

CITY COUNCIL MINUTES May 13, 2015

A. CLOSED SESSION ROLL CALL

Mayor Stanley Thurston, Mayor Pro Tempore Josh Pedrozo, Council Members Michael Belluomini, Kevin Blake, Tony Dossetti, Noah Lor, Mike Murphy

All Council Members were present, with the exception of Council Member LOR.

B. CLOSED SESSION

Mayor THURSTON called the Closed Session of the City Council of the City of Merced, California, to order at 5:04 p.m. The session adjourned at 5:29 p.m.

1. CONFERENCE WITH LEGAL COUNCIL – SIGNIFICANT EXPOSURE TO LITIGATION: (1) Potential Case; AUTHORITY: Government Code Section 54956.9(d)(2)

C. CALL TO ORDER

Mayor THURSTON called the Adjourned Regular meeting of the City Council of the City of Merced, California to order at 5:31 p.m.

D. ROLL CALL

Mayor Stanley Thurston, Mayor Pro Tempore Josh Pedrozo, Council Members Michael Belluomini, Kevin Blake, Tony Dossetti, Noah Lor, Mike Murphy

All Council Members were present, with the exception of Council Member LOR, who was absent, and Council Member DOSSETTI, who arrived at 5:33 p.m.

E. REPORT OUT OF CLOSED SESSION

There was no report out of Closed Session.

F. REPORTS

1. Consideration and Confirmation of Emergency Water Meter Purchase

City Manager BRAMBLE briefed Council on the need to meet Governor Brown's new water mandates with the purchase of water meters. He stated a motion was needed to add this item to the agenda.

City Manager BRAMBLE explained that urgency is needed because there are a number of cities in the state that will be purchasing these meters, and in order to get a head start on meeting the water conservation target.

On a motion by Mayor Pro-Tem PEDROZO, seconded by Council Member BLAKE, a motion was made to make a determination that this item was an emergency item needing immediate action, and adopting **Resolution 2015-18** with amendments.

City Manager BRAMBLE clarified that the installation will begin with City staff, but that the issue of ongoing installation will be brought back before the Council at a later date.

Clerk's Note: The motion passed with at 6-0 vote. Council Member LOR was absent.

G. SPECIAL PRESENTATIONS

1. Revenue Forecast 2015-2016 and Five Year Financial Forecast

Finance Officer Brad GRANT made a presentation to Council on what funds the budget, including the difference between discretionary and non-discretionary revenue, tax sources, and revenue estimates.

Council Members asked questions regarding revenue sources and fund balances. Finance Officer GRANT responded.

Council Member PEDROZO asked for clarification on the “triple flip” tax. Finance Officer GRANT explained that during the Schwarzenegger administration there were economic stabilization bonds that were issued because of the deficit in the State. The underwriters demanded a dedicated revenue source for the bonds, which the State identified as the city’s sale tax with the promise that the void would be backfilled with property tax. The “triple flip” tax is going to end in the next year, which means the sales tax will start coming back as it did before the bonds.

Council Member MURPHY requested that he historical fund balance be included in future reports, along with the projected and actual fund balances for each fiscal year.

2. Overview of Budget and New Programs

City Manager John BRAMBLE made a presentation on City Council goals for Fiscal Year 2015-2016, budget guidelines, growth assumptions, and a general overview of the proposed 2015-16 budget.

3. City Council Questions/Requests

Council Member BELLUOMINI asked for clarification on the possibility that industrial development would suffer from Governor Brown’s water mandate. City Manager BRAMBLE explained that experience with drought in other communities and visits with perspective clients looking at locating in Merced, there is a lot of speculation whether there is sufficient water in a jurisdiction to handle a high water user. Some may delay their decision, and some may decide that California isn’t where they want to be.

Council Member BELLUOMINI asked about boosting recreation activities this summer. City Manager BRAMBLE responded that we are already boosting recreation with new programs, but this summer is already underway so the City is behind the curve in the budget process in terms of being able to

allocate funds to new programs.

4. Departmental Reviews

City Manager John BRAMBLE presented highlights from the proposed City Council budget, including a portion budgeted for Youth Council.

Council Member MURPHY asked if the Youth Council would be developing their own budget. City Manager BRAMBLE responded that money was being allocated to line items, but that money could be transferred between line items, if needed.

Michelle XIONG, Merced spoke about Youth Council issues.

Rev. Don RAMSEY, Merced spoke about Youth Council issues.

Caden LOR, Merced, spoke about Youth Council issues.

