



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, June 7, 2021

6:00 PM

A. STUDY SESSION ROLL CALL

Present: 6 - Mayor Matthew Serratto, Council Member Fernando Echevarria, Council Member Delray Shelton, Council Member Bertha Perez, Council Member Jesse Ornelas, and Council Member Sarah Boyle

Absent: 1 - Mayor Pro Tempore Kevin Blake

B. STUDY SESSION

Mayor SERRATTO called the Study Session to order at 5:04 PM.

B.1.

SUBJECT: Wastewater Treatment Plant Expansion/Design Update

REPORT IN BRIEF

Provides an update to Council on the Wastewater Treatment Plant.

Director of Public Works Ken ELWIN and Stantec Consultant Steve BECK gave a slideshow presentation on the Wastewater Treatment Plant regarding the current capacity, planned sewer service commitments, new regulations, the ability to deal with food waste, and different phases for the expansion.

Council and City Manager Stephanie DIETZ discussed the need to consult with Merced County Association of Governments regarding food waste, allowing the consultant to move forward with the design of the expansion, moving forward with Capital Improvement Projects outlined by the study, and hiring a consultant to refine data elements of the Sewer Master Plan.

Sheng XIONG, Leadership Council for Justice and Accountability - spoke on the required environmental review and addressing those communities affected by the project.

Council and Ms. DIETZ discussed next steps and the need to return to future meetings for approvals.

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

Clerk's Note: The Study Session was adjourned at 5:48 PM.

C. CALL TO ORDER

Mayor SERRATTO called the Regular Meeting to order at 6:03 PM.

C.1. Invocation - Pastor Juan Ochoa, Calvary Assembly of God

The invocation was delivered by Pastor Juan OCHOA from Calvary Assembly of God.

C.2. Pledge of Allegiance to the Flag

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

D. ROLL CALL

Present: 6 - Mayor Matthew Serratto, Council Member Fernando Echevarria, Council Member Delray Shelton, Council Member Bertha Perez, Council Member Jesse Ornelas, and Council Member Sarah Boyle

Absent: 1 - Mayor Pro Tempore Kevin Blake

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. CEREMONIAL MATTERS

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

REPORT IN BRIEF

Council Members nominated a volunteer within their district and the Mayor nominated one at-large volunteer to highlight those who have given back to their community.

Mayor SERRATTO briefly described the Volunteer of the Year Awards.

Clerk's Note: Each Council Member presented awards to individual volunteers within their districts.

District 1 - Damon RAMIREZ
District 2 - Nelson Adres CAMERO
District 3 - Pastor Ella LUNA-GARZA
District 4 - Jermaine PASTER
District 5 - Matthew VAN HAGEN

District 6 - Dr. Sima ASADI and her vaccination team
At-Large - Logann ALBRECHT and Adison MARTINEZ

Council thanked all of the volunteers for all of their efforts to improve the community.

E.2. SUBJECT: Proclamation - Juneteenth

REPORT IN BRIEF

Received by Allen Brooks, NAACP President.

Council Member SHELTON and Mayor SERRATTO presented the Juneteenth Proclamation to several members of the NAACP.

E.3. SUBJECT: Proclamation - Merced Pride Month

REPORT IN BRIEF

Received by a representative of the Merced LGBTQ+ Alliance.

Council Members PEREZ and ECHEVARRIA presented the Merced Pride Month Proclamation to members of the Merced LGBTQ+ Alliance.

F. SPECIAL PRESENTATIONS

F.1. SUBJECT: Update on City of Merced Youth Council Activities

REPORT IN BRIEF

Members of the Youth Council will provide an update on recent and upcoming events to the City Council.

RECOMMENDATION

For information only.

Members of the Merced Youth Council gave a slideshow presentation to Council highlighting recent cleanup events, future planned events, and the need for additional funding for the Youth Council.

G. WRITTEN PETITIONS AND COMMUNICATIONS

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

Item B.1. - Stephen PECK.

Oral Communications - Shawn SIMPSON from Boutique Air.

