



CITY OF MERCED

Amended

Meeting Agenda

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

City Council/Public Finance and Economic Development Authority/Parking Authority

Monday, February 5, 2018

6:00 PM

Council Chambers, 2nd Floor, Merced Civic
Center, 678 W. 18th Street, Merced, CA 95340

Closed Session at 5:00 PM/Regular Meeting at 6:00 PM

NOTICE TO PUBLIC

WELCOME TO THE MEETING OF THE MERCED CITY COUNCIL

At least 72 hours prior to each regular City Council meeting, a complete agenda packet is available for review on the City's website at www.cityofmerced.org or at the City Clerk's Office, 678 W. 18th Street, Merced, CA 95340. All public records relating to an open session item that are distributed to a majority of the Council will be available for public inspection at the City Clerk's Office during regular business hours.

PUBLIC COMMENT: OBTAIN SPEAKER CARD FROM THE CITY CLERK

Members of the audience who wish to address the City Council are requested to complete a speaker card available at the podium against the right-hand side of the Council Chamber. Please submit the completed card to the City Clerk before the item is called, preferably before the meeting begins.

INDIVIDUALS WITH DISABILITIES

Accommodation for individuals with disabilities may be arranged by contacting the City Clerk at (209) 388-8650. Assisted hearing devices are available for meetings held in the Council Chamber.

A. CLOSED SESSION ROLL CALL

B. CLOSED SESSION

- B.1. [18-047](#) SUBJECT: PUBLIC EMPLOYEE APPOINTMENT - Title: Finance Officer; AUTHORITY: Government Code 54957
- B.2. [18-014](#) **Language change** SUBJECT: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation pursuant to Government Code section 54956.9(d)(2): (2) cases
- B.3. [18-066](#) **Item added late** SUBJECT: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Initiation of Litigation pursuant to Government Code section

54956.9(d)(4): (1) case

- B.4.** [18-036](#) **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organization: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703; International Association of Fire Fighters, Local 1479; Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6
- B.5.** [18-035](#) **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section 54957.6
- B.6.** [18-010](#) **SUBJECT:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: City Manager; Authority: Government Code Section 54957

C. CALL TO ORDER

- C.1. Invocation - Reverend Mike Hull, Christian Life Center
- C.2. Pledge of Allegiance to the Flag

D. ROLL CALL

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.

E. REPORT OUT OF CLOSED SESSION

F. CEREMONIAL MATTERS

F.1. The California Water Environment Association (CWEA) Medium Collections of the Year Award - Presented by CWEA Local Section President Ryan Selman.

- F.2.** [18-054](#) **SUBJECT:** Proclamation - Teen Dating Violence Awareness and Prevention Month

REPORT IN BRIEF

Received by Director Chee Yang and Volunteer Coordinator Sophie Kanabay of the Valley Crisis Center.

G. WRITTEN PETITIONS AND COMMUNICATIONS

H. ORAL COMMUNICATIONS

Members of the public who wish to speak on any matter not listed on the agenda may speak during this portion of the meeting and will be allotted 5 minutes. The Mayor may, at his discretion, reduce the time to 3 minutes if there are more than 3 speakers, in order to accommodate as many speakers as possible. State law prohibits the City Council from acting at this meeting on any matter raised during the public comment period. Members of the public who wish to speak on a matter that is listed on the agenda will be called upon to speak during discussion of that item.

I. CONSENT CALENDAR

Adoption of the Consent Calendar may be made by one motion of the City Council, provided that any Council member, individual, or organization may request removal of an item from the Consent Calendar for separate consideration. If a request for removal of an item from the Consent Calendar has been received, the item will be discussed and voted on separately.

I.1. [18-027](#) **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.

I.2. [18-057](#) **SUBJECT:** Information-Only Contracts

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$30,000 and of Public Works contracts under \$67,779.

AUTHORITY

Pursuant to the authority delegated to the City Manager on behalf of the City by Article XI, Section 1109, of the Merced City Charter to execute Public Works contracts under the adjusted FY 2017-2018 threshold of \$67,779.00, and Chapter 3.04.080 - 3.04.110 of the Merced Municipal Code to execute Non-Public Works contracts under the adjusted FY 2017-2018 threshold of \$30,000.00, the contracts listed on the attached table were entered into by the City.

- I.3. [18-020](#) **SUBJECT:** Information Only - Community Facilities Districts (CFD) Annual Reports
- REPORT IN BRIEF**
Governmental Codes relating to special tax measures and local bond issues require Community Facilities Districts Annual Reports be prepared and filed with the Agency's governing board annually.
- RECOMMENDATION**
For Information Only
- I.4. [18-039](#) **SUBJECT:** Information Only - Traffic Committee Minutes of November 14, 2017
- RECOMMENDATION**
For information only.
- I.5. [18-040](#) **SUBJECT:** Information Only - Planning Commission Minutes of December 6, 2017
- RECOMMENDATION**
For information only.
- I.6. [18-037](#) **SUBJECT:** City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of January 2, 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 January 2, 2018.
- I.7. [17-622](#) **SUBJECT:** Award Bid for Constructing a New Municipal Well and Amend an Engineering Design Contract for the Well 21 Site, Project No. 113026
- REPORT IN BRIEF**
Consider awarding a contract in the amount of \$608,307 to Nor-Cal Pump and Well Drilling, Inc., to construct a new municipal well; and, approving a second contract amendment for engineering design services with AECOM

Technical Services, Inc., in the amount of \$2,561, for the Well 21 site project.

RECOMMENDATION

City Council - Adopt a motion:

A. Awarding the bid for the Well 21 site well construction to Nor-Cal Pump and Well Drilling, Inc., in the amount of \$608,307; and,

B. Approving a second amendment to an Agreement for Professional Services with AECOM Technical Services, Inc., in the amount of \$2,561 for engineering design services; and,

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

I.8. [18-038](#)

SUBJECT: Street Closure #18-01 for Sacred Heart Catholic Church to Host the "Stations of the Cross" Reenactment and the Silent March for Good Friday, March 30, 2018

REPORT IN BRIEF

Consider a request for use of City streets.

RECOMMENDATION

City Council - Adopt a motion approving the street closures of Canal Street (between 13th Street and 11th Street), 11th Street (between Canal Street and M Street), M Street (between 11th Street and 13th Street), 12th Street (between M Street and Canal Street) and the alleyway behind the church located between 13th Street and 12th Street, as requested by Sacred Heart Catholic Church, on Friday, March 30, 2018, from 3:00 p.m. to 4:30 p.m. and from 7:00 p.m. to 8:00 p.m.; subject to the conditions outlined in the administrative staff report.

I.9. [17-431](#)

SUBJECT: Disposal of Equipment Acquired Under Federal Emergency Management Agency Grant No. EMW-2002-FG-04005

REPORT IN BRIEF

Dispose of equipment acquired under Federal Emergency Management Agency Grant No. EMW-2002-FG-04005.

RECOMMENDATION

City Council - Adopt a motion authorizing the equipment to be transferred to Purchasing for sale as surplus equipment.

I.10. [18-056](#)

SUBJECT: Introduction of Ordinance Regarding Local Business Preference Policy

REPORT IN BRIEF

Considers the introduction of an ordinance allowing for a local preference policy when purchasing goods and services from vendors.

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance 2485**, an Ordinance of the City Council of the City of Merced, California, amending chapter 3.04 by adding section 3.04.215, "Local Business Preference Policy," to the Merced Municipal Code.

J. PUBLIC HEARINGS

Members of the public who wish to speak on public hearings listed on the agenda will be heard when the Public Hearing is opened, except on Public Hearing items previously heard and closed to public comment. After the public has commented, the item is closed to further public comment and brought to the Council for discussion and action. Further comment will not be received unless requested by the Council.

J.1. [17-498](#)

SUBJECT: Cost of Assessment and Report Re: 439 East Olive Avenue (Abatement and Demolition of Building)

REPORT IN BRIEF

Accounting of costs and assessment report for the abatement of a public nuisance located at 439 East Olive Avenue.

RECOMMENDATION

City Council - Adopt a motion:

A. Conducting a public hearing and consider all testimony and other evidence with regard to the cost of assessment and report for the abatement of a public nuisance located 439 East Olive Avenue, Merced, California; and,

B. Reviewing and approving the accounting of costs and assessment report for the abatement of a public nuisance located at 439 East Olive Avenue; and,

C. Establishing the charge for the abatement in the amount of \$14,254.43; and,

D. Adopting **Resolution 2018-05**, a Resolution of the City Council of the City of Merced, California, confirming the cost assessment report relating to the nuisance abatement at 439 East Olive Avenue, Merced, California, assessing a charge therefor against the property, directing the tax collector of Merced County to collect the delinquent account, and directing the city clerk to file a certified copy of this resolution with the county recorder to provide notice of the lien.

J.2. [17-501](#)

SUBJECT: Cost of Assessment and Report Re: 960 West 11th Street (Abatement and Demolition of Building)

REPORT IN BRIEF

Accounting of costs and assessment report for the abatement of a public nuisance located at 960 West 11th Street.

RECOMMENDATION

City Council - Adopt a motion:

A. Conducting a public hearing and consider all testimony and other evidence with regard to the cost of assessment and report for the abatement of a public nuisance located 960 West 11th Street, Merced, California.

B. Reviewing and approving the accounting of costs and assessment report for the abatement of a public nuisance located at 960 West 11th Street.

C. Establish the charge for the abatement in the amount of \$23,443.03.

D. Adopting **Resolution 2018-06**, a Resolution of the City Council of the City of Merced, California, confirming the cost assessment report relating to the nuisance abatement at 960 West 11th Street, Merced, California, assessing a charge therefor against the property, directing the tax collector of Merced County to collect the delinquent account, and directing the city clerk to file a certified copy of this resolution with the county recorder to provide notice of the lien.

K. REPORTS

K.1. [18-046](#)

SUBJECT: Applegate Park Play Equipment

REPORT IN BRIEF

Requests Council direction on the proposed replacement of the Applegate Park play structure.

RECOMMENDATION

Provide direction to staff on how to proceed with replacement of play equipment at Applegate Park.

K.2. [18-043](#)

**Attachment
added late**

SUBJECT: Options for Cannabis Tax Measure

REPORT IN BRIEF

The City Council will receive an overview of the options for a cannabis tax measure.

RECOMMENDATION

Provide input and direction to staff on the various cannabis tax options and timing to allow for the preparation of a tax ordinance.

K.3. [18-052](#)

SUBJECT: Mid-Year Budget Review

REPORT IN BRIEF

FY 17-18 Mid-Year Financial Report and Budget Adjustments

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2018-07**, Resolution of the City Council of the City of Merced, California Amending the Salary Range for the Position of Fabrication Technician/Storekeeper; and

B. Adoption **Resolution 2018-08**, Resolution of the City Council of the City of Merced, California Amending the Salary Range for the Position of Finance Liaison; and

C. Approving a Supplemental Appropriation in the amount of \$50,000 from Fund 061 Measure C for the purchase of fire nozzles; and

D. Approving the addition of a Housing Specialist position in Fund 070 Housing Administration and allowing the Interim Finance Officer to make the necessary budget adjustments.

