



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/Successor Agency to the Redevelopment Agency

Tuesday, February 20, 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 Pro Tempore PEREZ called the Closed Session to order at 5:01 PM.

Clerk's Note: Council Member XIONG arrived to Closed Session at 5:06 PM, Council Member SMITH arrived to Closed Session at 5:09 PM, and Mayor SERRATTO arrived to Closed Session at 5:28 PM.

- B.1.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representatives: City Manager Scott McBride, Deputy City Manager Frank Quintero, and Finance Officer Venus Rodriguez; Employee Organizations: Merced Police Officers' Association (MPOA) and Merced Association of Police Sergeants (MAPS). AUTHORITY: Government Code Section 54957.6
- B.2.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representatives: City Manager Scott McBride, Deputy City Manager Frank Quintero, and Finance Officer Venus Rodriguez; Employee Organizations: International Association of Fire Fighters, Local 1479. AUTHORITY: Government Code Section 54957.6
- B.3.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representatives: City Manager Scott McBride, Deputy City Manager Frank Quintero, and Finance Officer Venus Rodriguez; Unrepresented Management 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, and Finance Officer Venus Rodriguez; 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 LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Paragraph (1) of Subdivision (d) of Government Code Section 54956.9, People of the State of California v. Kudulis, MSC Case No. 21CV-00159
- B.6.** SUBJECT: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Paragraph (1) of Subdivision (d) of Government Code Section 54956.9, City of Merced v. State of California, et al. MSC Case No. 23CV-03845
- B.7.** SUBJECT: PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Finance Officer; Authority: Government Code Section 54957

Clerk's Note: Council adjourned from Closed Session at 5:56 PM.

C. CALL TO ORDER

Mayor SERRATTO called the Regular Meeting to order at 6:01 PM.

Invocation - Al Schaap, Gateway Church

The Invocation was delivered by Pastor Al SCHAAP of the Gateway Church.

Pledge of Allegiance to the Flag

Pastor Al SCHAAP 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

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: Proclamation - Teen Dating Violence Awareness and Prevention Month

REPORT IN BRIEF

Received by a representative from the Valley Crisis Center.

Mayor SERRATTO presented the Teen Dating Violence Awareness and Prevention Month Proclamation to a representative from Valley Crisis Center.

G. WRITTEN PETITIONS AND COMMUNICATIONS

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

Oral Communications: Steven DONAHUE.

Agenda Item K.3.: Peggy HSU, Nathaniel LOPEZ, Merete PINKER, and Sherre VERNON.

H. ORAL COMMUNICATIONS

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

Fernando ECHEVARRIA, Merced - spoke on the public comment page on the City's website and details of a case opened with the District Attorney.

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

Kenra BRAGONIER, Merced - spoke on the Open House event located at the Merced County Library.

Valerie THORSEN, Merced - spoke on details of the Parent Teacher Institute program and the Earth Day Fair.

Christan SANTOS, Representative of Congressman John DUARTE, Merced - thanked everyone for attending the Town Hall, spoke on attending the event with various Fire Chiefs to discuss the increase of deaths caused by Fentanyl, and shared details of the Fentanyl drug.

I. CONSENT CALENDAR

Agenda Items I.5. Authorizing a Letter of Conditional Funding Commitment Reservation of U.S. Department of Housing and Urban Development (HUD) Home Investment Partnership Program American Rescue Plan (HOME-ARP) Funding Towards an Affordable Rental Housing Construction Project at 3015 Park Avenue, Merced, for up to \$1,690,461.30 of the City's Allocation of HUD HOME-ARP Funding, I.9. Adoption of a Resolution to Enter into a Funding Agreement with the State of California Department of Water Resources to Receive Funds in the Amount not to Exceed \$6,000,000 for the Bear Creek Restoration Project (CP240058), I.11. Adoption of a Resolution of Intent Regarding Annexation No. 25 for the Palisades Subdivision Improvement Area No. 50 into Community Facilities District (CFD) No. 2003-2 (Services), Approving a Deposit and Reimbursement Agreement for Annexation No. 25, and Setting a Public Hearing for March 4, 2024; and Annexation No. 25 Consists of Approximately 28.10 Acres of Land Generally Located on the East Side of G Street, Approximately 800 Feet North of Merrill Place, I.12. Adoption of a Resolution of Intent Regarding Annexation No. 26 for Capella Terrace Improvement Area No. 51 into Community Facilities District (CFD) No. 2003-2 (Services), Approving a Deposit and Reimbursement Agreement for Annexation No. 26, and Setting a Public Hearing for March 4, 2024; and Annexation No. 26 Consists of Approximately 10 Acres of Land Generally Located on the West Side of Coffee Street, Approximately 300 feet North of Gerard Avenue, I.13. Adopt Resolution Certifying and Adding Property to the Community Facilities District No. 2003-2 (Services), I.14. Adoption of a Resolution Approving Final Map #5409 for Stone Ridge West 108, Phase 1 Subdivision for 48 Small Single-Family Lots, Generally Located South of Winder Avenue, Approximately 650 Feet East of G Street and the Approval of the Subdivision Agreement for the Stone Ridge West 108, Phase 1 Subdivision, and I.15. Adoption of a Resolution Approving Final Map #5410 for Stone Ridge West 108, Phase 2 Subdivision for 60 Small Single-Family Lots, Generally Located South of Winder Avenue, Approximately 650 Feet East of G Street and the Approval of the

Subdivision Agreement for the Stone Ridge West 108, Phase 2
Subdivision; were pulled for separate consideration.