H. ORAL COMMUNICATIONS

Josh PEDROZO, County of Merced Supervisor - spoke on the redistricting process for the Board of Supervisors.

Armando PILOLA, Merced resident - spoke about his property on 12th street.

Fernando AGUILERA, Merced resident - spoke about Merced Soccer Academy.

Shawn SIMPSON, Boutique Air - spoke about bringing jobs to the airport.

Tom LOPES, Merced - requested Council reconsider its recommendation to the Department of Transportation for essential air service.

Katy IGARTA, Boutique Air - requested Council reconsider the essential air service recommendation.

Edwin KAINTH, Merced - spoke in support of Boutique Air.

Isaac WILLIAMS, Merced - spoke on issues with the Police Department.

I. CONSENT CALENDAR

Items I.7. Approval to Accept American Rescue Plan Act Funds From the U.S. Department of Treasury Corona Virus Local Fiscal Recovery Fund up to the Allocated Amount of \$27,427,882 and I.18. Approval of Memorandum of Understanding Between the County of Merced and City of Merced Relating to the Referral and Review Pursuant to Government Code 65919 of Possible Entitlements by the Virginia Smith Trust; were pulled for separate consideration.

Approval of the Consent Agenda

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

Aye: 6 - Mayor Serratto, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 1 - Mayor Pro Tempore Blake

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 May 2021**

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$33,000 and of Public Works contracts under \$71,862.

This Consent Item was approved.

- I.3.** **SUBJECT: Information Only - Traffic Committee Minutes of March 9, 2021**

RECOMMENDATION

For information only.

This Consent Item was approved.

- I.4.** **SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of May 17, 2021**

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 May 17, 2021.

This Consent Item was approved.

- I.5.** **SUBJECT: Approval of Recommendation from the Recreation and Parks Commission to Change the Disbursement Time Frame of the Wahneta Hall Trust Fund from June to September Allowing Staff**

Time to True up the Amount to be Awarded by June 30th

REPORT IN BRIEF

Considers approving the recommendation from the Recreation and Parks Commission to change the disbursement time frame of the Wahneta Hall Trust Funds from June, the end of the fiscal year, to September allowing staff time to determine the exact amount available to award by June 30th.

RECOMMENDATION

City Council - Adopt a motion approving the recommendation from the Recreation and Parks Commission to change the disbursement time frame of the Wahneta Hall Trust Funds from June, the end of the fiscal year, to September allowing staff time to determine the exact amount available to award by June 30th.

This Consent Item was approved.

I.6.

SUBJECT: Approval of Second Amendment to the Contract with Townsend Public Affairs, Inc., Extending the Contract for an Additional One-Year Term for Legislative Affairs Advocacy and Consulting Services for \$60,000

REPORT IN BRIEF

Consider the approval of the Second Amendment to the Townsend Public Affairs, Inc. contract, extending the term of the agreement for an additional one year for Legislative Affairs Advocacy and Consulting Services for a not-to-exceed amount of \$60,000.

RECOMMENDATION

City Council - Adopt a motion approving the second amendment to the contract with Townsend Public Affairs, Inc., and authorizing the City Manager or designee to execute the necessary documents.

This Consent Item was approved.

I.8.

SUBJECT: Approval of an Agreement with Phase II Systems for the Section 115 Post Employment Benefit Trust Administered by Public Agency Retirement Services (PARS) to Fund the City's Pension Benefits

REPORT IN BRIEF

Requests approval of a Professional Services Agreement with Phase II

Systems, doing business as “Public Agency Retirement Services” and “PARS” for administrative services as Trust Administrator for pre-funding pension obligations.

RECOMMENDATION

City Council - Adopt a motion approving the agreement for professional services with Phase II Systems, doing business as “Public Agency Retirement Services” and “PARS” for administrative services as Trust Administrator for pre-funding pension obligations and authorizing the City Manager or designee to execute the necessary documents.

This Consent Item was approved.

I.9.