K.4. [18-060](#)

SUBJECT: Update on Goals and Priorities

REPORT IN BRIEF

Update on the City Council's goals and priorities.

RECOMMENDATION

For information only.

K.5. [18-050](#)

SUBJECT: Sewer Master Plan Discussion

REPORT IN BRIEF

Seeks Council direction on finalizing the draft Sewer Master Plan.

RECOMMENDATION

Provide direction to staff on finalization of the draft Sewer Master Plan and approval to begin the CEQA environmental process as well as the assessment district process.

L. BUSINESS

L.1. [18-058](#)

SUBJECT: Approval of New Finance Officer Employment Agreement

REPORT IN BRIEF

Considers approving the Employment Agreement for the position of Finance Officer.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Finance Officer Employment Agreement; and,

B. Authorizing the Mayor to sign on behalf of the City.

L.2. [18-059](#)

SUBJECT: Regional Transportation Impact Fee (RTIF) Program Options

REPORT IN BRIEF

Seek direction on how the Regional Transportation Impact Fee program should proceed in the future.

RECOMMENDATION

Provide direction on how the Regional Transportation Impact Fee (RTIF) program should proceed in the future.

L.3. Request to Add Item to Future Agenda

L.4. City Council Comments

M. ADJOURNMENT



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item B.1.

Meeting Date: 2/5/2018

SUBJECT: PUBLIC EMPLOYEE APPOINTMENT - Title: Finance Officer; AUTHORITY:
Government Code 54957



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item B.2.

Meeting Date: 2/5/2018

SUBJECT: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation pursuant to Government Code section 54956.9(d)(2): (2) cases



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item B.3.

Meeting Date: 2/5/2018

SUBJECT: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Initiation of Litigation pursuant to Government Code section 54956.9(d)(4): (1) case



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item B.4.

Meeting Date: 2/5/2018

SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organization: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703; International Association of Fire Fighters, Local 1479; Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item B.5.

Meeting Date: 2/5/2018

SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative:
City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section
54957.6



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item B.6.

Meeting Date: 2/5/2018

SUBJECT: PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: City Manager; Authority: Government Code Section 54957



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item F.2.

Meeting Date: 2/5/2018

SUBJECT: Proclamation - Teen Dating Violence Awareness and Prevention Month

REPORT IN BRIEF

Received by Director Chee Yang and Volunteer Coordinator Sophie Kanabay of the Valley Crisis Center.

ATTACHMENTS

1. Teen Dating Violence Awareness and Prevention Month Proclamation



Proclamation

- WHEREAS, California is committed to the well-being and protection of our youth, the safety of our communities, and to fostering a society based upon respect for one another- and where violence has no role; teen dating violence, and its various forms of control and abuse, is a serious crime that can continue into adulthood, with the potential to destroy lives; and
- WHEREAS, teen dating violence involves physical, sexual, verbal, emotional, economic, or other abusive behavior- including harassment and cyberbullying via texting, “sexting” emailing, instant messaging, or posting on social media- and is committed by a person intending to harm, threaten, intimidating, harass, control, isolate, or monitor another person with whom they have or have had a dating relationship; and
- WHEREAS, dating violence can have a negative effect on health throughout life, as teens who are victims are more likely to be depressed, have eating disorders, do poorly in school, engage in unhealthy behaviors such as drug and alcohol use, and think about or attempt suicide; and
- WHEREAS, national studies on this issue indicate that approximately 1 in 3 adolescent girls experience some form of interpersonal violence; nearly 1 in 10 teens report they were intentionally hit, slapped, or physically hurt by their boyfriend or girlfriend, 62% of young teens- ages 11 to 14 years- report knowing friends who have been verbally abused by a boyfriend or girlfriend; and
- WHEREAS, studies regarding cyberbullying report that 26% of youth in a relationship said they experience some form of cyber dating abuse in the prior years; it is further reported that nearly 40% of teenagers were contacted electronically by their partners, anywhere from 10 to more than 30 times per hour , in the evening; and
- WHEREAS, California has focused on the teen dating violence issues through effective measures and action, including a teen- focused dating abuse and healthy relationship website, a social media imitative, and public awareness campaign such as loveisrespect.org; and

NOW, THEREFORE, I, MIKE MURPHY, Mayor of the City of Merced, on behalf of the City Council, do hereby proclaim February 2018 as Teen Dating Violence Awareness and Prevention Month and urge all citizens of Merced to take cognizance of this event and participate fittingly in observance.

Signed this 5th day of February, 2018.

Mike Murphy, Mayor of Merced



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.1.

Meeting Date: 2/5/2018

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.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.2.

Meeting Date: 2/5/2018

Report Prepared by: Kirkland Greene, Records Clerk II

SUBJECT: Information-Only Contracts

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$30,000 and of Public Works contracts under \$67,779.

AUTHORITY

Pursuant to the authority delegated to the City Manager on behalf of the City by Article XI, Section 1109, of the Merced City Charter to execute Public Works contracts under the adjusted FY 2017-2018 threshold of \$67,779.00, and Chapter 3.04.080 - 3.04.110 of the Merced Municipal Code to execute Non-Public Works contracts under the adjusted FY 2017-2018 threshold of \$30,000.00, the contracts listed on the attached table were entered into by the City.

ATTACHMENTS

1. "Information-Only" Contracts Table for January 2018

Exhibit 1 – Table of Contracts

2/5/2018 City Council Meeting

Department/Division	Vendor	Purpose/Location	Amount
1201 – Recreation and Parks	Todd and Tara Davis (DBA: Bases Loaded)	Concession Agreement for Joe Herb Park Softball Complex (35% of gross revenue; from February 1 through December 31, 2018)	(No funds.)
2002 – Economic Development	Joseph Baker (DBA: Baker Media)	Agreement for Professional Services to Produce a Video and Promotional Material for the 2018 State of the City Event (to be held on February 9, 2018).	\$ 2,500.00
0803 – Engineering	Golden Valley Engineering & Surveying, Inc.	Provide surveying services for Project No. 117039, along "G" Street, between Childs Avenue and 13th Street. Statement of Services (PO #129270).	\$13,423.00
0403 – Information Technology	Optiv Security, Inc.	Statement of Work for a Cyber Security Assessment of the City's Enterprise Network.	\$18,900.00
2002 – Economic Development	Quad Knopf, Inc.	Agreement for Professional Services to Provide Back-Office and Marketing Services in Connection With a Project to Expand the City's Industrial Land Base.	\$20,900.00
0402 – Personnel	William Avery and Associates, Inc.	Agreement for Professional Services to Provide Executive Search and Recruitment Services for a Police Chief.	\$22,400.00
0402 – Personnel	William Avery and Associates, Inc.	Agreement for Professional Services to Provide Executive Search and Recruitment Services for a City Attorney.	\$26,400.00



ADMINISTRATIVE REPORT

Agenda Item I.3.

Meeting Date: 2/5/2018

Report Prepared by: Faye S. Law, Accountant II

SUBJECT: Information Only - Community Facilities Districts (CFD) Annual Reports

REPORT IN BRIEF

Governmental Codes relating to special tax measures and local bond issues require Community Facilities Districts Annual Reports be prepared and filed with the Agency's governing board annually.

RECOMMENDATION

For Information Only

AUTHORITY

Governmental code Sections 50075.1, 50075.3, and 50075.5 relating to special tax measures and Sections 53410, 53411, and 53412 relating to local bond issues.

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget.

DISCUSSION

On January 5, 2004, Community Facilities District No. 2003-2 (Services) was formed to collect special taxes in certain improvement areas related to growth. The special taxes pay for costs including, but not limited to, public safety, landscape, storm drain, sidewalk, park and parkway maintenance.

On July 19, 2004, the City Council formed Community Facilities District No. 2003-1 (Bellevue Ranch East) to provide public infrastructure financing. The District issued \$12,745,000 in 2005 Special Tax Bonds on August 4, 2005. Due to favorable interest rate on bonds, the 2005 Special Tax Bonds was refunded and the District issued the 2016 Special Tax Refunding Bonds of \$8,985,000 on August 30, 2016.

On November 21, 2005, the City Council formed Community Facilities District No. 2005-1 (Bellevue Ranch West Improvement Area 1) to provide public infrastructure financing. The District issued 7,410,000 in 2006 Special Tax Bonds on July 27, 2006. Because of favorable interest rate on bonds, the 2006 Special Tax Bonds was refunded and the District issued the 2017 Special Tax Refunding Bonds of \$6,330,000 on December 19, 2017.

On July 3, 2006, City Council formed Community Facilities District No. 2006-1 (Moraga of Merced) to provide public infrastructure financing. The District issued \$5,840,000 in 2006 Special Taxes Bonds

on December 14, 2006.

The Government Code Sections listed above require annual reports to be prepared and filed with an agency's governing board. Attached are reports that meet the requirement.

IMPACT ON CITY RESOURCES

No budget appropriation is required.

ATTACHMENTS

1. CFD No. 2003-2 (Services)
2. CFD No. 2003-1
3. CFD No. 2005-1
4. CFD No. 2006-1



GOODWIN CONSULTING GROUP

**City of Merced
Community Facilities District No. 2003-2
(Services)
Senate Bill 165 Reporting Requirements for
Fiscal Year 2016-17**

January 19, 2018

***Community Facilities District No. 2003-2
Senate Bill 165 Reporting Requirements
Fiscal Year 2016-17***

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Appendix A: CFD No. 2003-2 Balance Sheet as of June 30, 2017

I. INTRODUCTION

City of Merced Community Facilities District No. 2003-2 (Services)

The City of Merced Community Facilities District No. 2003-2 (the “CFD” or “CFD No. 2003-2”) is located in the City of Merced (the “City”), in Merced County, in the State of California, approximately 132 miles south of Sacramento. On January 5, 2004, the City passed Resolution No. 2004-3, forming CFD No. 2003-2. A successful landowner election was then held, authorizing the levy of the special tax. The special tax funds general services authorized under the Mello-Roos Act which include, but are not limited to:

- 1) Public safety services, including police and fire protection.
- 2) Landscaping, sidewalk, park, and parkway maintenance (including lighting).
- 3) Flood control services.
- 4) Miscellaneous administrative fees and expenses.

CFD No. 2003-2 currently is made up of 34 distinct improvement areas throughout the City. As additional new areas within the City apply for development approval, those development areas will annex to CFD No. 2003-2.