Approval of the Consent Agenda

City Attorney Craig CORNWELL made a brief comment on Agenda Item I.3. He stated that the contract with Hansen Bridgett needs to be updated to reflect the same amount as the Administrative report and explained to Council that it can be approved as recommended.

A motion was made by Council Member Boyle, seconded by Council Member Ornelas, 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:** Approval of City Council/Public Financing and Economic Development/Parking Authority/Successor Agency to the Redevelopment Agency Meeting Minutes of December 18, 2023

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 December 18, 2023.

This Consent Item was approved.

I.3.

SUBJECT: Approval of Professional Legal Services Agreement with Richard Watson & Gershon, Prentice Long, Approval of Hanson Bridgett, LLP Second Amendment and Approval of Wilke Fleury, LLP First Amendment in an Amount not to Exceed \$245,000

REPORT IN BRIEF

Considers approving a Professional Legal Services Agreement with Richard Watson & Gershon, Prentice Long, Law Offices of John W. Martin and Hanson Bridgett, LLP's Second Amendment in an amount not-to-exceed \$245,000.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a two-year Professional Legal Services Agreement with Richard Watson & Gershon in an amount not-to-exceed \$125,000; and,
- B. Approving a two-year Professional Legal Services Agreement with Prentice Long in an amount not-to-exceed \$75,000; and,
- C. Approving a Second Amendment to an Agreement for Professional Services with Hanson Bridgett LLP in an amount not to exceed \$20,000, totaling \$120,000; and,
- D. Approving a First Amendment to an Agreement with Wilke Fleury, LLP in an amount not to exceed \$25,000, totaling \$61,000; and,
- E. Authorizing the City Manager to execute the necessary documents; and,
- F. Authorizing the Finance Officer to make the necessary budget adjustments.

This Consent Item was approved.

I.4.

SUBJECT: Approval of a Supplemental Appropriation in the Fleet Replacement Fund 7006 in the Amount of \$334,729, Approval to

Waive the Competitive Bidding Requirements, and Authorizing the Purchase of One Vac-Con Model VPD3611LHAEN-P/1300 (700-10855) Through a Cooperative Purchasing Agreement with Sourcewell via Municipal Maintenance Equipment in the Amount of \$627,867.50

REPORT IN BRIEF

Considers approving to waive the City's competitive bidding requirements pursuant to Merced Municipal Code Section 3.04.210 to purchase a vac-con truck through the government procurement program Sourcewell.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a supplemental appropriation from the unreserved, unencumbered fund balance in the Fund 7006-Fleet Replacement and appropriating to Vehicle Expenditure in the amount of \$334,729 to purchase the replacement of one vac-con truck; and,
- B. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 to utilize a cooperative purchasing agreement through Sourcewell, a government procurement program; and,
- C. Approving the purchase of one new Vac-Con Combination Sewer and Storm Drain Cleaner in the amount of \$627,867.50, including applicable taxes and fees, from Municipal Maintenance Equipment through Sourcewell contract #091520-DIV; and,
- D. Authorizing the City Manager to execute the necessary documents, approving change orders not to exceed 10% of the total purchase price; and,
- E. Authorizing the Finance Officer to make the necessary budget adjustments; and,
- F. Authorizing the City Buyer to issue the Purchase Order.

This Consent Item was approved.

I.6.

SUBJECT: Authorization to Accept \$1,000 in Grant Funding

2023-24 from United States Tennis Association Northern California
for FY23-24 and Appropriating \$500 to Operating Materials,
Services and Supplies

REPORT IN BRIEF

Considers authorizing to accept grant funding in the amount of \$1,000 from USTA for H.I.T.S. (Honesty, Integrity, Teamwork, Sportsmanship) tennis equipment grant.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting \$1,000 grant funds from USTA NorCal in Fund 1018-Parks & Community Service; and,
- B. Increasing contribution revenue in the amount of \$500 and appropriating the same operating materials, supplies and service in Fund 1018; and,
- C. Authorizing the City Manager to execute the necessary documents; and,
- D. Authorizing the Finance Officer to make the necessary budget adjustments.

This Consent Item was approved.

I.7.