SUBJECT: Award of Bid and Approval of Agreement with SCL North for the Purchase of Seventeen (17) Concrete Poles not to Exceed \$49,889.18

REPORT IN BRIEF

Considers awarding the bid to SCL North for the purchase of seventeen (17) concrete poles not to exceed \$49,889.18.

RECOMMENDATION

City Council - Adopt a motion awarding the bid and approving the agreement with SCL North for the purchase of concrete poles in the amount of \$49,889.18 and authorizing the City Manager or designee to execute any necessary documents.

This Consent Item was approved.

I.10.

SUBJECT: Award of Bid and Approval of Contract with Miracle Playsystems for the McNamara Park Playground Equipment Replacement, Project No. 121034, in the Amount of \$89,279.05

REPORT IN BRIEF

Considers awarding a contract in the amount of \$89,279.05 to Miracle Playsystems to remove and replace the Playground Equipment located at McNamara Park.

RECOMMENDATION

City Council - Adopt a motion:

A. Awarding bid and approving the Statement of Services contract with Miracle Playsystems for the McNamara Park Playground Equipment

Replacement, Project No. 121034, in the amount of \$89,279.05; and,

B. Authorizing the City Manager or designee to execute the necessary documents and to approve change orders not to exceed 10% of the total contract.

This Consent Item was approved.

I.11.

SUBJECT: Adoption of Resolution Approving the Fiscal Year 2021/2022 Project List for the Road Repair Accountability Act (SB 1), Local Streets and Roads Funding

REPORT IN BRIEF

Requests the City Council to approve the list of projects proposed to be funded with Road Maintenance and Rehabilitation Account (RMRA) funds pursuant to SB1 for FY 2021/2022.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2021-45**, a Resolution of the City Council of the City of Merced, California, approving the "FY 2021-2022 Project List" for the Road Repair and Accountability Act (SB1), Local Streets and Roads Funding for Fiscal Year 2021-2022".

This Consent Item was approved.

I.12.

SUBJECT: Award of Bid and Approval of an Agreement in the Amount of \$54,296 With Rugged Solutions America LLC dba Rugged Depot for the Purchase of 11 Panasonic Toughbook CF-33 Laptop Computers, Accessories, and Protection Plans

REPORT IN BRIEF

Considers awarding bid to Rugged Solutions America LLC dba Rugged Depot in the amount of \$54,296 to provide for the purchase of 11 Panasonic Toughbook CF-33 laptop computers, accessories and protection plans, which will replace the Fire Department's current Mobile Digital Computers (MDC's) which have exceeded their end-of-life.

RECOMMENDATION

City Council - Adopt a motion:

A. Awarding the bid (\$54,296) to the lowest bidder, Rugged Solutions

America LLC dba Rugged Depot; and,

B. Approving the attached contract for the purchase of 11 Panasonic Toughbook CF-33 laptop computers, accessories, and protection plans for \$58,819.42; and,

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

This Consent Item was approved.

I.13.

SUBJECT: Approval to Waive the Competitive Bid Process to Allow for the Cooperative Purchase with the State of California and Approval of the State of California's CALNET 4 Category 16: Long Distance Calling, Category 17: Toll Free Voice Calling, Category 18: Long Distance Calling, Category 18.3.1.1: Analog Service, Category 20: MPLS Data Network Services, Category 22: Cloud Hosted VoIP Services, Category 23: Metropolitan Area Network (MAN) Ethernet Services and Features, Category 24: Flat Rate Internet Services, Category 25: Sustained Bandwidth Internet Services and Features, Category 30: Broadband with Internet Services for AT&T Corporation Providing Telecommunication Services not to Exceed the Annual Amount of \$75,000 and a Total Amount of \$300,000

REPORT IN BRIEF

Considers waiving the competitive bid process and approving the State of California's competitively bid contract CALNET 4 for AT&T Corporation providing telecommunication services not to exceed the annual cost of \$75,000 and a total cost of \$300,000 and authorizing the City Manager or designee to execute the contract.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the competitive bid process and approving the competitively bid State of California CALNET 4 contracts; and,

B. Authorizing the City Manager or designee to execute the necessary documents, including future amendments to the agreement; and,

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

This Consent Item was approved.