The Mello-Roos Community Facilities Act of 1982

The California State Legislature approved the Mello-Roos Community Facilities Act of 1982 that provides for the levy of a special tax within a defined geographic area, namely a community facilities district, if such a levy is approved by two-thirds of the qualified electors in the area. Community facilities districts can generate funding for a broad range of facilities and eligible services. These services include police protection services, fire protection and suppression services, library services, recreation program services, maintenance of roads, parks, parkways and open space, and flood and storm protection services. Special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

II. SENATE BILL 165 REPORTING REQUIREMENTS

On September 18, 2000, former Governor Gray Davis approved Senate Bill 165 which enacted the “Local Agency Special Tax and Bond Accountability Act”. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Section 50075.3 to the California Government Code setting forth annual reporting requirements relative to special taxes collected by a local public agency. The amount of special taxes collected and expended for the fiscal year 2016-17 special tax levy is set forth in the table on the following page:

Fiscal Year 2016-17 Revenues

Charges for Services	\$1,895,620
Investment Earnings	\$20,890
Miscellaneous	\$50,000
Total Revenues Collected	\$1,966,510

Fiscal Year 2016-17 Expenditures

General Government	\$10,731
Public Safety	\$35,260
Public Works	\$556,980
Total Expenditures	\$602,971

Revenue Over (Under) Expenditures	\$1,363,539
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Other Financing Sources (Uses)

Transfer In	\$159,223
Transfer Out	(\$1,289,167)
Total Other Financing Sources (Uses)	(\$1,129,944)

Beginning Fund Balance	\$937,753
Ending Fund Balance	\$1,171,348

Net Change in Fund Balance	\$233,595
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APPENDIX A

***CFD No. 2003-2 Balance Sheet
as of June 30, 2017***

City of Merced
Balance Sheet
June 30, 2017

CFD Services

ASSETS

Cash, cash equivalents and investments	\$ 2,871,788
Receivables:	
Interest Recievable	515
Accounts Receivable	99
Due from other governments	48,071

Total assets	<u>\$ 2,920,473</u>
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LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 36,193
Other payables	1,940
Due to other funds	-
Advances from other funds	1,710,992

Total liabilities	<u>\$ 1,749,125</u>
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Fund Balance	1,171,348
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Total liabilities and fund balance	<u>\$ 2,920,473</u>
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GOODWIN CONSULTING GROUP

**City of Merced
Community Facilities District No. 2003-1
(Bellevue Ranch East)
\$8,985,000 2016 Special Tax Refunding Bonds
Continuing Disclosure Annual Report for
Fiscal Year 2016-17
(per SEC Rule 15c2-12(b)(5))**

CUSIP Numbers

\$390,000	587626CM2*	\$485,000	587626CY6
\$395,000	587626CN0	\$495,000	587626CZ3
\$405,000	587626CP5	\$510,000	587626DA7
\$415,000	587626CQ3	\$525,000	587626DB5
\$1,290,000	587626CT7	\$535,000	587626DC3
\$445,000	587626CU4	\$550,000	587626DD1
\$455,000	587626CV2	\$565,000	587626DE9
\$465,000	587626CW0	\$585,000	587626DF6
\$475,000	587626CX8		

** Retired as of the date of this report*

January 30, 2018

***Continuing Disclosure Annual Report
for
City of Merced
Community Facilities District No. 2003-1
(Bellevue Ranch East)
\$8,985,000 2016 Special Tax Refunding Bonds
Fiscal Year 2016-17***

This Continuing Disclosure Annual Report (“Annual Report”) contains certain information required to be filed annually per SEC rule 15c2-12(b)(5) (the “Rule”) by the City of Merced (the “City”) Community Facilities District No. 2003-1 (Bellevue Ranch East) (the “CFD”). The Rule is applicable to the 2016 Special Tax Refunding Bonds (the “Series 2016 Bonds”) issued in the aggregate principal amount of \$8,985,000 by the CFD on August 30, 2016. The Rule requires that an issuer undertake in a written agreement or contract, for the benefit of holders of the securities issued, to file with national and state repositories the following:

- i. Certain financial information as presented in the Continuing Disclosure Agreement
- ii. Audited financial statements of the City
- iii. Notice of certain enumerated significant events
- iv. Notice of any failure to provide such annual financial information as agreed

In compliance with the Rule, the City signed the Continuing Disclosure Agreement on August 30, 2016, requiring the City to provide annually, or as they occur, the aforementioned enumerated documents or events. Per the Continuing Disclosure Agreement, the City is required to file an annual report with all national and State of California repositories which includes:

- a) The balance in the Reserve Fund held under the Fiscal Agent Agreement.
 - **As of October 31, 2017, the balance in the Reserve Fund was \$605,449. The Reserve Fund Requirement is \$604,463; therefore, pursuant to the Series 2016 Bonds covenants, the Reserve Fund is fully funded.**
- b) The principal amount of the Series 2016 Bonds outstanding and a current debt service schedule.
 - **As of the date of this report, \$8,595,000 of the Series 2016 Bonds remains outstanding.**
 - **See Appendix A for a current debt service schedule.**
- c) The amount of prepayments of the special tax, if any.
 - **As of the date of this report, there have been no prepayments of the special tax obligation.**

- d) The total assessed value of all parcels currently subject to the special tax within the CFD, showing the total assessed valuation for all land and the total assessed valuation for all improvements within the CFD and distinguishing between the assessed value of developed property and undeveloped property.

Total Assessed Value of all Land	\$34,231,035
Total Assessed Value of all Improvements	\$121,934,197
Total Assessed Value of Other Property	\$25,750
Total Assessed Value of all Parcels	\$156,190,982
Assessed Value of Developed Property	\$145,179,511
Assessed Value of Undeveloped Property	\$11,011,471
Total Assessed Value of all Parcels	\$156,190,982

- e) Identification of each parcel within the CFD for which any special tax payment is delinquent, together with the following information respecting each such parcel: (A) the amount delinquent; (B) the date of each delinquency; (C) in the event a foreclosure complaint has been filed respecting such delinquent parcel and such complaint has not yet been dismissed, the date on which the complaint was filed; and (D) in the event a foreclosure sale has occurred respecting such delinquent parcel, a summary of the results of such foreclosure sale.

→ **See Appendix B.**

- f) A land ownership summary listing property owners responsible for more than ten percent (10%) of the annual special tax levy, as shown on the Merced County Assessor's last equalized tax roll prior to the September next preceding the Annual Report date.

Property Owner	FY 2017-18 Special Tax Levy	Percentage	Number of Parcels
Regents of Univ. of California	\$86,973	14.10%	3

- g) Changes, if any to the rate and method of apportionment.

→ **No changes.**

- h) The amount of special taxes generated by the developed parcels and undeveloped parcels within the CFD.

Property Classification	Number of Parcels	FY 2017-18 Special Tax Levy	Percentage of Total Special Tax Levy
Developed	626	\$415,570	67.35%
Undeveloped	392	\$201,421	32.65%

- i) The audited financial statements of the City for the preceding fiscal year (or if not available at the time of filing, the unaudited financial statements). The audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared and provided.

→ **See Appendix C.**

- j) **Senate Bill 165 Reporting Requirements.** On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a public agency. The amount of special taxes collected and expended for the fiscal year 2016-17 special tax levy is set forth in the table on the following page.

Fiscal Year 2016-17 Revenues

Interest	\$3,181
Proceeds from Debt	\$8,985,000
Assessments	\$619,953
Total Revenues Collected	\$9,608,134

Fiscal Year 2016-17 Expenditures

Bond Interest	\$333,722
Discount	\$130,450
Bond Principal	\$9,035,000
Fiscal Agent Fees	\$0
Professional Services	\$279,741
Support Services	\$106
Administrative Services	\$1,062
Direct Service Charges	\$1,879
Total Expenditures	\$9,781,960

Beginning Fund Balance*	\$1,311,252
Ending Fund Balance*	\$1,137,426

Net Change in Fund Balance	(\$173,826)
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* Includes Reserve Requirement.

k) **Reporting of Significant Events.** Pursuant to the provisions of the Continuing Disclosure Agreement, the CFD shall give, or cause to be given, notice of the occurrence of any of the following events:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Modifications to rights of Bond Owners, if material.
4. Bond calls, if material, and tender offers.
5. Defeasances
6. Rating changes.
7. Adverse tax opinions or events adversely affecting the tax-exempt status of the bonds.
8. Unscheduled draws on debt service reserves reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of credit or liquidity providers, or their failure to perform.
11. Release, substitution, or sale of property securing repayment of the Bonds, if

material.

12. Bankruptcy, insolvency, receivership, or similar proceedings of the City.
13. Appointment of a successor or additional fiscal agent or the change of name of a fiscal agent, if material.
14. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business.

As of November 1, 2017, no significant events have been reported by the CFD.

APPENDIX A

Debt Service Schedule

**City of Merced CFD No. 2003-1
(Bellevue Ranch East)
2016 Special Tax Refunding Bonds**

Interest Payment Date		Principal	Interest	Total Debt Service
March			\$107,198.51	
September	2017	\$390,000.00	\$106,606.25	\$603,804.76
March			\$102,706.25	
September	2018	\$395,000.00	\$102,706.25	\$600,412.50
March			\$98,756.25	
September	2019	\$405,000.00	\$98,756.25	\$602,512.50
March			\$94,706.25	
September	2020	\$415,000.00	\$94,706.25	\$604,412.50
March			\$90,556.25	
September	2021	\$420,000.00	\$90,556.25	\$601,112.50
March			\$86,356.25	
September	2022	\$430,000.00	\$86,356.25	\$602,712.50
March			\$82,056.25	
September	2023	\$440,000.00	\$82,056.25	\$604,112.50
March			\$77,656.25	
September	2024	\$445,000.00	\$77,656.25	\$600,312.50
March			\$73,206.25	
September	2025	\$455,000.00	\$73,206.25	\$601,412.50
March			\$68,656.25	
September	2026	\$465,000.00	\$68,656.25	\$602,312.50
March			\$63,715.63	
September	2027	\$475,000.00	\$63,715.63	\$602,431.26
March			\$58,371.88	
September	2028	\$485,000.00	\$58,371.88	\$601,743.76
March			\$52,612.50	
September	2029	\$495,000.00	\$52,612.50	\$600,225.00
March			\$46,425.00	
September	2030	\$510,000.00	\$46,425.00	\$602,850.00
March			\$39,731.25	
September	2031	\$525,000.00	\$39,731.25	\$604,462.50
March			\$32,512.50	
September	2032	\$535,000.00	\$32,512.50	\$600,025.00
March			\$25,156.25	
September	2033	\$550,000.00	\$25,156.25	\$600,312.50
March			\$17,250.00	
September	2034	\$565,000.00	\$17,250.00	\$599,500.00
March			\$8,775.00	
September	2035	\$585,000.00	\$8,775.00	\$602,550.00
		\$8,985,000.00	\$2,452,217.28	\$11,437,217.28

Goodwin Consulting Group, Inc.