SUBJECT: Approving Request from the Chance Dobbins Sr.
Charity for the Co-Sponsored Rental Rate of \$695.50 for the
Merced Senior Community Center for Club 67 Monthly Dances

REPORT IN BRIEF

Considers approving a request for the co-sponsored rate for the rental rate of \$695.50 of the Merced Senior Community Center by the Chance Dobbins Sr. Charity to host Club 67 monthly dances on one Friday per month.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the recommendation of the Recreation and Parks

Commission for a co-sponsorship request rate of \$695.50 from the Chance Dobbins Sr. Charity for the Merced Senior Community Center to host Club 67 monthly dances one Friday per month; and,

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

This Consent Item was approved.

I.8.

SUBJECT: Approval of a License for Environmental Access Agreement Within the BNSF Railway Company, a Delaware Corporation, to Perform Soil Sampling and Testing for an At-Grade Railroad Crossing Improvements by Dokken Engineering, a California Corporation, as Part of the Highway 59 Widening and Highway 59 Bridges Over Black Rascal Creek Projects (CP200064 and CP200065) in the Amount of \$2,500 for the License Fee

REPORT IN BRIEF

Considers approving a license for environmental access agreement within the BNSF Railway right of way for Dokken Engineering to perform soil sampling and testing for the proposed at-grade crossing improvements as part of the Highway 59 Widening and Highway 59 Bridges Over Black Rascal Creek projects (CP200064 and CP200065) in the amount of \$2,500 for the license fee.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a License for Environmental Access agreement between BNSF Railroad and the City of Merced; and,

B. Authorizing the payment to BNSF Railroad for the license fee in the amount of \$2,500 and any additional expenses incurred by the City of Merced to BNSF as required per the License; and,

C. Authorizing the City Manager to execute the necessary documents; and,

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

This Consent Item was approved.

I.10.

SUBJECT: Approval of Street Closure Request #24-02 by Velo Promo, LLC to Host the 37th Annual Merced Criterium Bicycle Race, to Include M Street, from West 21st to West 18th Streets; West 18th Street, from M to N Streets; and N Street, from West 18th Street to West 21st Street, Including the Merced County Courthouse Loop on Sunday, March 3, 2024, from 6:00 A.M. to 5:00 P.M.

REPORT IN BRIEF

Considers approving a request by Velo Promo, LLC for the closure and use of City streets on Sunday, March 3, 2024, for the 37th Annual Merced Criterium Bicycle Race. The request seeks approval to close M Street, between W. 21st and W. 18th Streets; W. 18th Street, between M and N Streets; and N Street, from W. 18th Street to W. 21st Street, including the Merced County Courthouse loop from 6:00 a.m. to 5:00 p.m.

RECOMMENDATION

City Council - Adopt a motion approving the street closure of M Street, between W. 21st and W. 18th Streets; W. 18th Street, between M and N Streets; and N Street, from W. 18th Street to W. 21st Street, including the Merced County Courthouse loop on Sunday, March 3, 2024, from 6:00 a.m. to 5:00 p.m., subject to the details and conditions outlined in the Administrative Staff Report.

This Consent Item was approved.

I.5.

SUBJECT: Authorizing a Letter of Conditional Funding Commitment Reservation of U.S. Department of Housing and Urban Development (HUD) Home Investment Partnership Program American Rescue Plan (HOME-ARP) Funding Towards an Affordable Rental Housing Construction Project at 3015 Park Avenue, Merced, for up to \$1,690,461.30 of the City's Allocation of HUD HOME-ARP Funding

REPORT IN BRIEF

Considers authorizing a conditional funding commitment reservation letter to be signed and issued to UPholdings California, LLC, developer of the future Mercy Village Apartments, a 66-unit affordable housing project to be located at 3015 Park Avenue, Merced, for up to \$1,690,461.30 of the City's allocation of HUD HOME-ARP funding.

RECOMMENDATION

City Council - Adopt a motion:

A. Authorizing a Conditional Commitment Reservation letter, following review as to form by the City Attorney, to be provided to UPholdings California, LLC, developer of the future Mercy Village affordable housing project at 3015 Park Avenue for up to \$1,690,461.30 of the City's allocation of HUD HOME-ARP funding; and,

B. Authorizing the City Manager to execute all related documents; and,

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

Clerk's Note: Mayor SERRATTO explained that Agenda Items I.9., I.11., I.12. were heard after Agenda items I.5., I.13., I.14., and I.15.

Clerk's Note: Council Member SMITH recused himself from Agenda Items I.5., I.13., I.14., and I.15. due to the applicants being a clients at his law firm.

Clerk's Note: There was no Council discussion.

A motion was made by Council Member Ornelas, 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

I.13.

SUBJECT: Adopt Resolution Certifying and Adding Property to the Community Facilities District No. 2003-2 (Services)

REPORT IN BRIEF

Considers adopting a Resolution acting as the legislative body of the Community Facilities District No. 2003-2 (Services) of the City of Merced (the "CFD") adopt a resolution for previously designated "future annexation area" of the CFD to be added as property to the CFD.