I.14.

SUBJECT: Adoption of a Resolution Approving Final Map 5381 for the Bellevue Ranch West, Village 17-C, Phase 1 Subdivision for 48 Single-Family Lots, Generally Located between M Street and Freemark Avenue, North of Arrowwood Drive, and the Approval of the Subdivision Agreement for the Bellevue Ranch West, Village 17-C, Phase 1 Subdivision

REPORT IN BRIEF

Considers the approval of Final Map #5381 for 48 single-family lots, generally located between M Street and Freemark Avenue, north of Arrowwood Drive, and the Subdivision Agreement for the Bellevue Ranch West, Village 17-C, Phase 1 subdivision.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2021-40**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for the Bellevue Ranch West, Village 17-C, Phase 1 Subdivision (#5381); and,

B. Approving the Subdivision Agreement for Bellevue Ranch West, Village 17-C, Phase 1 Subdivision; and,

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

This Consent Item was approved.

I.15.

SUBJECT: Adoption of a Resolution Approving Final Map 5384 (Cypress Terrace 7, Phase B) for 32 Single-Family Lots, Generally Located South of Gerard Avenue, West of M Street, and the Approval of the Subdivision Agreement for Cypress Terrace 7, Phase B

REPORT IN BRIEF

Considers the approval of Final Map #5384 for 32 single-family lots, generally located south of Gerard Avenue, west of M Street, and the Subdivision Agreement for Cypress Terrace 7, Phase B.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2021-41**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for the Cypress Terrace 7, Phase B Subdivision (#5384); and,
- B. Approving the Subdivision Agreement for Cypress Terrace 7, Phase B; and,
- C. Authorizing the City Manager or designee to execute all necessary documents.

This Consent Item was approved.

I.16.

SUBJECT: Adoption of Resolution of Intent Regarding (a) Annexation into Community Facilities District (CFD) No. 2003-2 (Services) for the Yosemite Crossing Development, and (b) Detachment of Same Property from Mansionette Maintenance District; Setting a Public Hearing for June 21, 2021; and Acceptance of a Petition, Consent and Waiver from Yosemite and G, LLC, for Annexation into CFD No. 2003-2 (Services) and Detachment from Mansionette Maintenance District and Approving a Deposit and Reimbursement Agreement to Reimburse the City for the Cost of Community Facilities District Formation and Related Expenditure in the Amount of \$25,000

REPORT IN BRIEF

Requests the City Council to accept a Petition to Annex into CFD 2003-2 (Services) from Yosemite and G, LLC; approve a Deposit and Reimbursement Agreement with Yosemite and G, LLC; adopt a Resolution of intent to (a) annex the Yosemite Crossing Development into Community Facilities District (CFD) No. 2003-2 and (b) detach the Yosemite Crossing development from the existing Mansionette Maintenance District; and set a Public Hearing for June 21, 2021 for all the above actions.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2021-44**, a Resolution of intention of the City Council of the City of Merced, acting on behalf of itself and 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 detach said area from the Mansionette Maintenance District; and,

B. Setting the Public Hearing for June 21, 2021; and,

C. Accepting the Petition, Consent and Waiver from Yosemite and G, LLC; and,

D. Approving the Deposit and Reimbursement Agreement, increasing revenue in the amount of \$25,000 and appropriating the same in Fund 150 to reimburse the City for the cost of Community Facilities District formation and related expenditures; and,

E. Authorizing the City Manager or designee to execute the agreement.

This Consent Item was approved.

I.17.

SUBJECT: Approval of a Finding of Public Convenience or Necessity for the Sale of Alcohol for the 7-Eleven to be Located at 1995 W Olive Avenue (Land Use Determination #21-03)

REPORT IN BRIEF

Provides options for the City Council to consider making a Finding of Public Convenience or Necessity (PCN), as required by the Department of Alcoholic Beverage Control (ABC), to issue a Type 20 alcohol license (“off-sale general” allowing the sale of beer and wine) for the new 7-Eleven to be located at 1995 W Olive Avenue.