APPENDIX B

*Special Tax Delinquencies
as of September 20, 2017*

City of Merced
Community Facilities District No. 2003-1 (Bellevue Ranch East)
Delinquencies as of September 20, 2017 /1

Assessor's Parcel Number	Amount Delinquent	Date of Earliest Delinquency	Status of Foreclosure Proceedings	Action Taken	Date Complaint Filed
224-102-002-000	\$385.00	4/10/2017	None	Reminder Letter Mailed 5/17/2017	N/A
224-110-001-000	\$770.00	12/10/2016	None	Reminder Letter Mailed 5/17/2017	N/A
224-140-031-000	\$610.00	12/10/2016	None	Reminder Letter Mailed 5/17/2017	N/A

Number of Parcels Delinquent:

3

Total Amount Delinquent:

\$1,765.00

/1 The fiscal year 2016-17 delinquency rate for CFD No. 2003-1 (Bellevue Ranch East) is at 0.28%. However, CFD No. 2003-1 is under the County of Merced Teeter Plan; therefore, the City of Merced received 100% of the CFD Special Tax levied at fiscal year end.

Source: Merced County Tax Collector's Office; Goodwin Consulting Group, Inc.

APPENDIX C

*Audited Financial Statements
for the Fiscal Year Ending June 30, 2017
(To Come Under Separate Cover)*

THE FOLLOWING FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES AND EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE CITY OF MERCED (OTHER THAN THE SPECIAL TAXES LEVIED IN THE COMMUNITY FACILITIES DISTRICT) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.



**Improvement Area No. 1 of the
City of Merced
Community Facilities District No. 2005-1
(Bellevue Ranch West)
\$6,330,000 2017 Special Tax Refunding Bonds
Continuing Disclosure Annual Report for
Fiscal Year 2016-17
(per SEC Rule 15c2-12(b)(5))**

CUSIP Numbers

\$355,000	587606AT1	\$325,000	587606BD5
\$260,000	587606AU8	\$340,000	587606BE3
\$270,000	587606AV6	\$350,000	587606BF0
\$275,000	587606AW4	\$360,000	587606BG8
\$285,000	587606AX2	\$375,000	587606BH6
\$285,000	587606AY0	\$390,000	587606BJ2
\$295,000	587606AZ7	\$400,000	587606BK9
\$300,000	587606BA1	\$410,000	587606BL7
\$310,000	587606BB9	\$430,000	587606BM5
\$315,000	587606BC7		

January 30, 2018

***Continuing Disclosure Annual Report
for
Improvement Area No. 1 of the
City of Merced
Community Facilities District No. 2005-1
(Bellevue Ranch West)
\$6,330,000 2017 Special Tax Refunding Bonds
Fiscal Year 2016-17***

This Continuing Disclosure Annual Report (“Annual Report”) contains certain information required to be filed annually per SEC rule 15c2-12(b)(5) (the “Rule”) by Improvement Area No. 1 (“Improvement Area No. 1”) of the City of Merced (the “City”) Community Facilities District No. 2005-1 (Bellevue Ranch West) (the “CFD”). The Rule is applicable to the 2017 Special Tax Refunding Bonds (the “Series 2017 Bonds”) issued in the aggregate principal amount of \$6,330,000 by the CFD on December 19, 2017. The Rule requires that an issuer undertake in a written agreement or contract, for the benefit of holders of the securities issued, to file with national and state repositories the following:

- i. Certain financial information as presented in the Continuing Disclosure Agreement
- ii. Audited financial statements of the City
- iii. Notice of certain enumerated significant events
- iv. Notice of any failure to provide such annual financial information as agreed

In compliance with the Rule, the City signed the Continuing Disclosure Agreement on December 19, 2017, requiring the City to provide annually, or as they occur, the aforementioned enumerated documents or events. Per the Continuing Disclosure Agreement, the City is required to file an annual report with all national and State of California repositories which includes:

- a) The balance in the Reserve Fund held under the Fiscal Agent Agreement.

→ **See page 7 of the Official Statement for the Series 2017 Bonds. The Official Statement is available on EMMA at the following URL: <https://emma.msrb.org/ES1081819-ER866580-ER1267264.pdf>**

- b) The principal amount of the Series 2017 Bonds outstanding and a current debt service schedule.

→ **See page 11 of the Official Statement.**

- c) The amount of prepayments of the special tax, if any.

→ **None.**

- d) The total assessed value of all parcels currently subject to the special tax within Improvement Area No. 1, showing the total assessed valuation for all land and the total assessed valuation for all improvements within Improvement Area No. 1 and distinguishing between the assessed value of developed property and undeveloped property.

→ **See page 37 of the Official Statement.**

- e) Identification of each parcel within Improvement Area No. 1 for which any special tax payment is delinquent, together with the following information respecting each such parcel: (A) the amount delinquent; (B) the date of each delinquency; (C) in the event a foreclosure complaint has been filed respecting such delinquent parcel and such complaint has not yet been dismissed, the date on which the complaint was filed; and (D) in the event a foreclosure sale has occurred respecting such delinquent parcel, a summary of the results of such foreclosure sale.

→ **See page 36 of the Official Statement for a summary of the delinquencies.**

→ **See Appendix A for a listing of each delinquent parcel.**

- f) A land ownership summary listing property owners responsible for more than ten percent (10%) of the annual special tax levy, as shown on the Merced County Assessor's last equalized tax roll prior to the September next preceding the Annual Report date.

→ **See page 29 of the Official Statement.**

- g) Changes, if any to the rate and method of apportionment for Improvement Area No. 1.

→ **None.**

- h) The amount of special taxes generated by the developed parcels and undeveloped parcels within Improvement Area No. 1, their percentage of maximum special tax levy and their aggregate assessed value to lien ratios.

→ **See page 33 of the Official Statement.**

- i) The audited financial statements for the City for the preceding fiscal year (or if not available at the time of filing, the unaudited financial statements). The audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared and provided.

→ **See Appendix B.**

- j) **Senate Bill 165 Reporting Requirements.** On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a public agency. The amount of special taxes collected and expended for the fiscal year 2016-17 special tax levy is set forth in the table below:

Fiscal Year 2016-17 Revenues

Interest	\$2,710
Assessments	\$513,394
Total Revenues Collected	\$516,104

Fiscal Year 2016-17 Expenditures

Bond Interest	\$321,275
Bond Principal	\$170,000
Fiscal Agent Fees	\$2,310
Professional Services	\$6,994
Support Services	\$109
Administrative Services	\$801
Direct Service Charges	\$2,463
Total Expenditures	\$503,952

Beginning Fund Balance*	\$866,328
Ending Fund Balance*	\$878,480

Net Change in Fund Balance	\$12,152
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* Includes Reserve Requirement.

k) **Reporting of Significant Events.** Pursuant to the provisions of the Continuing Disclosure Agreement, the CFD shall give, or cause to be given, notice of the occurrence of any of the following events, if material:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Modifications to rights of Bond Owners, if material.
4. Bond calls, if material, and tender offers.
5. Defeasances
6. Rating changes.
7. Adverse tax opinions or events adversely affecting the tax-exempt status of the bonds.
8. Unscheduled draws on debt service reserves reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of credit or liquidity providers, or their failure to perform.
11. Release, substitution, or sale of property securing repayment of the Bonds, if material.
12. Bankruptcy, insolvency, receivership, or similar proceedings of the City.
13. Appointment of a successor or additional fiscal agent or the change of name of a fiscal agent, if material.
14. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business.

As of November 1, 2017, no significant events have been reported by the CFD.

APPENDIX A

*Special Tax Delinquencies
as of September 20, 2017*

City of Merced
Improvement Area No. 1 of
Community Facilities District No. 2005-1 (Bellevue Ranch West)
Delinquencies as of September 20, 2017 /1

Assessor's Parcel Number	Amount Delinquent	Date of Earliest Delinquency	Status of Foreclosure Proceedings	Action Taken	Date Complaint Filed
230-062-023-000	\$385.50	4/10/2016	None	Reminder Letter Mailed 5/17/2017	N/A

Number of Parcels Delinquent:

1

Total Amount Delinquent:

\$385.50

/1 The fiscal year 2016-17 delinquency rate for CFD No. 2005-1 (Bellevue Ranch West) is at 0.00%. CFD No. 2005-1 is under the County of Merced Teeter Plan; therefore, the City of Merced received 100% of the CFD Special Tax levied at fiscal year end.

Source: Merced County Tax Collector's Office; Goodwin Consulting Group, Inc.

APPENDIX B

*Audited Financial Statements
for the Fiscal Year Ending June 30, 2017
(To Come Under Separate Cover)*

THE FOLLOWING FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES AND EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE CITY OF MERCED (OTHER THAN THE SPECIAL TAXES LEVIED IN IMPROVEMENT AREA NO. 1 THE COMMUNITY FACILITIES DISTRICT) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.



GOODWIN CONSULTING GROUP

**City of Merced
Community Facilities District No. 2006-1
(Moraga of Merced)
\$5,840,000 Special Tax Bonds, Series 2006
Continuing Disclosure Annual Report for
Fiscal Year 2016-17
(per SEC Rule 15c2-12(b)(5))**

CUSIP Numbers

\$105,000	587626BG6*	\$140,000	587626BQ4*
\$105,000	587626BH4*	\$150,000	587626BR2*
\$110,000	587626BJ0*	\$155,000	587626BS0
\$115,000	587626BK7*	\$160,000	587626BT8
\$120,000	587626BL5*	\$170,000	587626BU5
\$125,000	587626BM3*	\$175,000	587626BV3
\$130,000	587626BN1*	\$1,015,000	587626CA8
\$135,000	587626BP6*	\$2,930,000	587626CL4

** Retired as of the date of this report*

January 30, 2018

***Continuing Disclosure Annual Report
for
City of Merced
Community Facilities District No. 2006-1
(Moraga of Merced)
\$5,840,000 Special Tax Bonds, Series 2006
Fiscal Year 2016-17***

This Continuing Disclosure Annual Report (“Annual Report”) contains certain information required to be filed annually per SEC rule 15c2-12(b)(5) (the “Rule”) by the City of Merced (the “City”) Community Facilities District No. 2006-1 (Moraga of Merced) (the “CFD”). The Rule is applicable to the Special Tax Bonds, Series 2006 (the “Series 2006 Bonds”) issued in the aggregate principal amount of \$5,840,000 by the CFD on December 14, 2006. The Rule requires that an issuer undertake in a written agreement or contract, for the benefit of holders of the securities issued, to file with national and state repositories the following:

- i. Certain financial information as presented in the Continuing Disclosure Agreement
- ii. Audited financial statements of the City
- iii. Notice of certain enumerated significant events
- iv. Notice of any failure to provide such annual financial information as agreed

In compliance with the Rule, the City signed the Continuing Disclosure Agreement on December 14, 2006, requiring the City to provide annually, or as they occur, the aforementioned enumerated documents or events. Per the Continuing Disclosure Agreement, the City is required to file an annual report with all national and State of California repositories which includes:

- a) The City’s audited financial statements for the most recently completed fiscal year.

→ **See Appendix A.**

- b) The balance in the Reserve Fund held under the Fiscal Agent Agreement.

→ **As of October 31, 2017, the balance in the Reserve Fund was \$362,854 and the Reserve Fund Requirement is \$362,730; therefore, pursuant to the Series 2006 Bonds covenants, the Reserve Fund is fully funded.**

- c) The principal amount of the Series 2006 Bonds outstanding.

