take several years. Historically, mandate reimbursements are often delayed and may not fully offset the actual operational costs incurred.

Staff will monitor actions by the Commission on State Mandates and collaborate with statewide municipal associations as appropriate. If a reimbursable mandate determination is made, the City will evaluate and submit claims for eligible costs in accordance with adopted guidelines.

Until such time, the City must proceed with implementation using local funds to ensure compliance with SB 707 by the statutory deadline.

Impacts if Not Approved

Failure to approve the recommended technology may result in the City being unable to meet SB 707 requirements for real-time remote public participation, potentially exposing the City to Brown Act violations.

Impact on City Resource

The total cost of SB 707 compliance technology is \$123,824. Fund 3004-PEG covers \$102,524 and staff is requesting a supplemental appropriation of \$21,300 from the unreserved, unencumbered fund balance of Fund 7008-Support Services to fund the implementation of SB707 compliance

technology.

Ongoing costs of approximately \$21,104 annually will be included into future operating budgets of Fund 7008-Support Services. Since Support Services is an internal service fund than the costs will be shared be most funds. Capital costs of up to \$102,524 will be funded through the PEG Fund, contingent upon Council approval of optional components.

This item will require five (5) affirmative votes for approval.

ATTACHMENTS

1. Contract for Remote Registration and Queue Status Public Portal with Public Input
2. Quote for Portable Equipment (Offsite / Town Hall Use)
3. Quote for Stream/Comment Monitoring stations
4. Quote for Council Chambers 3rd Party Usage
5. Contract Amendment for Asynchronous Public Comment Portal with Granicus
6. Quote for Video Production and Streaming System Replacement
7. Quote for Agenda Item Display System
8. Quote for Remote Public Comment Countdown Timer Integration
9. Quote for Sam Pipes Secondary Source
10. Presentation