RECOMMENDATION

City Council - Adopt a motion approving the Finding of Public Convenience or Necessity to allow 7-Eleven, to be located at 1995 West Olive Avenue, to obtain a Type 20 ABC license for “off-sale general” allowing the sale of beer and wine (Option #1 as shown in the “Council Action” section of this Administrative Report).

This Consent Item was approved.

I.19.

SUBJECT: Approval of a Community Development Block Grant Program Deed Restriction Covenant and Loan Agreement Between the City of Merced and Merced CA Apartments L.P., a Delaware Limited Partnership, Regulatory Agreement and Declaration of Restrictive Covenants, and Deed of Trust with Assignment of Rents; and Authorizing the City Manager or Designee to Execute these

and Future Documents to Implement the Council's Actions

REPORT IN BRIEF

Approving a Community Development Block Grant Program (CDBG) Deed Restriction Covenant and Loan Agreement between the City of Merced and Merced CA Apartments L.P., a Delaware Limited Partnership, Regulatory Agreement and Declaration of Restrictive Covenants, and Deed of Trust with Assignment of Rents; and authorizing the City Manager to execute said documents to implement the Council's actions.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a Community Development Block Grant Program (CDBG) Deed Restriction Covenant and Loan Agreement between the City of Merced and Merced CA Apartments L.P., a Delaware Limited Partnership, Regulatory Agreement and Declaration of Restrictive Covenants, and Deed of Trust with Assignment of Rents; and,

B. Authorizing the City Manager or designee to execute these and any future documents necessary for completion of the project.

This Consent Item was approved.

I.7.

SUBJECT: Approval to Accept American Rescue Plan Act Funds From the U.S. Department of Treasury Corona Virus Local Fiscal Recovery Fund up to the Allocated Amount of \$27,427,882

REPORT IN BRIEF

Approving the acceptance of American Rescue Plan Act funds from the U.S. Department of Treasury Corona Virus Local Fiscal Recovery Fund up to the allocated amount of \$27,427,882.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the acceptance of up to \$27,427,882 in American Rescue Plan Act funds from the U.S. Department of Treasury Corona Virus Local Fiscal Recovery Fund; and,

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

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

Mayor SERRATTO pulled this item due to public comment received.

Sheng XIONG, Leadership Council for Justice and Accountability - expressed that transparency and public input were important in the decision of where the money should be used.

Corinthia HURLEY, Merced - spoke on a transparent process for use of these funds.

Council and Finance Officer Venus RODRIGUEZ briefly discussed the funding and potential uses.

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

Aye: 6 - Mayor Serratto, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 1 - Mayor Pro Tempore Blake

I.18.

SUBJECT: Approval of Memorandum of Understanding Between the County of Merced and City of Merced Relating to the Referral and Review Pursuant to Government Code 65919 of Possible Entitlements by the Virginia Smith Trust

REPORT IN BRIEF

Memorandum of Understanding (MOU) between the County of Merced and City of Merced relating to the referral and review pursuant to Government Code 65919 of possible entitlements by the Virginia Smith Trust (VST).

RECOMMENDATION

City Council - Adopt a motion approving a Memorandum of Understanding between the County of Merced and City of Merced relating to the referral and review pursuant to Government Code 65919 of possible entitlements by the Virginia Smith Trust.

Mayor SERRATTO pulled this item due to public comment received.

Stephen PECK, project manager - thanked the Council for moving forward with this item.

Sheng XIONG, Leadership Council for Justice and Accountability - had questions about the proposed project.

Corinthia HURLEY, Merced - requested the community be involved in the project and expressed the need for affordable housing.

Mr. PECK and Council briefly discussed the affordable housing that will be part of the project.

Steve TIETJEN, Merced County Office of Education - discussed the scholarships that will be created by the Virginia Smith Trust.

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

Aye: 6 - Mayor Serratto, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 1 - Mayor Pro Tempore Blake

Clerk's Note: Council took a recess at 8:08 PM and reconvened at 8:16 PM.

J. PUBLIC HEARINGS

J.1.