Rachelle ABRIL, Merced spoke about Youth programs.

Andres REYES, Merced spoke about Youth Council issues.

City Council Members responded to comments made by members of the audience. Assistant to the City Manager Mike CONWAY also responded to comments made by members of the audience.

City Manager John BRAMBLE continued on to present highlights from the City Manager and City Clerk, Attorney, Finance and Economic Development department budgets.

Council Member MURPHY asked about the cost of adding an Assistant City Manager or a devoted Assistant to the City Manager. City Manager BRAMBLE responded that the Assistant to the City Manager would be about \$80,000 fully loaded, and an Assistant City Manager would be about \$150,000.

Council Member BELLUOMINI asked about the expansion services to the University Industrial Park. City Manager BRAMBLE responded that he would like to have another conversation with the property owner about what is financially affordable.

Council Member BELLUOMINI asked about the status of the Regional Retail Center development. City Manager BRAMBLE responded he is waiting to hear from the developer on the allocation of funding for an environmental review. The City has received a conceptual plot plan for the site and staff is still in talks about a virtual building plan.

Council Member MURPHY asked about beautification around the highway off-ramps. City Manager BRAMBLE responded that the City could have some impact on Highway 99, but the rest are the responsibility of Caltrans and would need to enter into an agreement and accept liability for any damage that may occur to the landscaping. Economic Development Director Frank QUINTERO also responded that through the rehabilitation plan, there is a possibility that HUD funds could be used.

City Council MURPHY asked about the status of Mercy Gulch Days preparation. City Manager BRAMBLE responded he was hoping that the group that was working on it before would help out again and that staff would contribute as much time as possible.

City Manager John BRAMBLE continued on to present highlights from the Recreation and Community Services.

Council Member PEDROZO asked about the MacNamara Park maintenance. City Manager BRAMBLE responded that there are very few repairs that are still needed.

Mayor THURSTON asked if the cost of lighting for the Youth Sports Organizations is still subsidized. City Manager BRAMBLE responded that the costs are reduced by 50% and will continue for the next year.

Council Member BELLUOMINI inquired why the Girls' Drop-in Program is not planned for some of the schools that the City has already has joint use agreements with. Assistant to the City Manager Mike CONWAY responded

that Hoover site was selected because of its location.

Kelly TURNER, Merced - asked about McNamara maintenance issues.

Michelle XIONG, Merced - spoke about youth programming.

City Manager John BRAMBLE continued on to present highlights from the Fire Department budget.

Fire Chief Shawn HENRY made a presentation on the proposed purchase of an Emergency Response Squad vehicle.

Council Member BELLUOMINI asked about the replacement of Fire Engine 253. Chief HENRY responded that it has been out due to mechanical issues, for which the parts can no longer be ordered.

Council Member MURPHY asked when the next truck or engine would need to be purchased. Chief HENRY responded that the next truck would be 2-3 years, and the next engine would be 6-7 years.

Mayor THURSTON asked if the Fire Department is aware of the nature of an emergency call when they are dispatched. Chief HENRY responded that they normally know, but during brownouts a ladder truck responds to medical emergency calls.

Council Member MURPHY asked if some of the cost of the new engine would be recovered through the sale of the old truck. Chief HENRY responded that it would.

City Manager John BRAMBLE continued on to present highlights from the Development Services Department.

Council Member BELLUOMINI asked where residential growth is planned for the Southern part of the City. City Manager BRAMBLE responded that the developer for Bellevue Ranch East has purchased lots in the Southern part of the community. Development Services Director David GONZALVES responded that Blue Moon Construction has purchased lots near Farmdale

School south of Childs, east of Highway 59. They are empty lots in an existing subdivision.

City Manager John BRAMBLE continued on to present highlights from the Engineering department.

Council Member BELLUOMINI asked if there was an approximate cost on the two new wells and wellhead treatment systems. City Manager BRAMBLE responded that the treatment systems are about \$1 Million and the wells are \$3-5 Million depending on connections.

H. ORAL COMMUNICATIONS

There were no requests from audience members to speak.

I. ADJOURNMENT

A motion was made by Mayor Pro-Tem PEDROZO, seconded by Council Member DOSSETTI to adjourn to Thursday, May 28, 2015 at 5:30 p.m. for an Adjourned Regular Meeting for budget discussions.

Clerk's Note: The vote passed 5-0 with Council Member BLAKE absent from the vote due to leaving at 6:15 p.m. and Council Member LOR who was absent. The meeting adjourned at 7:52 p.m.