



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, November 19, 2018

6:00 PM

A. CLOSED SESSION ROLL CALL

Present: 6 - Council Member Michael Belluomini, Council Member Kevin Blake, Mayor Pro Tempore Jill McLeod, Mayor Mike Murphy, Council Member Joshua Pedrozo, and Council Member Matthew Serratto

Absent: 1 - Council Member Anthony Martinez

B. CLOSED SESSION

Mayor MURPHY called the Closed Session to order at 5:00 PM.

Clerk's Note: Council Member MARTINEZ arrived to the Closed Session at 5:04 PM.

- B.1.** **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION; Kenneth Coe (Deceased) v. City of Merced; Workers Compensation Appeals Board Case No. STK-ADJ 11228931; AUTHORITY: Government Code Section 54956.9(d)(1)
- B.2.** **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION; Steven Smith v. City of Merced; Workers Compensation Appeals Board Case Nos. STK-ADJ 10229432; STK-ADJ 10229433; STK-ADJ 10229880; STK-ADJ 10229434; and STK-ADJ 10885617; AUTHORITY: Government Code Section 54956.9(d)(1)
- B.3.** **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION; Chazelle Lanum v. City of Merced; Workers Compensation Appeals Board Case No. STK-ADJ 7115131; STK-ADJ;10258092; STK-ADJ 10258140; STK-ADJ 9920817; and STK-ADJ 10471759; AUTHORITY: Government Code Section 54956.9(d)(1)
- B.4.** **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION; Ryan King v. City of Merced; Workers Compensation Appeals Board Case No. FRE-ADJ 8986644; FRE-ADJ 10788658; FRE-ADJ 10788657; AUTHORITY: Government Code Section

54956.9(d)(1)

B.5. **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION; California Department of Finance v. City of Merced, et al.; Sacramento County Superior Court Case No.34-2016-80002485; AUTHORITY: Government Code Section 54956.9(d)(1)

Clerk's Note: Council adjourned from Closed Session at 5:44 PM.

C. CALL TO ORDER

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

C.1. Invocation - Al Schaap, Gateway Church

The invocation was delivered by Al SCHAAP from Gateway Church.

C.2. Pledge of Allegiance to the Flag

Mayor MURPHY led the Pledge of Allegiance to the Flag.

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 \$20.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$50.00 each month as a part of the adopted budget and Resolution 1975-37. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

D. ROLL CALL

Present: 7 - Council Member Michael Belluomini, Council Member Kevin Blake, Council Member Anthony Martinez, Mayor Pro Tempore Jill McLeod, Mayor Mike Murphy, Council Member Joshua Pedrozo, and Council Member Matthew Serratto

Absent: 0

E. REPORT OUT OF CLOSED SESSION

There was no report.

F. CEREMONIAL MATTERS

F.1. **SUBJECT:** Proclamation - Small Business Saturday

REPORT IN BRIEF

Accepted by Jennifer Butler - Program Specialist, Small Business Development Center.

Mayor MURPHY presented the Small Business Saturday Proclamation to

Small Business Development Center Program Specialist Jennifer BUTLER.

G. WRITTEN PETITIONS AND COMMUNICATIONS

There were none.

H. ORAL COMMUNICATIONS

Monica VILLA, Merced - spoke on the elections and various topics.

I. CONSENT CALENDAR

Items I.3. Approval of Project Mariposa to Allow the Creation of a Butterfly Garden in Dennis Chavez Park, I.5. Adoption of Resolution Declaring the Intent to Vacate a 20-Foot Wide Temporary Access Easement Located on a portion of 7 Lots within the Summer Creek Subdivision, Generally Located West of McKee Road at Silverstone Drive and Setting a Public Hearing on December 17, 2018 for the Vacation Process, I.7. Approval of Agreement with the Merced Main Street Association in the Amount of \$60,000 for Services and the Administration of the Downtown Business Improvement Area for Fiscal Year 2018-2019, I.14. Award of Bid to RRM Design Group and Approval of Supplemental Appropriation in the Amount of \$54,961 for a Railroad Quiet Zone Feasibility Study and Establishment Agreement, and I.19. Adoption of Resolution Rescinding Resolution 2017-10 and Adopting a Values Statement, Adopting the Ethics and Code of Conduct for City Council Meetings, and Adopting Rules of Order and Procedure for the Conduct of City Council Meetings; were pulled for separate consideration.