SUBJECT: Public Hearing to Consider the Introduction of an Ordinance Amending Section 3.38.050 "Citizens Oversight Committee" of the Merced Municipal Code to Facilitate the Consolidation of all Current and Future Tax Oversight Committees into One Oversight Commission

REPORT IN BRIEF

Considers the introduction of an ordinance to consolidate all current and future tax measure oversight commissions into a single commission.

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance 2525**, an Ordinance of the City Council of the City of Merced, California, amending section 3.38.050, "Citizens Oversight Committee," of the Merced Municipal Code.

Assistant City Clerk Jennifer LEVESQUE gave a brief presentation on an ordinance to adjust the number of members of the Citizens' Oversight Committee Measure C from 9 to 7 and change their appointments from Policing District to Council District in order to consolidate the committee with the Tax Transparency Commission.

Council briefly discussed the need to consolidate tax oversight committees.

Mayor SERRATTO opened the Public Hearing at 8:26 PM.

Corinthia HURLEY, Merced - spoke in favor of having separate oversight committees.

Mayor SERRATTO closed the Public Hearing at 8:29 PM.

Council discussed community outreach to recruit more applicants.

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

Aye: 3 - Mayor Serratto, Council Member Shelton, and Council Member Boyle

No: 3 - Council Member Echevarria, Council Member Perez, and Council Member Ornelas

Absent: 1 - Mayor Pro Tempore Blake

Council continued to discuss the need for two committees.

A motion was made by Council Member Ornelas, seconded by Council Member Perez, to have both a Measure C Oversight Committee and a Measure Y Oversight Committee. The motion failed by the following vote:

Aye: 3 - Council Member Echevarria, Council Member Perez, and Council Member Ornelas

No: 3 - Mayor Serratto, Council Member Shelton, and Council Member Boyle

Absent: 1 - Mayor Pro Tempore Blake

A motion was made by Council Member Echevarria, seconded by Council Member Perez, that this Public Hearing be continued to the July 6, 2021 meeting. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 1 - Mayor Pro Tempore Blake

J.2.

SUBJECT: Public Hearing to Consider the Annexation of Certain Property into Community Facilities District (CFD) No. 2003-2 (Services), Calling and Holding a Special Election for Annexation No. 15 into CFD No. 2003-2 (Services) for the Merced Gateway Shopping Center; Canvassing the Results of the Election Held within Annexation No. 15 of Said District, and Annexing Annexation No. 15 to Said District and Authorizing the Levy of a Special Tax Within Said Annexation No. 15

REPORT IN BRIEF

Hold a public hearing and election for annexation into Community Facilities District No. 2003-2 (Services) for the Merced Gateway Shopping Center, generally located on the east side of Coffee Street, between Mission Avenue and Gerard Avenue.

RECOMMENDATION

City Council - Adopt a motion:

- A. Holding a Public Hearing on the annexation of certain property into the CFD and the levy of special taxes; and,
- B. Adopting **Resolution 2021-37**, 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 determining the validity of prior proceedings, calling a special election related to Annexation No. 15; and,
- C. Holding an election; and,
- D. Adopting **Resolution 2021-38**, 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 canvassing the results of the election held within Annexation No. 15 of said District; and,
- E. Adopting **Resolution 2021-39**, 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 annexing Annexation No. 15 to said district and authorizing the levy of a special tax within said Annexation No. 15.

Senior Planner Julie NELSON gave a slideshow presentation on the annexation of the Merced Gateway Shopping Center into the Community Facilities District (CFD) 2003-2 (services).

Mayor SERRATTO opened and subsequently closed the Public Hearing at 8:45 PM due to lack of public comment.

A motion was made by Council Member Ornelas, seconded by Council Member Echevarria, to adopt Resolution 2021-37. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 1 - Mayor Pro Tempore Blake

Assistant City Clerk Jennifer LEVESQUE announced that the two ballots received were in favor of annexation to the CFD.

A motion was made by Council Member Ornelas, seconded by Council Member Boyle, to adopt Resolution 2021-38 and Resolution 2021-39. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 1 - Mayor Pro Tempore Blake

J.3.