On April 20, 2020, the CFD designated certain area as “Future Annexation Area” to the CFD as part of Annexation No. 14. The future annexation area is commonly now known as Stone Ridge West 108. This allowed for a streamlined annexation process for the property owner when ready to annex. Instead of a public hearing and an election to annex to the CFD, the landowner signs a unanimous approval and consent to be annexed into the CFD. The owner of the property, Stonefield Homes, Inc., is now ready to annex to the CFD. A unanimous approval and consent from the owner for the proposed Annexation No. 27 (Improvement Area 44) has been received and filed pursuant to the streamlined process. Annexation No. 27 triggers a modification to the existing rate and method of apportionment to include its rates which have been provided to the owner. It is anticipated that this annexation will be certified by resolution at this Council meeting.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2024-20**, a Resolution of the City Council of the City of Merced, Acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced Certifying and Adding Property Thereto as Annexation No. 27 (Improvement Area 44) and Approving a Certain Agreement Related Thereto; and,
- B. Accepting the deposit amount of \$20,000 in Fund 4500 (CFD Formation Fund), increasing the revenue and appropriating the same to cover the cost of Community Facilities District formation and related expenditures for Annexation No. 27 (Improvement Area 44); and,
- C. Authorizing the City Manager to execute the Deposit and Reimbursement Agreement; and,
- D. Authorizing the Finance Officer to make the necessary budget adjustments.

Clerk's Note: Mayor SERRATTO explained that Agenda Items I.9., I.11., I.12. were heard after Agenda items I.5., I.13., I.14., and I.15.

Clerk's Note: Council Member SMITH recused himself from Agenda Items I.5., I.13., I.14., and I.15. due to the applicants being a clients at his law firm.

Mayor SERRATTO pulled this item at the request of Council Member SMITH and Resident Ashley SUAREZ.

Ashley SUAREZ, Merced - asked if Council can approve the connection of services to existing communities and spoke on the needs of South Merced.

Council, Senior Planner Francisco MENDOZA, and City Manager Scott MCBRIDE discussed the different types of annexations, the process of connecting services to existing communities, types of districts, and funding sources.

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

I.14.

SUBJECT: Adoption of a Resolution Approving Final Map #5409 for Stone Ridge West 108, Phase 1 Subdivision for 48 Small Single-Family Lots, Generally Located South of Winder Avenue, Approximately 650 Feet East of G Street and the Approval of the Subdivision Agreement for the Stone Ridge West 108, Phase 1 Subdivision

REPORT IN BRIEF

Considers adopting a Resolution approving the Final Map #5409 for 48 small single-family lots, located south of Winder Avenue, approximately 650 feet east of G Street, and the subdivision agreement for Stone Ridge West 108, Phase 1 Subdivision.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving **Resolution 2024-21**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for the Stone Ridge West 108, Phase 1 Subdivision (#5409); and,

B. Approving the Subdivision Agreement for the Stone Ridge West

108 Phase 1 Subdivision; and,

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

Clerk's Note: Mayor SERRATTO explained that Agenda Items I.9., I.11., I.12. were heard after Agenda items I.5., I.13., I.14., and I.15.

Clerk's Note: Council Member SMITH recused himself from Agenda Items I.5., I.13., I.14., and I.15. due to the applicants being a clients at his law firm.

Mayor SERRATTO pulled this item at the request of Council Member SMITH and Resident Ashley SUAREZ.

Clerk's Note: Mayor SERRATTO stated that Council will hear Agenda Items I.14. and I.15. together.

Ashley SUAREZ, Merced - spoke on the proximity of the Industrial Park study to the development and the negative impacts on the residents in the area.

Clerk's Note: Council made a motion for Agenda Items I.14. and I.15. together.

A motion was made by Council Member Ornelas, 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

I.15.

SUBJECT: Adoption of a Resolution Approving Final Map #5410 for Stone Ridge West 108, Phase 2 Subdivision for 60 Small Single-Family Lots, Generally Located South of Winder Avenue, Approximately 650 Feet East of G Street and the Approval of the Subdivision Agreement for the Stone Ridge West 108, Phase 2 Subdivision

REPORT IN BRIEF

Considers adopting a Resolution approving the Final Map #5410 for 60 small single-family lots, located south of Winder Avenue, approximately 650 feet east of G Street, and the subdivision agreement for Stone Ridge West 108, Phase 2 Subdivision.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving **Resolution 2024-22**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for the Stone Ridge West 108, Phase 2 Subdivision (#5410); and,

B. Approving the Subdivision Agreement for the Stone Ridge West 108 Phase 2 Subdivision; and,

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

Clerk's Note: Mayor SERRATTO explained that Agenda Items I.9., I.11., I.12. were heard after Agenda items I.5., I.13., I.14., and I.15.

Clerk's Note: Council Member SMITH recused himself from Agenda Items I.5., I.13., I.14., and I.15. due to the applicants being a clients at his law firm.

Clerk's Note: Mayor SERRATTO stated that Council will hear Agenda Items I.14. and I.15. together.

Clerk's Note: Council made a motion for Agenda Items I.14. and I.15. together.