Approval of the Consent Agenda

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

Aye: 7 - Council Member Belluomini, Council Member Blake, Council Member Martinez, Mayor Pro Tempore McLeod, Mayor Murphy, Council Member Pedrozo, and Council Member Serratto

No: 0

Absent: 0

I.1. SUBJECT: Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be

read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

This Consent Item was approved.

I.2.

SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of October 15, 2018 and October 18, 2018

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 October 15, 2018 and October 18, 2018.

This Consent Item was approved.

I.4.

SUBJECT: Adoption of Resolution to Amend the Pay Ranges for the Temporary Classifications of Lifeguard I, Lifeguard II, Pool Manager, Recreation Coordinator, Recreation Leader, and Recreation Specialist Effective January 1, 2019, to Comply with State of California Minimum Wage Requirements

REPORT IN BRIEF

Considers adopting a Resolution to authorize amendments to the Pay Ranges for the Temporary Classifications of Lifeguard I, Lifeguard II, Pool Manager, Recreation Coordinator, Recreation Leader, and Recreation Specialist effective January 1, 2019, to comply with State of California minimum wage requirements.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-77**, a Resolution of the City Council of the City of Merced, California, amending the salary ranges for the temporary classifications of Lifeguard I, Lifeguard II, Pool Manager, Recreation Coordinator, Recreation Leader, and Recreation Specialist; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

- I.6. **SUBJECT:** Authorization to Donate a Surplus 2003 Scott Travel Trailer to the Merced County Food Bank

REPORT IN BRIEF

Considers providing authorization to donate a surplus 2003 Scott Travel Trailer previously used by the Fire Department for public education to the local non-profit organization, the Merced County Food Bank.

RECOMMENDATION

City Council - Adopt a motion authorizing the donation of a 2003 Scott Travel Trailer, which has already been deemed to be surplus property by City Council, to the Merced County Food Bank and allowing the City Manager or Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

- I.8. **SUBJECT:** Acceptance of Grant Award from PG&E Corporation Foundation in the Amount of \$3,000 and Appropriation of Funds for Use by the City's Arts and Culture Advisory Commission

REPORT IN BRIEF

The City Manager's Office is requesting that the City Council accept a grant award from PG&E Corporation Foundation in the amount of \$3,000 and appropriate the funds for use by the City's Arts and Culture Advisory Commission.

RECOMMENDATION

City Council - Adopt a motion accepting the grant award from PG&E Corporation Foundation in the amount of \$3,000; increase account 001-0201-360-02-01 and appropriating the same to 001-0201-512-17-00 for use by the Arts and Culture Advisory Commission.

This Consent Item was approved.

- I.9. **SUBJECT:** Approval of Street Closure Request from the Merced Main Street Association for Main Street and Other Surrounding Streets on December 1, 2018, for the Annual Christmas Parade and Related Events

REPORT IN BRIEF

Considers approving a request for street closures on December 1, 2018, from 8:00 a.m. until 7:00 p.m. for the annual Christmas Parade, craft fair, Jingle Bell run/walk and other related activities

RECOMMENDATION

City Council - Adopt a motion approving the street closures of East Main Street, from "G" Street to Cedar Avenue and West Main Street, from "G" to "O" Streets, including side streets from Cedar Avenue to "O" Street, with an alternate route (due to possible road closure for the El Capitan project) of East Main Street, from "G" Street to Cedar Avenue, West Main Street, from "G" to Canal Street, Canal Street from West Main Street to West 18th Street and West 18th Street from Canal Street to "O" Street including side streets as requested by the Merced Main Street Association for the 2018 Christmas Parade and Craft Fair on Saturday, December 1, 2018. Street closures will be from 8:00 a.m. to 7:00 p.m.; subject to the conditions outlined in the administrative report.