→ **As of the date of this report, \$4,220,000 of the Series 2006 Bonds remains outstanding. Of the \$1,620,000 in bonds no longer outstanding, \$1,235,000 matured as scheduled and \$385,000 was tendered by the City.**

d) The amount of prepayments of the special tax, if any.

→ **As of the date of this report, there have been no prepayments of the special tax obligation.**

e) The total assessed value of all parcels currently subject to the special tax within the CFD, showing the total assessed valuation for all land and the total assessed valuation for all improvements within the CFD and distinguishing between the assessed value of developed property and undeveloped property.

Total Assessed Value of all Land	\$3,028,170
Total Assessed Value of all Improvements	\$9,187,495
Total Assessed Value of all Parcels	\$12,215,665
Assessed Value of Developed Property	\$10,138,215
Assessed Value of Undeveloped Property	\$2,077,450
Total Assessed Value of all Parcels	\$12,215,665

f) Identification of each parcel within the CFD for which any special tax payment is delinquent, together with the following information respecting each such parcel: (A) the amount delinquent; (B) the date of each delinquency; (C) in the event a foreclosure complaint has been filed respecting such delinquent parcel and such complaint has not yet been dismissed, the date on which the complaint was filed; and (D) in the event a foreclosure sale has occurred respecting such delinquent parcel, a summary of the results of such foreclosure sale.

→ **See Appendix B.**

- g) A land ownership summary listing property owners responsible for more than ten percent (10%) of the annual special tax levy, as shown on the Merced County Assessor's last equalized tax roll prior to the September next preceding the Annual Report date.

Property Owner	FY 2017-18 Special Tax Levy	Percentage	Number of Parcels	Total 2017 Assessed Value
CBCP Assets, LLC	\$184,490	49.10%	1	\$703,468
Moraga LP	\$158,738	42.24%	250	\$1,552,811

- **On April 3, 2017 and October 3, 2017, “Notices of Failure to File” were filed with the Municipal Securities Rulemaking Board in connection to the Continuing Disclosure Semi-Annual Reports due on March 31, 2017 and September 30, 2017, for Moraga LP. As of the date of this report, no Continuing Disclosure Semi-Annual Reports have been provided by Moraga LP.**
- **On March 27, 2017, and September 29, 2017, CBCP Assets, LLC provided Continuing Disclosure Semi-Annual Reports for the periods ending March 31, 2017 and September 30, 2017, respectively.**
- h) A description of the status of the facilities being constructed with proceeds of the Series 2006 Bonds.
- **All facilities authorized to be constructed with proceeds of the Series 2006 Bonds were completed as of October 26, 2007.**
- i) Changes, if any to the rate and method of apportionment.
- **No changes.**
- j) The amount of special taxes generated by the developed parcels and undeveloped parcels within the CFD.

Property Classification	Number of Parcels	FY 2017-18 Special Tax Levy	Percentage of Total Special Tax Levy
Developed	38	\$33,686	8.96%
Undeveloped	250	\$342,080	91.04%

- k) To the extent not provided pursuant to (b) through (j) above, the annual information required to be filed with the California Debt and Investment Advisory Commission.

→ **See Appendix C.**

- l) **Senate Bill 165 Reporting Requirements.** On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a public agency. The amount of special taxes collected and expended for the fiscal year 2016-17 special tax levy is set forth in the table below:

Fiscal Year 2016-17 Revenues

Interest	\$992
Assessments	\$377,099
Total Revenues Collected	\$378,091

Fiscal Year 2016-17 Expenditures

Bond Interest	\$215,870
Bond Principal	\$140,000
Fiscal Agent Fees	\$2,100
Professional Services	\$8,211
Support Services	\$87
Administrative Services	\$609
Direct Service Charges	\$765
Total Expenditures	\$367,642

Beginning Fund Balance*	\$663,077
Ending Fund Balance*	\$673,526

Net Change in Fund Balance	\$10,449
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* Includes Reserve Requirement.

m) **Reporting of Significant Events.** Pursuant to the provisions of the Continuing Disclosure Agreement, the CFD shall give, or cause to be given, notice of the occurrence of any of the following events, if material:

1. Principal and interest payments delinquencies.
2. Non-payment related defaults.
3. Modifications to rights of Bondholders.
4. Optional, contingent or unscheduled bond calls.
5. Defeasances
6. Rating changes.
7. Adverse tax opinions or events adversely affecting the tax-exempt status of the bonds.
8. Unscheduled draws on debt service reserves reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of credit or liquidity providers, or their failure to perform.
11. Release, substitution, or sale of property securing repayment of the bonds.

From July 1, 2016 through the date of this report, no significant events have been reported by the CFD.

APPENDIX A

*Audited Financial Statements
for the Fiscal Year Ending June 30, 2017
(To Come Under Separate Cover)*

THE FOLLOWING FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES AND EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE CITY OF MERCED (OTHER THAN THE SPECIAL TAXES LEVIED IN THE COMMUNITY FACILITIES DISTRICT) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

APPENDIX B

*Special Tax Delinquencies
as of September 20, 2017*

City of Merced
Community Facilities District No. 2006-1 (Moraga of Merced)
Delinquencies as of September 20, 2017 /1

Assessor's Parcel Number	Amount Delinquent	Date of Earliest Delinquency	Status of Foreclosure Proceedings	Action Taken	Date Complaint Filed
008-412-026-000	\$241.38	4/10/2017	None	Reminder Letter Mailed 5/17/2017	N/A

Number of Parcels Delinquent:

1

Total Amount Delinquent:

\$241.38

/1 The fiscal year 2016-17 delinquency rate for CFD No. 2006-1 (Moraga of Merced) is at 0.06%. However, CFD No. 2006-1 is under the County of Merced Teeter Plan; therefore, the City of Merced received 100% of the CFD Special Tax levied at fiscal year end.

Source: Merced County Tax Collector's Office; Goodwin Consulting Group, Inc.

APPENDIX C

*California Debt and Investment Advisory Commission Report
for the Fiscal Year Ending June 30, 2017*

Submitted:
Monday, October 30, 2017
11:28:43AM
CDIAC #: 2006-1344

**STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT**

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 Fax (916) 654-7440

For Office Use Only
Fiscal Year _____

VII. ISSUE RETIRED

This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.
(Indicate reason for retirement)

Matured ☐ Redeemed Entirely ☐ Other ☐

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:

and redemption date:

If Other:

and date:

VIII. NAME OF PARTY COMPLETING THIS FORM

Name	Andrew Bavender	
Title	Vice President	
Firm/ Agency	Goodwin Consulting Group Inc	
Address	333 UNIVERSITY AVE Suite 160	
City/ State/ Zip	SACRAMENTO, CA 95825	
Phone Number	(916) 561-0890	Date of Report 10/30/2017
E-Mail	andrew@goodwinconsultinggroup.net	

IX. ADDITIONAL COMMENTS:

Completion and submittal of this form to the California Debt and Investment Advisory Commission will assure your compliance with California State law. Section 53359.5 of the California Government Code requires that all agencies issuing Mello-Roos Community Facilities bonds after January 1, 1993 to report specific information to the Commission by October 30th of each year.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.4.

Meeting Date: 2/5/2018

SUBJECT: Information Only - Traffic Committee Minutes of November 14, 2017

RECOMMENDATION

For information only.

ATTACHMENTS

1. Traffic Committee Minutes of November 14, 2017

TRAFFIC COMMITTEE

MINUTES

November 14, 2017

A. CALL TO ORDER

The meeting was called to order at 2:00 p.m.

B. ROLL CALL

Present: Chairperson: Steven Son, City Engineer

Committee Members: Michael Hren, Planning Manager Designee
Juan Olmos, Director of Public Works Designee
Michael Wilkinson, Fire Chief

Absent: Jacob Struble, Police Chief Designee

C. ORAL COMMUNICATIONS

None.

D. CONSENT CALENDAR

1. Traffic Committee Minutes of September 12, 2017

RECOMMENDATION:

Approve and file.

Michael Wilkinson Moved, Juan Olmos Seconded

Vote: 4-0

Voting Aye: Steven Son, Michael Hren, Juan Olmos, Michael Wilkinson

Absent: Jacob Struble

Clerk's Note: Staff recommendation approved.

E. REPORTS

1. Committee Member Reports

(At this time, it is appropriate for any Committee Member to give an informational report of any work completed, training, or other item to share with other members. Please be brief, and no action may be taken on these items.)

None.

F. BUSINESS

1. Request #17-021 – Citizen Traffic Concerns at the intersection of V Street/West Avenue and Wardrobe Avenue (Enrique Altamariano)
(Citizen is requesting a three-way stop at the intersection of V Street and Wardrobe Avenue, painted no parking red curb on corner of V Street and Wardrobe Avenue, and reduced speed limit sign along V Street.)

Citizens SUSAN HUTCHINS, CHRISTIE HENDRICKS, and ARACELI MARTINEZ all spoke and detailed their concerns of traffic safety at the intersection of V Street and Wardrobe Avenue. Ms. HUTCHINS specifically requested a three-way stop at V Street and Wardrobe Avenue, as well as red curb at the northwest portion of the intersection.

Chairperson SON stated that he would be in support of adding no parking along the frontage of the first 2 houses at the intersection to allow sight visibility, however, Mr. Son could not support the addition of a three-way stop. Chairperson SON explained that the intersection lacked traffic warrants and further that the addition of stop signs at that location would be dangerous due to the curvature of the roadway.

MOTION: To approve the addition of a no parking zone along a portion of V Street at Wardrobe Avenue.

COUNCIL ACTION REQUIRED: Approve amending the current ordinance to add a no parking zone along V Street at Wardrobe Avenue.

Michael Hren Moved, Juan Olmos Seconded

Vote: 4-0

Voting Aye: Steven Son, Michael Hren, Juan Olmos, Michael Wilkinson

Absent: Jacob Struble

2. Request #17-022 – Citizen Traffic Concerns at South T Street and Home Avenue (Juan M. Haro)
(Citizen is requesting a speed limit sign or speed bump installed on the T Street side by Home Avenue to ensure safety of the community.)

Chairperson SON explained the request as detailed in the citizen form. The Committee discussed the intersection and agreed that they would not be in favor of speed bumps in this area. Fire Chief WILKINSON further stated that speed bumps slow emergency response times and damage emergency vehicles.

MOTION: To deny the request for speed bumps in the area of T Street and Home Avenue.

COUNCIL ACTION REQUIRED: None at this time.

Steven Son Moved, Michael Hren Seconded

Vote: 4-0

Voting Aye: Steven Son, Michael Hren, Juan Olmos, Michael Wilkinson

Absent: Jacob Struble

3. Request #17-023 – Request for On-Street Disabled Persons Parking at 235 South Canal Street, B (Kathleen A. Stolle)
(Citizen is requesting the addition of on-street disabled persons parking at 235 S. Canal Street, B.)