A motion was made by Council Member Ornelas, 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

I.11.

SUBJECT: Adoption of a Resolution of Intent Regarding Annexation No. 25 for the Palisades Subdivision Improvement Area No. 50 into

Community Facilities District (CFD) No. 2003-2 (Services),
Approving a Deposit and Reimbursement Agreement for Annexation
No. 25, and Setting a Public Hearing for March 4, 2024; and
Annexation No. 25 Consists of Approximately 28.10 Acres of Land
Generally Located on the East Side of G Street, Approximately 800
Feet North of Merrill Place

REPORT IN BRIEF

Considers adopting a Resolution of Intent to annex 28.10 acres of land generally located on the east side of G Street, approximately 800 feet north of Merrill Place (CFD Annexation No. 25) into the City's CFD for Services (CFD 2003-2), including the approval of a Deposit and Reimbursement Agreement for the annexation; accept the petition, consent, and waiver for Annexation No. 25; and set a public hearing and election for March 4, 2024.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2024-23**, a Resolution of Intention of the City Council of the City of Merced, Acting as the Legislative Body of the City of Merced Community Facilities District No. 2003-2 (Services), Declaring its Intentions to Annex an Area to Said District and Authorize the Levy of a Special Tax Within Said Annexation and Approving a Certain Agreement Related Thereto; and,
- B. Setting the Public Hearing for March 4, 2024; and,
- C. Accepting the Petition, Consent and Waiver from Leeco, LLC, a California Limited Liability Company and Exposition Properties, LLC, a California Limited Liability Company for Annexation No. 25; and,
- D. Accepting the deposit amount of \$25,000 in Fund 4500 (CFD Formation Fund), increasing the revenue and appropriating the same to cover the cost of Community Facilities District formation and related expenditures for Annexation No. 25; and,
- E. Authorizing the City Manager to execute the Deposit and Reimbursement Agreement; and,
- F. Authorizing the Finance Officer to make the necessary budget

adjustments.

Clerk's Note: Mayor SERRATTO stated that Council will hear Agenda Items I.11. and I.12. together before hearing Agenda Item I.9.

Mayor SERRATTO pulled this item at the request of resident Ashley SUAREZ.

Ashley SUAREZ, Merced - spoke on the importance of addressing the needs of existing communities.

Clerk's Note: Council made a motion for Agenda Items I.11. and I.12. together.

A motion was made by Council Member Ornelas, seconded by Council Member Smith, 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 of Intent Regarding Annexation No. 26 for Capella Terrace Improvement Area No. 51 into Community Facilities District (CFD) No. 2003-2 (Services), Approving a Deposit and Reimbursement Agreement for Annexation No. 26, and Setting a Public Hearing for March 4, 2024; and Annexation No. 26 Consists of Approximately 10 Acres of Land Generally Located on the West Side of Coffee Street, Approximately 300 feet North of Gerard Avenue

REPORT IN BRIEF

Considers adopting a Resolution of Intent to annex approximately 10 acres of land generally located on the west side of Coffee Street, approximately 300 feet north of Gerard Avenue (CFD Annexation No. 26) into the City's CFD for Services (CFD 2003-2), including the approval of a Deposit and Reimbursement Agreement for the annexation; accept the petition, consent, and waiver for Annexation No. 26; and set a public hearing and election for March 4, 2024.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2024-19**, a Resolution of Intention of the City Council of the City of Merced, acting as the Legislative Body of the City of Merced Community Facilities District No. 2003-2 (Services), declaring its intention to annex area to said district and authorize the levy of a special tax within said annexation and approving a certain agreement related thereto; and,

B. Setting the Public Hearing for March 4, 2024; and,

C. Accepting the Petition, Consent and Waiver from Fortis General Construction, Inc., for Annexation No. 26 (Improvement No. 51); and,

D. Accepting the deposit amount of \$25,000 in Fund 4500 (CFD Formation Fund), increasing the revenue and appropriating the same to cover the cost of Community Facilities District formation and related expenditures for Annexation No. 26, (Improvement Area No. 51); and,

E. Authorizing the City Manager to execute the Deposit and Reimbursement Agreement; and,

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

Clerk's Note: Mayor SERRATTO stated that Council will hear Agenda Items I.11. and I.12. together before hearing Agenda Item I.9.

Clerk's Note: Council made a motion for Agenda Items I.11. and I.12. together.

A motion was made by Council Member Ornelas, seconded by Council Member Smith, 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.9.