This Consent Item was approved.

I.10.

SUBJECT: Approval of Agreement with Merced County Department of Workforce Investment for the Storm National Dislocated Worker Grant Project to Provide the City with Temporary Extra-Help Workers

REPORT IN BRIEF

Considers approving an agreement with the Merced County Department of Workforce Investment to provide the City with temporary workers for weed abatement, creek clean up, debris removal, park clean up, road repair, and other authorized job activities. If approved, the workers will be employed as extra-help employees of the Merced County Department of Workforce Investment, who will pay all payroll expenses for the workers through the grant program. The City of Merced will provide worksite training for the workers.

RECOMMENDATION

City Council - Adopt a motion approving the Storm National Dislocated Worker Grant Project Agreement with the Merced County Department of Workforce Investment, and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

I.11.

SUBJECT: Approval of Agreement with Pictometry International Corporation in the Amount of \$41,846 to Provide Digital Aerial Photography Services and the Attendant Licensed Software

REPORT IN BRIEF

Considers approving an agreement with Pictometry International Corporation in the amount of \$41,846 to provide digital aerial photography services and licensed software for the use of the imagery and includes approving a waiver of the competitive bidding requirement under the exemption set forth in Merced Municipal Code section 3.04.210 for professional services and authorizes the execution of the Agreement.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the competitive bidding requirements based on the exemption for professional services pursuant to Section 3.04.210 of the Merced Municipal Code; and,

B. Approving the Agreement with Pictometry International Corporation, in the amount of \$41,846, to provide digital aerial photography services and licensed software; and,

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

This Consent Item was approved.

I.12.

SUBJECT: Adoption of a Resolution Setting a Public Hearing on December 17, 2018, for the Annual Compliance Report for Development Impact Fees as Required by Government Code Section 66000 et. seq. and City Resolution 88-72

REPORT IN BRIEF

Considers setting a public hearing for December 17, 2018, to accept public comment and consider approving the annual report regarding the collection and spending of Development Impact Fees.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-70**, a Resolution of the City Council of the City of Merced, California, setting a

Public Hearing for December 17, 2018, to consider approval of the annual compliance report for Development Impact Fees.

This Consent Item was approved.

I.13.

SUBJECT: Approval of Agreement with the State of California Department of Transportation Requiring the City to Maintain the Multi-Use Pathway Crossing Within the State Highway Right of Way on Highway 59 at the Burlington Northern Santa Fe (BNSF) Railroad Crossing, Project No. 115047

REPORT IN BRIEF

Authorizes the City Manager or Assistant City Manager to execute a Maintenance Agreement with the State of California Department of Transportation (CalTrans) assigning responsibility to the City for the maintenance of the concrete bike path, stamped concrete sidewalk and concrete median island installed within the CalTrans right-of-way on Highway 59 at the Burlington Northern Santa Fe (BNSF) Railroad Crossing

RECOMMENDATION

City Council - Adopt a motion approving the execution of a Maintenance Agreement with CalTrans for the State Highway 59 Multi-Use Pathway Crossing at the Burlington Northern Santa Fe (BNSF) Railroad Crossing; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

I.15.

SUBJECT: Award of Bid and Approval of Professional Services Agreement in the Amount of \$55,426 with H.T. Harvey & Associates for Wetland Scientist Services for the Congestion Mitigation and Air Quality (CMAQ) Improvement Program Westerly Bike Path Connection, for City Project No. 111066

REPORT IN BRIEF

Considers awarding a bid and approving an agreement with H.T. Harvey & Associates in the amount of \$55,426 for wetland scientist services for the Congestion Mitigation and Air Quality (CMAQ) Improvement Program Westerly Bike Path Connection Project.