Chairperson SON indicated that the applicant's request for on-street disabled persons parking did not meet construction of an Americans with Disabilities Act (ADA) accessible space. The Committee agreed that the location was not appropriate for on-street disabled persons parking.

MOTION: To deny the request for an on-street disabled person parking space.

COUNCIL ACTION REQUIRED: None at this time.

Michael Hren Moved, Michael Wilkinson Seconded

Vote: 4-0

Voting Aye: Steven Son, Michael Hren, Juan Olmos, Michael Wilkinson

Absent: Jacob Struble

4. Request #17-024 – Citizen Traffic Concerns at Canal Street, between 5th Street and W. Childs Avenue (Marielena Padilla)
(Citizen is requesting installation of speed bumps near 451 Canal Street for safety of churchgoers and residents.)

Chairperson SON and Fire Chief WILKINSON reiterated to the Committee the damage speed bumps cause for emergency vehicles, as well as the delay in response times. The Committee was in agreement that the request should be denied.

MOTION: To deny the request for speed bumps along Canal Street.

COUNCIL ACTION REQUIRED: None at this time.

Michael Hren Moved, Juan Olmos Seconded

Vote: 4-0

Voting Aye: Steven Son, Michael Hren, Juan Olmos, Michael Wilkinson

Absent: Jacob Struble

5. Request #17-003 – Re-address Safety Concerns in the Area of San Jose Avenue, Lehigh Drive, Notre Dame Avenue, University Drive, and Rensselaer Drive (Seth Medefind/Charles Pereira)

(Citizens are requesting traffic calming measures in the “College Streets” neighborhood due to their concern of public safety in the neighborhood caused by excessive speeding. Re-address the potential solutions listed within the original report. This item was previously heard at the January 10, 2017, Traffic Committee Meeting.)

Citizens Speaking in Favor of Traffic Calming:

Charles Pereira
Janice Phenis
Pat Lewis
Emilia Torres

The neighborhood representatives detailed their concerns of traffic safety throughout the “College Streets” neighborhood.

Committee members discussed the previous recommendations, including potential stop signs. Chairperson SON explained that stop signs are not meant as traffic calming measures and that the intersections did not meet traffic warrants to allow for their installation. Other ideas were discussed, including the possibility of closing access to M Street at University Drive.

Chairperson SON stated the City’s consultant is preparing a traffic speed study for the entire City and Mr. SON would like to wait for the data from this area prior to proceeding with any recommendation. The Committee also stated it would be beneficial to request additional Police enforcement in the area.

MOTION: To continue the request to a future meeting to allow time for the traffic data to be completed by the City’s consultant and request additional Police enforcement in the neighborhood.

COUNCIL ACTION REQUIRED: None at this time.

Michael Hren Moved, Juan Olmos Seconded

Vote: 4-0

Voting Aye: Steven Son, Michael Hren, Juan Olmos, Michael Wilkinson

Absent: Jacob Struble

G. ADJOURNMENT

The meeting was adjourned at 3:01 p.m.

By:



Jamie Cruz
Recording Secretary

Approved:



Steven Son
City Engineer/Chairperson



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.5.

Meeting Date: 2/5/2018

Report Prepared by: Stephani Davis, Secretary I, Planning Division

SUBJECT: Information Only - Planning Commission Minutes of December 6, 2017

RECOMMENDATION

For information only.

ATTACHMENTS

1. PC Minutes 12-06-2017

CITY OF MERCED
Planning Commission

MINUTES

Merced City Council Chambers
Wednesday, December 6, 2017

Chairperson Dylina called the meeting to order at 7:03 p.m., followed by a moment of silence and the Pledge of Allegiance.

ROLL CALL

Commissioners Present: Mary Camper, Travis Colby, Robert Dylina, Jeremy Martinez, Peter Padilla, and Kevin Smith

Commissioners Absent: Sonia Alshami

Staff Present: Director of Development Services McBride, Planning Manager Espinosa, Attorney Flores, Planner Mendoza-Gonzalez, and Recording Secretary Davis

1. APPROVAL OF AGENDA

M/S PADILLA-COLBY, and carried by unanimous voice vote (one absent), to approve the Agenda as submitted.

2. MINUTES

M/S PADILLA-COLBY, and carried by unanimous voice vote (one absent), to approve the Minutes of November 8, 2017, as submitted.

3. COMMUNICATIONS

None.

4. **ITEMS**

- 4.1 (CONSENT) Vacation #17-01, initiated by Janet W. Bloed, Trustee, property owner, to abandon a 5-foot-wide Public Utilities Easement (PUE) near the eastern property line of 1297 Ahwahnee Drive.
- 4.2 (CONSENT) Vacation #17-02, initiated by Bill Lyons, applicant for Lyons Land and Cattle, Inc., property owner, and Ken Spagnola for CVP Acquisition, property owner, to abandon an existing 40-foot-wide “Avenue” located on the eastern edge of three parcels, generally located at the northeast corner of Childs Avenue and Kibby Road (4155 and 4315 East Childs Avenue) and the southeast corner of East Highway 140 and Kibby Road (1704 Kibby Road).

Secretary’s Note: Chairperson Dylina, along with the Planning Commission, decided to vote on items 4.1 and 4.2 simultaneously.

M/S SMITH-CAMPER, and carried by the following vote, to find that the proposed Vacations #17-01 (to abandon a 5-foot-wide Public Utilities Easement (PUE) near the eastern property line of 1297 Ahwahnee Drive) and #17-02 (to abandon an existing 40-foot-wide “Avenue” located on the eastern edge of three parcels, generally located at the northeast corner of Childs Avenue and Kibby Road (4155 and 4315 East Childs Avenue) and the southeast corner of East Highway 140 and Kibby Road (1704 Kibby Road), are consistent with the *Merced Vision 2030 General Plan*.

AYES: Commissioners Camper, Colby, Martinez, Padilla, Smith, and Chairperson Dylina

NOES: None

ABSENT: Commissioner Alshami

ABSTAIN: None

- 4.3 Modification to Conditional Use Permit #1214, initiated by Ferass Abu Ghaban and Abdullah Taleb, applicant for Promenade Center, Limited Partnership, property owner. This application

involves a request to modify an existing beer and wine ABC License to include the sale of liquor for onsite consumption at the Bobcat Diner, located at 755 E. Yosemite Avenue, Suite H, within the Promenade Shopping Center. The subject site is generally located at the northwest corner at Yosemite Avenue and Paulson Road, with a zoning classification of Planned Development (P-D) #48 and a General Plan designation of Neighborhood Commercial (CN).

Planner MENDOZA-GONZALEZ reviewed the report on this item. For further information, refer to Staff Report #17-17.

Public Testimony was opened at 7:21 p.m.

Speaker from the Audience in Favor:

FERASS ABU GHABAN, Applicant, Merced

No one spoke in opposition to the Project.

Public Testimony was completed at 7:25 p.m.

M/S COLBY-SMITH, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #17-16, and approve a Modification of Conditional Use Permit #1214, subject to the Findings set forth in Staff Report 17-17, the fifteen (15) Conditions in Staff Report #16-18, and Condition # 16 set forth in Staff Report #17-17 (RESOLUTION #3074):

AYES: Commissioners Camper, Colby, Martinez, Padilla, Smith, and Chairperson Dylina

NOES: None

ABSENT: Commissioner Alshami

ABSTAIN: None

December 6, 2017

5. **INFORMATION ITEMS**

5.1 **Calendar of Meetings/Events**

Planning Manager ESPINOSA briefed the Planning Commission on items for the next few Planning Commission meetings.

6. **ADJOURNMENT**

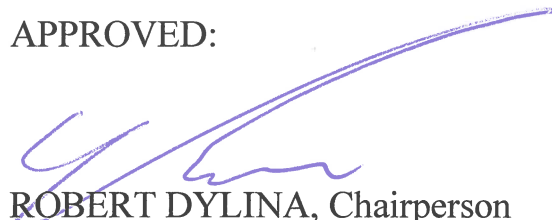
There being no further business, Chairperson DYLINEA adjourned the meeting at 7:30 p.m.

Respectfully submitted,



KIM ESPINOSA, Secretary
Merced City Planning Commission

APPROVED:



ROBERT DYLINEA, Chairperson
Merced City Planning Commission

**CITY OF MERCED
Planning Commission**

Amended by PC on 12/6/2017. See Pg. 3.
--

Resolution #3074

WHEREAS, the Merced City Planning Commission at its regular meeting of September 21, 2016, held a public hearing and considered **Conditional Use Permit #1214**, initiated by Ferass Abu Ghaban and Abdullah Taleb, applicants for Promenade Center, Limited Partnership, property owners. This application involves a request to allow the sale of beer and wine for on-site consumption at the Bobcat Diner, located at 755 E. Yosemite Avenue, Suite H, at the Promenade Shopping Center within Planned Development (P-D) #48 with a Neighborhood Commercial (CN) General Plan designation; also known as Assessor's Parcel Numbers 231-180-003; and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through E of Staff Report #16-18; and,

NOW THEREFORE, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #16-26, and approve Conditional Use Permit #1214, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner Colby, seconded by Commissioner Smoot, and carried by the following vote:

AYES: Commissioners Baker, Colby, Dylina, Padilla, Smith, Smoot,
and Chairperson McLeod
NOES: None
ABSENT: None
ABSTAIN: None

PLANNING COMMISSION RESOLUTION # 3074

Page 2 of 3

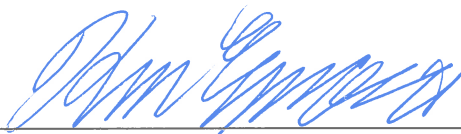
September 21, 2016 / December 6, 2017

Adopted this 21st day of September 2016



Chairperson, Planning Commission of
the City of Merced, California

ATTEST:



Secretary

Attachment:

Exhibit A – Conditions of Approval

n:\shared\planning\PC Resolutions: CUP#1214 Bobcat Diner (755 W. Yosemite Ste. H)

December 6, 2017: At their regularly scheduled meeting of December 6, 2017, the Merced City Planning Commission considered Modification to Conditional Use Permit#1214 and Environmental Review #17-16.

WHEREAS, the Merced City Planning Commission concurs with Findings A through E of Staff Report #17-17; and,

NOW THEREFORE, after reviewing the City's Initial Study and Draft Environmental Determination, and fully discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #17-16, and approve a Modification of Conditional Use Permit #1214 with the addition of Condition #16 as follows:

16. In addition to beer and wine, the restaurant shall now be allowed to sell liquor if they meet all applicable Alcoholic Beverage Control (ABC) requirements.

Upon motion by Commissioner Padilla, seconded by Commissioner Smith, and carried by the following vote:

AYES: Commissioners Camper, Colby, Martinez, Padilla, Smith, and Chairperson Dylina
NOES: None
ABSENT: Commissioner Alshami
ABSTAIN: None

Conditions of Approval
Planning Commission Resolution #3074
Conditional Use Permit #1214

Amended by PC on 12/6/2017.