SUBJECT: Public Hearing to Consider a Resolution Approving Lowering the Tax on Commercial Cannabis Cultivation, Manufacturing, Distribution, Retailing and Testing; and a Resolution Adopting Updated Application Fees for Commercial Cannabis Business Permits and Updated Annual Regulatory Fees for Commercial Cannabis Businesses

REPORT IN BRIEF

Council is asked to consider a resolution lowering the tax on commercial cannabis cultivation, lowering the tax on commercial cannabis manufacturing, lowering the tax on commercial cannabis distribution, lowering the tax on commercial cannabis retailing and lowering the tax on commercial cannabis testing. Additionally, the Council is asked to consider the adoption of a resolution updating application fees for Commercial Cannabis Business Permits and updating annual regulatory fees for

Commercial Cannabis Businesses.

RECOMMENDATION

City Council- Adopt a motion:

A. Adopting **Resolution 2021-42**, a Resolution of the City Council of the City of Merced, California, implementing its discretion to lower the tax on commercial cannabis cultivation, manufacturing, distribution, retailing and testing pursuant to sections 3.52.100(A)(2), (C)(2), (D)(2), and (F)(2); and,

B. Adopting **Resolution 2021-43**, a Resolution of the City Council of the City of Merced, California, updating application fees for commercial cannabis business permits and annual regulatory fees for commercial cannabis businesses.

Principal Planner Michael HREN gave a slideshow presentation on a resolution approving lowering the tax on commercial cannabis cultivation, manufacturing, distribution, retailing and testing; and a resolution adopting updated application fees for commercial cannabis business permits and updated annual regulatory fees for commercial cannabis businesses.

Mayor SERRATTO opened the Public Hearing at 8:54 PM.

Michael BELLUOMINI, Merced - asked for clarification on the retail tax for adult use.

Corinthia HURLEY, Merced - was concerned that residents would not benefit from the tax reductions.

Mayor SERRATTO closed the Public Hearing at 8:57 PM.

City Attorney Phaedra NORTON commented on the effective date of the tax reductions.

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

Aye: 6 - Mayor Serratto, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 1 - Mayor Pro Tempore Blake

J.4.

SUBJECT: Public Hearing to Allow the Interested Public an Opportunity to Provide Input on the Content of the City Council, Public Financing

and Economic Development Authority and the Parking Authority Fiscal Year 2021-22 Proposed Budget and After Hearing all Comments Continue the Public Hearing to June 21, 2021 and Provide a 3rd Quarter Revenue Update for Fiscal Year 2020-2021

REPORT IN BRIEF

Public Hearing to afford the interested public an opportunity to provide input on the content of the 2021-22 City Council, Public Financing and Economic Development Authority, and Parking Authority Proposed Budget and provide a 3rd Quarter Revenue Update for Fiscal Year 2020-21.

RECOMMENDATION

City Council/Public Financing and Economic Development Authority/Parking Authority - It is recommended that the City Council/Authorities conduct the Public Hearing and provide direction to the City Manager on the content of the Fiscal Year 2021-22 Budget; and adopt a motion continuing the Public Hearing to the June 21, 2021 Council Meeting.

Finance Officer Venus RODRIGUEZ gave a slideshow presentation on the 2021/22 Fiscal Year Budget, discussed the General Fund balance, staffing recommendations, changes requested by the Council, and gave a quarterly revenue update.

Mayor SERRATTO opened the Public Hearing at 9:20 PM.

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

Brenda DEHERRERA, Merced - commented on the need for funding for affordable housing and rising rent.

Sheng XIONG, Leadership Council for Justice and Accountability - spoke on the need for funding for affordable housing and the use of General Fund dollars.

Corinthia HURLEY, Merced - spoke about the use of General Fund dollars for affordable housing and an affordable housing trust fund.

Mayor SERRATTO closed the Public Hearing at 9:35 PM.

Council and City Manager Stephanie DIETZ discussed funding for affordable housing and the use of General Fund dollars for affordable housing, increasing community funding, and increasing Youth Council funding.