RECOMMENDATION

City Council - Adopt a motion awarding a bid and approving the

professional services agreement with H.T. Harvey & Associates in the amount of \$55,426; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

I.16.

SUBJECT: Approval of Supplemental Appropriation in the Amount of \$50,000 and Approval of a Fee Agreement with Rutan & Tucker, LLP. to Provide Legal Services in the Matter *Merced Citizens for Responsible Planning et. al. v. City of Merced*, et al. in the Not to Exceed Amount of \$50,000

REPORT IN BRIEF

Recommends approving a fee agreement with Rutan & Tucker, LLP. for an amount not to exceed \$50,000 to provide legal services on behalf of the City in the case of *Merced Citizens for Responsible Planning et. al. v. City of Merced, et al.*, and approving a supplemental appropriation of \$50,000 from the unreserved, unencumbered fund balance of Fund 557- Water System Enterprise to cover the cost of the legal services.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the fee agreement with Rutan & Tucker, LLP; and,
- B. Approving a supplemental appropriation of \$50,000 from the unreserved, unencumbered fund balance of Fund 557- Water System Enterprise to a professional service account 557-1106-532-17-00; and,
- C. Authorizing the City Manager or Assistant City Manager to execute the agreement.

This Consent Item was approved.

I.17.

SUBJECT: Approval of Third Amendment to Agreement for Legal Services with Best Best & Krieger LLP., to Provide Additional Funding in the Amount of \$30,000 for Legal Defense Services Related to the City's Post-Redevelopment Dissolution Litigation with the California Department of Finance, Increasing the Not-To-Exceed Amount for these Services to \$225,000

REPORT IN BRIEF

Considers approving a Third Amendment to Agreement for Legal

Services with Best Best & Krieger (BBK) to provide additional funding in the amount of \$30,000 for legal services related to the City's defense in the matter entitled *California Department of Finance v. City of Merced*. Approval of the Third Amendment to the Agreement for Legal Services will result in increasing the not-to-exceed amount for post-Redevelopment dispute litigation to \$225,000.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Third Amendment to the Legal Services Agreement with Best, Best & Krieger;

B. Authorizing the Finance Officer to make the necessary budget adjustments; and,

C. Authorizing the City Manager or Assistant City Manager to execute the Third Amendment to the Legal Services Agreement with Best, Best & Krieger.

This Consent Item was approved.

I.18.

SUBJECT: Approval of Agreement for Legal Services with Berliner Cohen, LLP. at the Rate of \$300 Per Hour and in an Amount Not to Exceed \$50,000

REPORT IN BRIEF

Considers approving an agreement for legal services with Berliner Cohen, LLP., to provide legal services to the City under the direction of the City Attorney on an as needed hourly basis at a rate of \$300 per hour. The contract total is not to exceed \$50,000.

RECOMMENDATION

City Council - Adopt a motion approving an agreement for legal services with Berliner Cohen, LLP. not to exceed \$50,000; and, authorizing the City Manager or Assistant City Manager to execute the agreement.

This Consent Item was approved.

I.3.

SUBJECT: Approval of Project Mariposa to Allow the Creation of a Butterfly Garden in Dennis Chavez Park

REPORT IN BRIEF

Considers a neighborhood collaborative project undertaken by the Perezchica Family, neighborhood residents and students and staff of Gracey Elementary School to create a butterfly garden in Dennis Chavez Park to include the installation of planting beds and plants that support butterfly habitats.

RECOMMENDATION

City Council - Adopt a motion approving Project Mariposa, a neighborhood collaborative project between the City of Merced, the Perezchica Family, and Gracey Elementary School to create a butterfly habitat in Dennis Chavez Park.

Clerk's Note: This item was pulled to be placed on a future agenda.

I.5.