SUBJECT: Adoption of a Resolution to Enter into a Funding

Agreement with the State of California Department of Water
Resources to Receive Funds in the Amount not to Exceed
\$6,000,000 for the Bear Creek Restoration Project (CP240058)

REPORT IN BRIEF

Considers adopting a Resolution to enter into a Funding Agreement with the State of California Department of Water Resources to receive funds in the amount not to exceed \$6,000,000 for the Bear Creek Restoration Project and authorizing the City Manager to execute the agreement on behalf of the City of Merced.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2024-18**, a Resolution of the City Council of the City of Merced, California, Authorizing the City Manager to enter into an agreement with the State of California Department of Water Resources to receive funds for the Bear Creek Restoration Project; and,
- B. Accepting and increasing the revenue budget in Fund 6000 - Wastewater in the amount of \$6,000,000, and appropriating the same to Fund 6000 - Wastewater in Project CP240058 Bear Creek Restoration; and,
- C. Approving the use of pooled cash to cover the appropriation until City receives reimbursement funds; and,
- D. Authorizing the Finance Officer to make the necessary budget adjustments; and,
- E. Authorizing the City Manager to execute all necessary documents.

Clerk's Note: Agenda item I.9. was moved to be heard last on the Consent Calendar.

Mayor SERRATTO pulled this item at the request of Mayor Pro Tempore PEREZ and members of the public.

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

Kelly SILVA, Merced - asked if neighborhoods with close proximity of the

creek bank will be included in the restoration and spoke on safety.

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

Sandra HAY, Merced - asked for clarification on the project, the location of improvement, the areas that will be prioritized, and spoke on the collapsed creek bank.

Diana Odom GUNN, Merced Downtown Neighborhood Association, Merced - asked if funding can be used for the remediation on R Street and 25th Street.

Jeremiah GREGGAINS, Bear Creek Yacht Club, Merced - asked to accept the funds and spoke on the importance of Bear Creek in the community.

Ron COOK, Merced - asked to prioritize R Street and 25th Street clean up area, spoke on the power outage that Pacific Gas & Electric could not restore quickly due to the barriers on the bicycle path, and the common fires in the area.

Council, Interim City Engineer Michael WEGLEY, and City Manager Scott MCBRIDE discussed details of the funds, projects to prioritize, details of the funding agreement, hearing a separate agenda item for an emergency fund, clarification on the location map, the elements of the project, start and end dates for expenditures, and public safety.

Xerxes ZANGENCH, Merced - asked to re-prioritize a non-aggressive way of removing invasive vegetation.

Council briefly discussed removing the invasive vegetation safely.

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: 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: Approving a Supplemental Appropriation from the General

Fund, Unencumbered, Unreserved Fund Balance of \$3,000 and
Request for Proposals (RFP) for Local Photography Submissions for a
Summer Art Exhibition at the Applegate Park Merced Open Air Theater
(MOAT)

REPORT IN BRIEF

Considers approving a supplemental appropriation from the General Fund, unencumbered, unreserved fund balance of \$3,000 and an RFP call for local photography for a summer art exhibition at the Applegate Park MOAT.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a supplemental appropriation from the General Fund, unencumbered unreserved fund balance in the amount of \$3,000; and,

B. Approving an RFP for original works of photography by local artists featuring sunrises and sunsets in Merced to be displayed at a summer art exhibition at the Applegate Park Merced Open Air Theater (MOAT).

Senior Management Analyst Jennifer FLACHMAN and Director of Parks and Community Services Christopher JENSEN briefly discussed details of the Request for Proposals (RFP) for local photography submissions for a Summer Art Exhibition at the Applegate Park Merced Open Air Theater (MOAT).

Council, Mr. JENSEN, and Ms. FLACHMAN discussed the support of the project, diversifying art, and details of the \$8,000 dollar funding allocation.

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: 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.2.

SUBJECT: Mid-Year Budget Review for Fiscal Year 2023-2024,
General Fund Supplemental Appropriations and Budget Amendments
in Various Funds Totaling \$1,699,187

REPORT IN BRIEF

Presents the Fiscal Year 2023-2024 Mid-Year Financial Report, seeks approval of General Fund Supplemental Appropriations and Budget Amendments in Various Funds totaling \$1,699,187.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a Supplemental Appropriation from the unreserved, unencumbered General Fund Balance in the amount of \$20,000 and appropriating in the City Manager's Division personnel expense accounts; and,
- B. Approving a Supplemental Appropriation from the unreserved, unencumbered General Fund balance in the amount of \$14,000 to amend a Professional Services agreement with our lobbyist to include grants; and,
- C. Approving the addition of one Accountant I/II position in the Finance Department; and,
- D. Approving an increase to Administration Revenue from the Successor Agency in the General Fund in the amount of \$30,000 and appropriating the same in the Finance Department personnel expense accounts; and,
- E. Approving a Supplemental Appropriation from the unreserved, unencumbered General Fund balance in the amount of \$20,000 and appropriating in the Purchasing Division for surveillance cameras; and,
- F. Approving a Supplemental Appropriation from the unreserved, unencumbered fund balance in Fund 8503-Asset Forfeiture in the amount of \$56,000 transferring to the General Fund, and appropriating the same to the Police Department for the subscription to the National Integrated Ballistic Network (NIBIN); and,
- G. Approving an increase to Cost Recovery revenue account in the General Fund in the amount of \$170,875 and appropriating the same plus interest earned totaling \$175,435 in the Police Department for opioid settlement planned program expenditures; and,
- H. Approving a Supplemental Appropriation from the unreserved,

unencumbered General Fund balance in the amount of \$56,200, transferring to Fund 3002-Bell Station for utility and remediation expenditures; and,