A motion was made by Council Member Perez, seconded by Council Member Ornelas, to place \$500,000.00 of General Fund dollars into a housing trust fund . The motion failed by the following vote:

Aye: 3 - Council Member Echevarria, Council Member Perez, and Council Member Ornelas

No: 3 - Mayor Serratto, Council Member Shelton, and Council Member Boyle

Absent: 1 - Mayor Pro Tempore Blake

A motion was made by Council Member Boyle, seconded by Council Member Perez, that the Public Hearing be continued to the June 21, 2021 meeting. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 1 - Mayor Pro Tempore Blake

K. REPORTS

K.1.

SUBJECT: Report to Allow for Public Input on the Various Maintenance Districts' Engineer's Reports and Budgets for Fiscal Year 2021/2022 During the Public Meeting

REPORT IN BRIEF

Considers public input on the various Maintenance Districts' budgets during the public meeting, without taking action on the determination of assessment levy until the close of the Public Hearing scheduled for Monday, June 21, 2021.

RECOMMENDATION

City Council - Adopt a motion seeking public input on the Fiscal Year 2021/2022 Maintenance Districts' budgets, without taking action until the Public Hearing is closed on June 21, 2021.

Public Works Director Ken ELWIN gave a slideshow presentation on the various Maintenance Districts' Engineer's Reports and Budgets for Fiscal Year 2021/2022.

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

L. BUSINESS

L.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.

Shawn SIMPSON, Boutique Air - requested that the essential air service recommendation of Council be reconsidered.

Council Member ECHEVARRIA requested an item to reconsider the Council recommendation for essential air service.

A motion was made by Council Member Echevarria, seconded by Council Member Ornelas, that his request be expedited to the June 21, 2021 meeting. The motion carried by the following vote:

Aye: 5 - Mayor Serratto, Council Member Echevarria, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 1 - Council Member Shelton

Absent: 1 - Mayor Pro Tempore Blake

L.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.

Council Member ORNELAS congratulated all of the high school graduates and spoke on a class for character development held at Tenaya Middle School.

Council Member ECHEVARRIA commented on the Pride Progress Flag, meetings on affordable housing, and local Girl Scout troops donating to the fire department.

Council Member PEREZ commented on the recent success of her daughter in-law.

Council Member BOYLE commented on attending the swearing in ceremony for police officers, the raising of the Pride Progress Flag, and attending the Mercado on Main.

Mayor SERRATTO commented on the Mercado on Main, the volunteer

cleanup successes, and a tour of homeless camps.

M. CLOSED SESSION

Clerk's Note: Council adjourned to Closed Session at 10:33 PM.

- M.1.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative(s): Travis Lindsey and Janell Van Bindsbergen, Lozano Smith, Attorneys at Law; Employee Organizations: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703, International Association of Fire Fighters, Local 1479; Merced Police Officers' Association (MPOA); Merced Association of Police Sergeants and Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6
- M.2.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Stephanie Dietz; Unrepresented Management AUTHORITY: Government Code Section 54957.6
- M.3.** **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Paragraph (1) of Subdivision (d) of Government Code section 54956.9, Name of Case: Ker Lee v. Timothy Farmer, City of Merced; Merced Superior Court Case No. 20CV-00255
- M.4.** **SUBJECT:** LIABILITY CLAIMS; Claimant(s): Brenda Keen, Cruzera Najeri Holquin, Tou Ta Xiong, and Maribel Shaw; Agency Claimed Against: City of Merced, Local Agency Member of the Central San Joaquin Valley Risk Management Authority - a Joint Powers Authority; AUTHORITY: Government Code Section 54956.95
- M.5.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS - Agency Designated Representatives: Mayor and City Council Members. Unrepresented Employee: City Attorney; Authority: Government Code Section 54957 and 54957.6

N. REPORT OUT OF CLOSED SESSION

There was no report.

O. ADJOURNMENT

Clerk's Note: Council adjourned from Closed Session and adjourned the Regular Meeting at 11:57 PM.