SUBJECT: Adoption of Resolution Declaring the Intent to Vacate a 20-Foot Wide Temporary Access Easement Located on a Portion of 7 Lots within the Summer Creek Subdivision, Generally Located West of McKee Road at Silverstone Drive and Setting a Public Hearing on December 17, 2018 for the Vacation Process

REPORT IN BRIEF

Considers adopting a Resolution to declare the intent to vacate a 20-foot wide temporary access easement located on a portion of 7 lots (APN Nos. 008-391-005, 008-391,006, 008-391-007, 008-391-017, 008-391-018, 008-391-029 and 008-403-004) within the Summer Creek Subdivision generally located west of McKee Road at Silverstone Drive and setting a public hearing for December 17, 2018 for the vacation process.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-75**, a Resolution of the City Council of the City of Merced, California, declaring its intention to vacate a 20-foot wide temporary access easement on 7 lots within the Summer Creek Phase One Subdivision (Vacation #18-03) and setting the time and place for a Public Hearing regarding the vacation process for December 17, 2018.

Council Member BELLUOMINI pulled this item to discuss his concern with access to the subdivision.

Planning Manager Kim ESPINOSA discussed providing Council with additional information regarding access to the subdivision for the Public Hearing.

Council, Ms. ESPINOSA, and City Attorney Phaedra NORTON discussed Council action and concerns with the access to the subdivision.

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

Aye: 6 - Council Member Blake, Council Member Martinez, Mayor Pro Tempore McLeod, Mayor Murphy, Council Member Pedrozo, and Council Member Serratto

No: 1 - Council Member Belluomini

Absent: 0

I.7.

SUBJECT: Approval of Agreement with the Merced Main Street Association in the Amount of \$60,000 for Services and the Administration of the Downtown Business Improvement Area for Fiscal Year 2018-2019

REPORT IN BRIEF

Considers approving an Agreement between the City of Merced and the Merced Main Street Association in the amount of \$60,000 to provide services to the Downtown Business Improvement Area during Fiscal Year 2018-2019.

RECOMMENDATION

City Council - Adopt a motion approving an agreement with the Merced Main Street Association for Downtown Services for 2018-2019 in the amount of \$60,000.00, and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

Council Member BELLUOMINI pulled this item to request a staff report.

Development Associate Karen BAKER spoke on the agreement with Merced Main Street Association.

Council Member BELLUOMINI, Ms. BAKER, and Merced Chamber President Manuel ALVARADO discussed the dollar amount of the contract and about the Main Street Association Board.

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

Aye: 7 - Council Member Belluomini, Council Member Blake, Council Member Martinez, Mayor Pro Tempore McLeod, Mayor Murphy, Council Member Pedrozo, and Council Member Serratto

No: 0

Absent: 0

I.14.

SUBJECT: Award of Bid to RRM Design Group and Approval of Supplemental Appropriation in the Amount of \$54,961 for a Railroad Quiet Zone Feasibility Study and Establishment Agreement

REPORT IN BRIEF

Considers approving a supplemental appropriation in Fund 017-Development Services from the unreserved, unencumbered fund balance in the amount of \$54,961 and awarding a bid to RRM Design Group for the Railroad Quiet Zone Feasibility Study and Establishment in the amount of \$54,961.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a supplemental appropriation in the amount of \$54,961 in Fund 017-Development Services from the unreserved, unencumbered fund balance to 017-0803-532.17-00 (Engineering Professional Services account line) and authorizing the Finance Officer to make the appropriate budget adjustments; and,

B. Awarding a bid and approving an agreement for professional services with RRM Design Group for the Railroad Quiet Zone Feasibility Study and Establishment; and,

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

Council Member SERRATTO pulled this item to ask about Amtrak expanding the parking lot.

City Engineer Steven SON stated that he is in discussions about expanding the parking lot at the Amtrak station.

Diana ODOM-GUN, Merced - spoke on the support for the movement towards the feasibility of establishing the Railroad Quiet Zones.

Mayor Pro Tempore MCLEOD spoke on the importance of the health and welfare of the community and her support for this project moving forward.

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

Aye: 7 - Council Member Belluomini, Council Member Blake, Council Member Martinez, Mayor Pro Tempore McLeod, Mayor Murphy, Council Member Pedrozo, and Council Member Serratto

No: 0

Absent: 0

I.19.