I. Approving a Supplemental Appropriation from the unreserved, unencumbered General Fund balance in the amount of \$200,000 for PPE for Safer Grant approved positions; and,

J. Approving a Supplemental Appropriation from the unreserved, unencumbered General Fund balance in the amount of \$75,000 and appropriating in the Fire Department for an EMS Revenue Analysis; and,

K. Approving the deletion of one Business & Aviation Manager position and adding one Airport Manager; and,

L. Approving **Resolution 2024-24**, A Resolution of the City Council of the City of Merced, California, Amending the Salary Range for the Airport Manager Position within the Economic Development Department; and,

M. Approving a Supplemental Appropriation from the unreserved, unencumbered fund balance in Fund 2000-Downtown Fund in the amount of \$78,000, transferring to Fund 4019 Downtown Maintenance District, and appropriating the same for maintenance until PBID begins maintaining; and,

N. Approving a Supplemental Appropriation from the unreserved, unencumbered fund balance in Fund 2001-Measure C in the amount of \$460,000 for the replacement of the Fire Station Alerting; and,

O. Approving a Supplemental Appropriation from the unreserved, unencumbered fund balance in Fund 2004-Measure Y-Parks and Recreation 20% in the amount of \$30,000 due to the minimum wage increase; and,

P. Approving a Supplemental Appropriation from the unreserved, unencumbered fund balance in Fund 2004-Measure Y-Parks and Recreation 20% in the amount of \$18,000 for soccer goals and nets; and,

Q. Approving **Resolution 2024-25**, A Resolution of the City Council of the City of Merced, California, Amending the Salary Range for the City Engineer within the Development Services Department; and,

R. Approving a Supplemental Appropriation from the unreserved, unencumbered fund balance in Fund 3505 Facilities-Roadways Developer 50% in the amount of \$466,552 due to the approval of Settlement Agreement with Yosemite & G LLC; and,

S. Approving the deletion of one PW Manager-Operations, adding one PW Manager-Refuse, and adding one PW Manager-Internal Service; and,

T. Approving **Resolution 2024-26**, A Resolution of the City Council of the City of Merced, California, Declaring the Infeasibility of using Public Bidding to Purchase certain Vehicles and Authorizing Limited Direct Purchases; and,

U. Approving **Resolution 2024-27**, A Resolution of the City Council of the City of Merced, California, Amending the Classification Plan by Updating the Personnel Allocation in the Finance Department by Adding One Accountant I/II Position; the Public Works Department by Deleting One Public Works Manager-Operations Position, adding One Public Works Manager-Refuse position, and adding one Public Works Manager-Internal Services position; and the Economic Development Department by deleting one Business & Aviation Manager and adding one Airport Manager; and,

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

Finance Officer Venus RODRIGUEZ and City Manager Scott MCBRIDE gave a slideshow presentation on the mid-year budget review for fiscal year 2024-2025.

Council, Mrs. RODRIGUEZ, Mr. MCBRIDE, Fire Chief Derek PARKER, Police Chief Steve STANFIELD, Director of Parks and Community Services Christopher JENSEN, and Deputy City Manager Frank QUINTERO discussed details of the funds being transferred to the Downtown fund, details of the Emergency Medical Services (EMS) analysis amount, the operation, and the timeline, details of the opioid settlement agreement, youth outreach, and efforts for educating the dangers of the opioid. They also discussed the funding amount in the Asset Forfeiture account line, the timeline on the Bell Station, details of replacing the soccer goals for public use, details of the park worker requested to Downtown, the increase of salary for different positions, the fleet vehicle purchase, details of positions in the Economic Development department, and details of the Property Based Improvement District fund.

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: Continued Personnel Board Appointments

REPORT IN BRIEF

Considers appointing one Council nominated individual to the Personnel Board.

RECOMMENDATION

City Council - Adopt a motion appointing one individual from the remaining applicants to serve as a Council nominated replacement member of the Personnel Board to a full-term expiring on July 1, 2026.

Council discussed the vacancy and applicants for the Personnel Board.

A motion was made by Council Member Smith, seconded by Council Member Boyle, to appoint Rick Wendling to the Council Nominated seat on the Personnel Board for a full-term ending on July 1, 2026. The motion carried by the following vote:

Aye: 4 - Mayor Serratto, Council Member Boyle, Council Member DeAnda, and Council Member Smith

No: 3 - Mayor Pro Tempore Perez, Council Member Ornelas, and Council Member Xiong

Absent: 0

K.2.

SUBJECT: Appointments to the Citizens' Stipend Setting Commission with 6 Members to be Appointed by District and 1 Member to be Appointed At-Large

REPORT IN BRIEF

Considers the appointment of individuals to the Citizens' Stipend Setting Commission.