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan) and Exhibit 2 (floor plan) - Attachments B and C of Staff Report #16-18.
2. All conditions contained in Resolution #1249 (“Standard Conditional Use Permit Conditions”) shall apply.
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. The Project shall comply with the applicable conditions set forth in Planning Commission Resolution #2685 for Conditional Use Permit #1033 previously approved for the *Promenade* shopping center.
5. All other applicable codes, ordinances, policies, etc., adopted by the City of Merced shall apply.
6. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend, and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant’s project is subject to that other governmental entity’s approval and a condition of such approval is that the City indemnify and defend (with counsel selected by the City) such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be

responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

7. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control.
8. Alcoholic beverages shall not be allowed outside the building. A future outdoor seating area with alcohol service may be allowed with approval from both the Site Plan Review Committee and Alcoholic Beverage Control.
9. The restaurant shall meet all applicable Merced County Health Department requirements.
10. The restaurant shall meet all applicable Alcoholic Beverage Control requirements.
11. This approval is for alcohol sales as an ancillary use to the primary restaurant only.
12. Request to operate as a nightclub, bar, or similar use shall require an additional review and approval from the Planning Commission (as required in the Zoning Ordinance).
13. The City reserves the right to periodically review the area for potential problems. Should excessive calls for service or violation of these conditions of approval occur, the City may consider revocation of the Conditional Use Permit (CUP) after a public hearing and following the procedures spelled out in the Merced Municipal Code.
14. Signs shall comply with the Master Sign Program for the Promenade Shopping Center.
15. Alcohol sales shall cease at 11:00 p.m. regardless of the business hours for the restaurant.
16. In addition to beer and wine, the restaurant shall now be allowed to sell liquor if they meet all applicable Alcoholic Beverage Control (ABC) requirements.

Condition #16 added on 12/6/2017

n:\shared\planning\PC Resolutions: Mod to CUP #1214 Exhibit A



ADMINISTRATIVE REPORT

Agenda Item I.6.

Meeting Date: 2/5/2018

SUBJECT: City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of January 2, 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 January 2, 2018.

ALTERNATIVES

1. Approve as recommended; or,
2. Approve, subject to amendments.

ATTACHMENTS

1. Minutes of January 2, 2018



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

Tuesday, January 2, 2018

6:00 PM

A. CLOSED SESSION ROLL CALL

Present: 5 - Council Member Michael Belluomini, Council Member Anthony Martinez, Council Member Joshua Pedrozo, Mayor Mike Murphy, and Council Member Kevin Blake
Absent: 2 - Mayor Pro Tempore Jill McLeod, and Council Member Matthew Serratto

B. CLOSED SESSION

Mayor MURPHY called the Closed Session to order at 5:03 PM.

Clerk's Note: Council Member SERRATTO arrived to the Closed Session at 5:08 PM.

Clerk's Note: Mayor Pro Tempore MCLEOD arrived to the Closed Session at 5:21 PM.

- B.1.** **SUBJECT:** CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Property: 725 West 18th Street, Merced, CA; Agency Negotiator: Frank Quintero, Director, Economic Development; Negotiating Parties: City of Merced and Fluetsch and Busby Insurance; Under Negotiation: Price and Terms of Payment.
- B.2.** **SUBJECT:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: City Manager; Authority: Government Code Section 54957
- B.3.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organization: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703; International Association of Fire Fighters, Local 1479; Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6
- B.4.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section 54957.6

Clerk's Note: Council adjourned from Closed Session at 5:59 PM.

C. CALL TO ORDER

Mayor MURPHY called the Regular Meeting to order at 6:06 PM.

C.1. Invocation - Al Schaap, Gateway Church

The invocation was delivered by Al SCHAAP from Gateway Church.

C.2. Pledge Allegiance to the Flag

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

D. ROLL CALL

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

Absent: 0

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.

E. REPORT OUT OF CLOSED SESSION

There was no report.

F. WRITTEN PETITIONS AND COMMUNICATIONS

The Clerk's Office received a letter from Zach DRIVON for an item listed on the agenda and placed it on the dais.

G. ORAL COMMUNICATIONS

There were no speakers.

H. CONSENT CALENDAR

Items H.7. Supplemental Appropriation from the Refuse Unappropriated, Unreserved Fund Balance and Award a Contract to Alliance Refuse Trucks, Inc., for the Refurbishment of Two Refuse Trucks, H.12. Approve Amendment to Professional Services Agreement to Draft Public Facilities Ballot Measure and Approve Related Budget Transfer, and H.13. Supplemental Appropriation to the Economic Development Opportunity Fund (074) for Consultant Services Relative to the High Speed Rail Heavy

Maintenance Facility were pulled for separate consideration.

Approval of the Consent Agenda

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

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

No: 0

Absent: 0

H.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.

H.2. SUBJECT: Information-Only Contracts

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$30,000 and of Public Works contracts under \$67,779.

AUTHORITY

Pursuant to the authority delegated to the City Manager on behalf of the City by Article XI, Section 1109, of the Merced City Charter to execute Public Works contracts under the adjusted FY 2017-2018 threshold of \$67,779.00, and Chapter 3.04.080 - 3.04.110 of the Merced Municipal Code to execute Non-Public Works contracts under the adjusted FY 2017-2018 threshold of \$30,000.00, the contracts listed on the attached table were entered into by the City.

This Consent Item was approved.

H.3. SUBJECT: Information Only - Site Plan Review Committee Minutes

of November 16, 2017

RECOMMENDATION

For information only.

This Consent Item was approved.

H.4.

SUBJECT: Information Only - Planning Commission Minutes of
November 8, 2017

RECOMMENDATION

For information only.

This Consent Item was approved.

H.5.

SUBJECT: Information Only - Bicycle Advisory Commission
Minutes of October 24, 2017

RECOMMENDATION

For information only.

This Consent Item was approved.

H.6.

SUBJECT: City Council/Public Financing and Economic
Development/Parking Authority Meeting Minutes of November 20,
2017 and December 4, 2017

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 November 20, 2017 and December 4, 2017.

This Consent Item was approved.

H.8.

SUBJECT: Amendment to Agreement for Software Licensing with
Superion, LLC (Formerly Sungard Public Sector) to Add Software
Programming to the Alignment on Payroll Checks

REPORT IN BRIEF

Consider approving an Amendment for Software Licensing with
Superion, LLC to add software programming to modify the alignment

on payroll checks.

RECOMMENDATION

City Council - Adopt a motion approving Amendment No. 11 to the Software Licensing Agreement with Superion, LLC for \$800 so that programming can be performed to allow printing of payroll checks on the new, more secure check stock; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

H.9.

SUBJECT: Agreement with Merced Zoological Society

REPORT IN BRIEF

Annual agreement with Merced Zoological Society to contribute at least \$75,000 of the total operating budget for Fiscal Year 2017/2018.

RECOMMENDATION

City Council - Adopt a motion approving the agreement with the Merced Zoological Society for payment of at least \$75,000 (approximately 28%) of the total operating budget at the Zoo and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

H.10.

SUBJECT: Approval of Street Closure for the Annual Martin Luther King Jr. Community March and Celebration

REPORT IN BRIEF

Authorizes the use and closure of Martin Luther King Jr. Way from West 8th Street to West Main Street and a portion of the City parking lot in the 300 block of W. 18th Street on Monday, January 15, 2018 to hold a march, parade and food preparation for the annual Martin Luther King, Jr. parade, march and celebration.

RECOMMENDATION

City Council - Adopt a motion approving the request by Tamara Cobb and the Martin Luther King Jr. Celebration Committee to close Martin Luther King Jr. Way from West 8th Street to West Main Street and to cone off a portion of the City parking lot in the 300 block of W. 18th Street on Monday, January 15, 2018, in order to hold the march and

prepare food as part of a community celebration.

This Consent Item was approved.

H.11.

SUBJECT: First Amendment to Professional Services Agreement with SCI Consulting to Assist with the Preparation of the Cannabis Tax Measure

REPORT IN BRIEF

The City Council will consider approving an amendment to a professional services agreement with SCI Consulting to assist with the preparation of the Cannabis Tax Measure in the amount of \$26,750.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the First Amendment to Agreement for Professional Services with SCI Consulting in the amount of \$26,750; and,

B. Approving a supplemental appropriation from General Fund unreserved fund balance in the amount of \$26,750, transferring to Development Service Fund (017) and appropriating the same to account 017-0804-512-17-00 Professional Services.

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

This Consent Item was approved.

H.14.

SUBJECT: Notice of Vacancy - Recreation and Parks Commission

REPORT IN BRIEF

Requests direction for filling a vacancy on the Recreation and Parks Commission.

RECOMMENDATION

City Council - Adopt a motion directing staff to notice a vacancy on the Recreation and Parks Commission due to the vacancy created by the resignation of Corrine Chavez and to seek applicants for the position with an application deadline of February 1, 2018.

This Consent Item was approved.

H.15.

SUBJECT: Second Reading of Ordinance for the Reauthorization of

State Franchise Holder PEG Fee

REPORT IN BRIEF

Second reading of previously introduced ordinance.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance 2483**, an Ordinance of the City Council of the City of Merced, California, Amending Section 30.50.010, "Fee for Support of Local Cable Usage," of the Merced Municipal Code.

This Consent Item was approved.

H.16.

SUBJECT: Second Reading of Ordinance Amending Chapter 8.28 of the Merced Municipal Code Pertaining to Burglar Alarm Systems and False Alarms

REPORT IN BRIEF

Second reading of previously introduced ordinance.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance No. 2484**, an Ordinance of the City Council of the City of Merced, California, adding chapter 8.28, "Burglar Alarm Systems and False Alarms," to the Merced Municipal Code.

This Consent Item was approved.

H.7.

SUBJECT: Supplemental Appropriation from the Refuse Unappropriated, Unreserved Fund Balance and Award a Contract to Alliance Refuse Trucks, Inc., for the Refurbishment of Two Refuse Trucks

REPORT IN BRIEF

Considers approving a supplemental appropriation from the refuse unappropriated, unreserved fund balance and awarding a contract to Alliance Refuse Trucks to refurbish one front-loading and one side-loading garbage truck.

RECOMMENDATION

City Council - Adopt a motion:

A. Appropriating from Fund 558-Refuse Unappropriated, Unreserved Fund Balance in the amount of \$336,330 for the refurbishment of two refuse trucks, and;

B. Awarding a contract to Alliance Refuse Trucks, Inc., in the amount of \$295,900 to refurbish one front loading and one side loading garbage truck; and,

C. Authorizing the City Manager or Assistant City Manager to execute the necessary documents and the Interim Finance Officer to make the necessary budget adjustments.

Council Member SERRATTO pulled this item to ask about the quality of the refurbished vehicles.

Director of Public Works Ken ELWIN stated that the refurbished vehicles are similar to brand new vehicles.

A motion was made by Council Member Serratto, 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 Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

No: 0

Absent: 0

H.12.