SUBJECT: Adoption of Resolution Rescinding Resolution 2017-10 and Adopting a Values Statement, Adopting the Ethics and Code of Conduct for City Council Meetings, and Adopting Rules of Order and Procedure for the Conduct of City Council Meetings

REPORT IN BRIEF

Considers the adoption of Resolution 2018-78 to adopt a values statement, ethics and code of conduct for city council meetings, and to adopt rules of order and procedure for the conduct of City Council meetings.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-78**, a Resolution of the City Council of the City of Merced, California, rescinding Resolution 2017-10 and adopting a Values Statement, adopting the Ethics and Code of Conduct for City Council meetings, and adopting Rules of Order and Procedure for the conduct of City Council meetings.

Council Member SERRATTO pulled this item to discuss adding an acknowledgement form and language regarding the timing in which a Council Member has received gifts and their recusal.

City Attorney Phaedra NORTON spoke on the twelve month rule for Council Members who receive gifts and when they should recuse themselves.

Council Member BELUOMINI and Ms. NORTON discussed the definition of the term "gift".

Mayor Pro Tempore MCLEOD spoke on her support for Council Conduct and the standards that Council should hold itself to.

A motion was made by Mayor Pro Tempore McLeod, seconded by Council Member Pedrozo, to amend the Resolution to include an acknowledgement form and language regarding the timing in which a Council Member has received gifts and their recusal. The motion carried by the following vote:

Aye: 7 - Council Member Belluomini, Council Member Blake, Council Member Martinez, Mayor Pro Tempore McLeod, Mayor Murphy, Council Member Pedrozo, and Council Member Serratto

No: 0

Absent: 0

J. PUBLIC HEARINGS

J.1.

SUBJECT: Public Hearing - Tax Equity and Fiscal Responsibility Act (TEFRA) to Consider the Issuance of Tax Exempt Bonds by the California Statewide Communities Development Authority in an Aggregate Principal Amount Not to Exceed \$12,000,000 for the Purpose of Financing or Refinancing the Acquisition, Construction, Improvement and Equipping of the Gateway Terrace II Project, Located at 13th and K Streets (APN 031-323-002)

REPORT IN BRIEF

Requests the City Council to conduct a TEFRA Public Hearing and consider adopting a resolution approving the issuance of bonds by the California Statewide Communities Development Authority in an aggregate amount not to exceed \$12,000,000 on behalf of the Merced Gateway Investors II, L.P. for the purpose of financing or refinancing the acquisition, construction, improvement and equipping of the Gateway Terrace II Project. The City will not have any financial or legal obligations for the tax exempt status of the bonds, the debt service on the bonds or for any other matter related to the proposed bonds.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2018-74**, a Resolution of the City Council of the City of Merced, California, approving the issuance by the California Statewide Communities Development Authority of Multifamily Housing Revenue Bonds for the Gateway Terrace II Apartments in an aggregate principal amount not to exceed \$12,000,000; and,

B. Authorizing the City Manager or Assistant City Manager to execute all necessary documents.

Housing Supervisor Mark HAMILTON gave a slide show presentation on the Tax Equity and Fiscal Responsibility Act (TEFRA).

Council Member MARTINEZ, Mr. HAMILTON and Central Valley Coalition for Affordable Housing CEO Christina ALLEY discussed the progress of the project, street closures, and anticipated completion of the project.

Council Member BELLUOMINI spoke on his support for the project.

Mayor MURPHY opened and subsequently closed the Public Hearing at 6:57 PM due to lack of public comment.

Mayor MURPHY spoke on housing homeless veterans.

A motion was made by Council Member Belluomini, seconded by Mayor Pro Tempore McLeod, to approve Resolution 2018-74 and authorize the City Manager or Assistant City Manager to execute all necessary documents. The motion carried by the following vote:

Aye: 7 - Council Member Belluomini, Council Member Blake, Council Member Martinez, Mayor Pro Tempore McLeod, Mayor Murphy, Council Member Pedrozo, and Council Member Serratto

No: 0

Absent: 0

J.2.