RECOMMENDATION

City Council - Adopt a motion accepting nominations and appointing one individual to each of the six City Council Districts and one individual to be appointed at-large to the Citizens' Stipend Setting Commission.

Council discussed the vacancies and applicants for the Citizens' Stipend Setting Commission.

Council and City Attorney Craig CORNWELL discussed looking into the Charter for guidance on the procedures of when a district does not receive any applicants.

A motion was made by Council Member Smith, seconded by Council Member Boyle, to appoint Belinda Burnett to the District 4 seat on the Citizens' Stipend Setting Commission. 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

A motion was made by Council Member Boyle, seconded by Council Member Smith, to appoint Dorothea White to the District 5 seat on the Citizens' Stipend Setting Commission. 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

A motion was made by Council Member Xiong, seconded by Council Member Ornelas, to appoint Jennifer McQueen to the District 6 seat on the Citizens' Stipend Setting Commission. 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

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Boyle, to appoint Maria Diaz to the District 3 seat on the Citizens' Stipend Setting Commission. 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

A motion was made by Council Member DeAnda, seconded by Mayor Pro Tempore Perez, to appoint Anthony Aldana to the District 2 seat on the Citizens' Stipend Setting Commission. 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

A motion was made by Mayor Serratto, seconded by Mayor Pro Tempore Perez, to appoint Jim Sanders to the At-Large seat on the Citizens' Stipend Setting Commission. 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

Council, Mr. CORNWELL, and Assistant City Clerk Jennifer LEVESQUE discussed the Citizens' Stipend Setting Commission policy on District representatives, the outreach efforts made when a seat needs to be filled, and the first meeting for the Commission.

A motion was made by Council Member Ornelas, seconded by Mayor Pro Tempore Perez, to table District 1 appointments for the Citizens' Stipend Setting Commission to the March 4th Council Meeting. 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.3.

SUBJECT: Mayor Serratto's Request to Discuss a Bike and Pedestrian Bridge at Bear Creek and Parsons Avenue

REPORT IN BRIEF

Mayor Serratto's request to discuss a bike and pedestrian bridge at Bear Creek and Parsons Avenue.

RECOMMENDATION

Provide direction to staff on the next steps.

Mayor SERRATTO briefly discussed a potential bike and pedestrian bridge in the area of Bear Creek and Parsons Avenue.

Sandra HAY, Merced - asked about the potential funding sources.

Rene GUTIERREZ, Merced - spoke on his advocacy for safer streets, improving community sidewalks, Capital Improvement Projects being directed to Committees, inviting bicycle experts, and updating the bike plans.

Council and City Manager Scott MCBRIDE discussed the High Speed Rail's plans to connect the station to Bear Creek, the zoning for Parsons Avenue, City and County collaboration issues, focusing on safety issues in Merced, the mental wellness of walking, Measure V, public safety issues with the unhoused, discussing during Goals and Priorities, details of the Active Transportation Program (ATP) funds, starting a Subcommittee, future public discussion regarding this item, funding sources for additional projects, and details of the General Plan Update.

Council agreed to maintain the project on the ATP list, start work for feasibility, and start a Council Subcommittee that will evaluate a bike bridge, get community feedback, and return to Council in four months.

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: 4 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member DeAnda, and Council Member Smith

No: 3 - Council Member Ornelas, Council Member Boyle, and Council Member Xiong

Absent: 0

K.4. 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 ORNELAS requested to discuss giving city staff direction to place a barrier at Fahrens Park and designate an area for interpreters during Council meetings to be heard at the April 2, 2024 Council meeting.

Council Member ORNELAS and City Manager Scott MCBRIDE discussed clarification on the barrier at Fahrens Park.

Council Member XIONG and Senior Management Analyst Jennifer FLACHMAN discussed the time-frame of community funding.

Mayor Pro Tempore PEREZ requested to discuss moving the podium back to the middle to be heard at the April 2, 2024 Council meeting.

Council Member SMITH requested to discuss re-designing the Council Chambers to be heard at the April 2, 2024 Council meeting.

Council Member BOYLE stated she contacted the Disc Golf team regarding Fahrens Park.

K.5. 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 DEANDA reported on attending the Town Halls.

Council Member ORNELAS reported on attending the Town Halls and the

Black History Month event.

Council Member XIONG gave a reminder that Goals and Priorities is coming up.

Mayor Pro Tempore PEREZ thanked Finance Officer Venus RODRIGUEZ for her presentation.

Council Member SMITH reported on attending the National Association of the Advancement of Colored People (NAACP) event, the Merced City School District's Superintendent search, and reminded everyone of another Superintendent search opportunity.

Council Member BOYLE reported on attending the Merced County Office of Education Annual Education Report, Mayor SERRATTO's D Street Shelter Big Game Party, and John Derby's Celebration of Life.

Mayor SERRATTO commented on the many events in Merced and Merced's vibrant community.

L. ADJOURNMENT

Clerk's Note: The Regular Meeting was adjourned at 9:19 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