SUBJECT: Public Hearing - Resolution Authorizing the City of Merced to Participate in the Statewide Community Infrastructure Program (SCIP) Allowing Property Owners the Ability to Finance Impact Fees

REPORT IN BRIEF

Considers adopting Resolution 2018-76 allowing the City of Merced to participate in the Statewide Community Infrastructure Program. Also authorizes the California Statewide Communities Development Authority to accept applications from property owners, conduct special assessment proceedings and levy assessments within the territory of the City of Merced and approves a form of acquisition agreement for use when applicable.

RECOMMENDATION:

City Council - Adopt a Motion:

A. Approving **Resolution 2018-76**, a Resolution of the City Council of the City of Merced authorizing the City to join the Statewide Community Infrastructure Program; authorizing the California Statewide Communities Development Authority to accept applications from property owners, conduct special assessment proceedings and levy assessments within the territory of the City of Merced; approving form of acquisition agreement for use when applicable; and authorizing related actions; and,

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

Director of Economic Development Frank QUINTERO gave a presentation on the Statewide Community Infrastructure Program (SCIP).

Mayor MURPHY opened the Public Hearing at 7:02 PM.

Developer Mark PATTERSON spoke on the benefits of the SCIP program.

Mayor MURPHY closed the Public Hearing at 7:04 PM.

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

Aye: 7 - Council Member Belluomini, Council Member Blake, Council Member Martinez, Mayor Pro Tempore McLeod, Mayor Murphy, Council Member Pedrozo, and Council Member Serratto

No: 0

Absent: 0

Clerk's Note: Mayor Pro Tempore MCLEOD left the meeting at 7:00 PM.

K. REPORTS

K.1.

SUBJECT: Presentation and Discussion Regarding Potential Modifications to Chapter 20.42 of the Merced Municipal Code Regarding Secondary Dwelling Units (Now Referred to as Accessory Dwelling Units) and Possible New City Housing Programs to Encourage the Construction of New Accessory Dwelling Units

REPORT IN BRIEF

The City Council will receive an update on upcoming changes to Chapter 20.42 of the Merced Municipal Code Regarding Accessory Dwelling Units and possible new City Housing programs to encourage the building of accessory dwelling units.

RECOMMENDATION

City Council to provide direction to staff on possible next steps.

Planning Manager Kim ESPINOSA and Housing Supervisor Mark HAMILTON gave a slide show presentation on Proposed Changes to Merced Zoning Ordinance for Accessory Dwelling Units (ADU).

Council Member BELLUOMINI and Ms. ESPINOSA discussed a deed notice, owner occupy, and required parking space.

Susannah CASTRO, Merced - asked about the cost of building an accessory dwelling unit. She also spoke on her concern whether or not the homeowner is required to live on site.

Mr. HAMILTON explained the cost estimates for an Accessory Dwelling Unit.

City Manager Steve CARRIGAN, Mr. HAMILTON, and Ms. ESPINOSA discussed the number of lots in the City that would allow for an ADU.

Council and Mr. HAMILTON discussed the various ADU style options, number of ADU's allowed on a lot, owner occupy, and a timeline to bring this item back to Council for further discussion.

Clerk's Note: Council directed staff to bring back a draft policy to review to the January 22, 2019 meeting.

K.2.

SUBJECT: City of Merced Financial Forecast and CalPERS Update

REPORT IN BRIEF

Presentation of the Financial Forecast and CalPERS Update.

RECOMMENDATION

For Information only.

Finance Officer Venus RODRIGUEZ gave a slide show presentation on the 5-Year Forecast.

Council and Ms. RODRIGUEZ discussed salary increases, Trust 115, transitioning personnel from Measure C, increasing of costs for materials and supplies, and the CalPERS unfunded liability.

L. BUSINESS

L.1.

SUBJECT: City Council Appointments to the Arts and Culture Advisory Commission

REPORT IN BRIEF

Considers accepting nominations and appointing one individual to each

Council District, one individual to an “at-large” seat, three individuals to Ex-Officio seats, and one Council Member to an Ex-Officio seat on the Arts and Culture Advisory Commission.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting nominations and appointing one individual to each of the City Council Districts; and,
- B. Appointing one individual to the “at-large” commission seat; and,
- C. Appointing three individuals to Ex-Officio commission seats; and,
- D. Appointing one Council Member to the fourth Ex-Officio seat.

Assistant City Clerk John TRESIDDER briefly discussed the Arts and Culture Commission appointments.

Patricia PRATT, Merced - introduced herself to Council and spoke on the projects she has worked on throughout the City.

Jasmine DIAZ, Merced - introduced herself to Council and spoke on her community work.

Harley HERMOSILLO, Merced - introduced himself to Council and spoke on his investment in the community.

Chris VELAZQUEZ, Merced - introduced himself to Council and spoke on the projects he has worked on and his background in film making.

Jim KOCHER, Merced - introduced himself to Council and spoke on his background in film and production and his work with Playhouse Merced.

Colton DENNIS, Merced - spoke on the need for communication with the arts and the community. He spoke on various types of art and maintaining the art.

Kim GADNER, Merced - introduced herself to Council and spoke on her background in arts education and art consulting.

Mayor MURPHY stated that each Council Member would nominate an applicant from their district.

District 1 nominee: Dob FRANCISE

District 4 nominee: Colton DENNIS
District 5 nominee: Monika SAINI
District 6 nominee: Rob HYPES
At-Large Nominee: Monika MODEST

Clerk's Note: There were no applicants in District 2. No applicants were nominated in District 3 due to Mayor Pro Tempore MCLEOD's absence.

Council nominated applicants as Ex-Officio members.

Ex-Officio's nominated:

Patricia PRATT
Kim GARNER
Harley HERMOSILLO

Council nominated Council Member MARTINEZ as the Council appointed Ex-Officio.

A motion was made by Mayor Murphy, seconded by Council Member Pedrozo, to approve the nominated applicants. The motion carried by the following vote:

Aye: 6 - Council Member Belluomini, Council Member Blake, Council Member Martinez, Mayor Murphy, Council Member Pedrozo, and Council Member Serratto

No: 0

Absent: 1 - Mayor Pro Tempore McLeod

L.2. Request to Add Item to Future Agenda

Council Member SERRATTO requested to add an item to discuss the transition for Measure C after new Council is seated.

L.3. City Council Comments

Council Member MARTINEZ reported on attending the Band Review event, the Veterans Day Parade, and the turkey giveaway.

Council Member BLAKE reported on attending the Veterans Day Parade.

Council Member BELLUOMINI reported on attending the Veterans Day Parade, and the Field of Honor opening ceremony.

Council Member PEDROZO reported on attending the Veterans Day Parade, the Grand Opening of Stonefield Homes subdivision, the turkey giveaway, the firefighters wheelchair basketball game, and the Field of Honor opening ceremony.

Mayor MURPHY reported on attending the Grand Opening of Stonefield Homes subdivision, Sharing the Harvest Benefit, the Veterans Day Parade, the Field of Honor opening ceremony, visiting the Elks Club, the Bi-National Health week at Tenya Middle School, a conference regarding homeless in San Diego, a ribbon cutting for the transit maintenance facility, and the turkey giveaway.

M. ADJOURNMENT

Clerk's Note: The Regular Meeting was adjourned at 9:08 PM.

A motion was made by Mayor Murphy, seconded by Council Member Pedrozo, to adjourn the Regular Meeting in honor of Major Brent Taylor. The motion carried by the following vote:

Aye: 6 - Council Member Belluomini, Council Member Blake, Council Member Martinez, Mayor Murphy, Council Member Pedrozo, and Council Member Serratto

No: 0

Absent: 1 - Mayor Pro Tempore McLeod