SUBJECT: Approve Amendment to Professional Services Agreement to Draft Public Facilities Ballot Measure and Approve Related Budget Transfer

REPORT IN BRIEF

Consider approving an Amendment to the Service Agreement to the Public Opinion Survey contract to continue to draft the Public Facilities Ballot Measure language and approving the necessary budget transfers from the Public Facilities Financing Fees - Police of \$70,500.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving an Amendment to the Service Agreement to the Public Opinion Survey contract to continue to draft Ballot Measure language, and

B. Approving transfers from Public Facilities Financing Fees - Police in the amount of \$35,250 from Fund 047, and \$35,250 from Fund 057 to Fund 449 Public Safety CIP, and appropriating the same amount to Project #116040 New Police Headquarters.

Mayor MURPHY pulled this item to state his opposition to renewing the contract. He stated his concern with the company not meeting the requested deadline of the survey.

Council and Staff discussed continuing this item and how it could affect the timeline for a ballot measure.

City Manager Steve CARRIGAN stated that continuing this item or switching consultants would present additional challenges to meet the election timelines.

Mayor MURPHY made a motion to disapprove the contract.

Clerk's Note: The motion failed due to a lack of a second.

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 Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, and Council Member Blake

No: 1 - Mayor Murphy

Absent: 0

H.13.

SUBJECT: Supplemental Appropriation to the Economic Development Opportunity Fund (074) for Consultant Services Relative to the High Speed Rail Heavy Maintenance Facility

REPORT IN BRIEF

Requesting a supplemental appropriation in the amount of \$140,000 from the Economic Development Fund (074) to facilitate consultant services pertaining to the High Speed Rail Heavy Maintenance Facility.

RECOMMENDATION:

City Council - Adopt a Motion:

A. Approving a supplemental appropriation in the amount of \$140,000 from the unreserved fund balance in Fund 074 Economic Development Opportunity Fund; and,

- B. Approving the Professional Services Agreement with California Strategies and Advocacy, LLC, in the amount of \$120,000.00; and,
- C. Approving the Professional Services Agreement with Chabin Concepts, Inc. in the amount of \$15,000.00; and,
- D. Approving a contingency of \$5,000.00 for travel, meetings, technical support, etc.; and,
- E. Authorizing the City Manager or Assistant City Manager to execute the necessary documents.

Council Member BELLUOMINI pulled this item to ask about the location of the site and addressing the shortcomings of the site.

Director of Economic Development Frank QUINTERO explained the uniqueness of the location for the heavy industrial site. He also stated that both contractors will address the shortcomings of the site and propose mitigation measures.

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

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

No: 0

Absent: 0

I. REPORTS

I.1. **SUBJECT: Community Input Presentation by Housing Staff**

REPORT IN BRIEF

Provide Housing Staff with input regarding the 2018 HUD Annual Action Plan.

Housing Supervisor Mark HAMILTON gave a slide show presentation on Community Input.

Council and Staff discussed increasing the number of units to house the homeless, the budget impact on housing programs, the process of allocating money to applicants, and the census tract requirements.

I.2. **SUBJECT:** Status Report Regarding the City-Owned Property in the
Airport Industrial Park

REPORT IN BRIEF

Oral update concerning the 66-acres owned by the City in the Airport Industrial Park.

RECOMMENDATION

Information-Only

Director of Economic Development Frank QUINTERO gave a presentation on the City-owned property in the Airport Industrial Park.

Council Member BELLUOMINI asked about land development progress and the timeline on signing contracts.

Mr. QUINTERO discussed partnering with a company on an industrial project. He also stated that the signing of the contract depends on the developer.

Clerk's Note: No action was required for this item.

I.3. **SUBJECT:** Adoption of Merit-Based Selection Criteria for Commercial
Cannabis Business Permits (Limited Number of Permits Available)

REPORT IN BRIEF

The City Council is being asked to adopt, by resolution, the Merit-Based Selection Criteria for Commercial Cannabis Business Permits for which there are a limited number of permits available. Dispensaries/retail sales are limited to four in the recently adopted Ordinance.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-01**, a Resolution of the City Council of the City of Merced, California, approving Merit-Based Selection Criteria for Scoring Commercial Cannabis Business Permit Applications for which there are a limited number of permits available.

Planning Manager Kim ESPINOSA gave a slide show presentation on the Merit-Based Selection Criteria for Commercial Cannabis Business Permits.

Council and Staff discussed determining the Mutual Benefit Non-Profit

Corporation and various sections of the merit-based selection criteria.

Judy VEILLEUX, Merced - spoke on the Facility Plan.

Zach DRIVON, Stockton - spoke on his concerns regarding the merit-based selection criteria.

Jesse KRAFT, Sonora - gave suggestions for the merit-based selection criteria.

Mike WARDA, Merced - gave suggestions for the merit-based selection criteria.

Ron ROBERTS, Oakdale - gave suggestions for the merit-based selection criteria.

Council suggested revisions for various sections of the merit-based selection criteria.

Clerk's Note: Staff stated that they will bring this item back with the revisions to the January 16th City Council meeting for adoption.

Clerk's Note: Mayor Pro Tempore MCLEOD left the meeting at 9:05 PM.

I.4.

SUBJECT: Reallocate Measure V Funding, Reconciling Gas Tax Funding, to Fund 022 Street Maintenance/Lighting for the FY 2017/2018 Budget

REPORT IN BRIEF

Considers reallocating Measure V funding, reconciling Gas Tax funding to Fund 022 Street Maintenance/Lighting Fund for street maintenance and transportation related projects.

RECOMMENDATION

City Council - Adopt a motion approving the reallocation of Measure V Funds, reconciling the Gas Tax Funds, and authorizing the Interim Finance Officer to make the necessary budget adjustments.

Interim Finance Officer gave a brief presentation on the reallocation of Measure V Funding.

Mayor MURPHY asked about the timeliness of repairing potholes.

Director of Public Works Ken ELWIN stated that they strive to fix potholes in a timely manner.

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

No: 0

Absent: 1 - Mayor Pro Tempore McLeod

J. BUSINESS

J.1. Request to Add Item to Future Agenda

Council Member BELLUOMINI requested to add an item for a presentation on State Funding for Low Cost House Funding in 90 days, and asked about updating the seating arrangement.

J.2. City Council Comments

Council Member MARTINEZ spoke on an article about his mom and about the opening of a new restaurant.

Council Member PEDROZO reported on attending the Rose Garden Meeting. He also wished everyone a Happy New Year.

Council Member BELLUOMINI reported on attending the Rose Garden Meeting and the Annual Homeless Memorial. He also wished everyone a Happy New Year.

Council Member BLAKE congratulated Interim Police Chief Chris Goodwin on his new position.

K. ADJOURNMENT

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

A motion was made by Council Member Pedrozo, seconded by Council Member Blake, to adjourn the Regular Meeting. The motion carried by the following vote:

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

No: 0

Absent: 1 - Mayor Pro Tempore McLeod



ADMINISTRATIVE REPORT

Agenda Item I.7.

Meeting Date: 2/5/2018

Report Prepared by: Joseph D. Angulo, Environmental Project Manager, Engineering

SUBJECT: Award Bid for Constructing a New Municipal Well and Amend an Engineering Design Contract for the Well 21 Site, Project No. 113026

REPORT IN BRIEF

Consider awarding a contract in the amount of \$608,307 to Nor-Cal Pump and Well Drilling, Inc., to construct a new municipal well; and, approving a second contract amendment for engineering design services with AECOM Technical Services, Inc., in the amount of \$2,561, for the Well 21 site project.

RECOMMENDATION

City Council - Adopt a motion:

- A. Awarding the bid for the Well 21 site well construction to Nor-Cal Pump and Well Drilling, Inc., in the amount of \$608,307; and,
- B. Approving a second amendment to an Agreement for Professional Services with AECOM Technical Services, Inc., in the amount of \$2,561 for engineering design services; and,
- C. Authorizing the City Manager or Assistant City Manager to execute the necessary documents and to approve change orders not to exceed 10% of the total contract.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to modifications as conditioned by City Council; or,
3. Refer to staff for reconsideration of specific items; or,
4. Deny.

AUTHORITY

Charter of the City of Merced, Section 200 et seq.

Municipal Code Chapter 3.04, Article IV - Public Works Contracts. Every project involving an expenditure of more than sixty-seven thousand, seven hundred and seventy-nine dollars (\$67,779) for the construction or improvements of public buildings, works, streets, drains, sewers, utilities, park, and playgrounds shall be let by contract to the lowest responsive and responsible bidder after notice by publication in the official newspaper by one or more insertions, the first of which shall be at least ten days before the time for opening bids.

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget.

DISCUSSION

Well Site 21

The City Engineer and the Public Works Director have recommended that a new water well be located at the intersection of Bellevue Road and G Street.

On September 21, 2015, the City Council awarded an Agreement for Professional Services to AECOM Technical Services, Inc. (AECOM), to design the new Well 21 municipal well and pump station. The proposed work generally consists of: drilling a borehole to 640 feet below grade surface, installing a well conductor casing, developing the well to produce clean water, performing well and aquifer testing; and, installing a temporary water discharge line to the Merced Irrigation District's 6-Mile Drain located east of the site across G Street.

AECOM, under the direction of City staff, prepared plans and specifications for the work. The project was advertised and the bid opening conducted on September 28, 2017. The second and third low bidders filed bid protests against the apparent lowest bidder. Staff and the City Attorney recommended that the City Council reject all bids and rebid the project. The City Council concurred at its November 6, 2017 meeting and adopted a motion to reject all bids and directed the staff to re-advertise the project.

The project was re-advertised and the bids were opened on January 4, 2018, with the following results:

1. Nor-Cal Pump & Well Drilling, Inc. (Yuba City, CA) \$608,307
2. Zim Industries, Inc. (Fresno, CA) \$650,441

As a comparison, the lowest bid from the initial September 28, 2017 was \$661,526 from Well Industries, Inc., Chico CA. to construct the well. The cost did not include contingency, Engineering, testing and inspection service. The engineer's estimate to construct the well was \$690,000.

The following is the proposed budget for the construction of the well:

Construction	\$ 608,307
Contingency (10%)	\$ 60,831
Engineering, Testing, Inspection (5%)	\$ 30,415
Total	\$ 699,553

In the future, Staff will come before Council to award a construction contract for the new pump station and to tie the new well into the City water system.

AECOM Contract Amendment

The City Council approved a first amendment to the AECOM design contract on October 18, 2016. This amendment included a provision for advancing a driven casing test well at the site, rather than mud rotary drilling, for designing the final production well. The reason for this change was to ensure the highest quality of water samples obtained during the test borehole drilling.

A second amendment to the AECOM contract is necessary at this time to cover their charges to rebid the project as outlined above. AECOM incurred additional costs to develop minor modifications to the specifications, attend a second prebid meeting, and assist with bid support.

History and Past Actions

On February 2, 2004, the City Council adopted a resolution 2004-24 approving the final subdivision map for "*Bellevue Ranch East Village 16*" and accepting lot "W2" for well site purposes.

On February 17, 2015, the City Council adopted a motion affirming the use of lot "W2" for well site purposes.

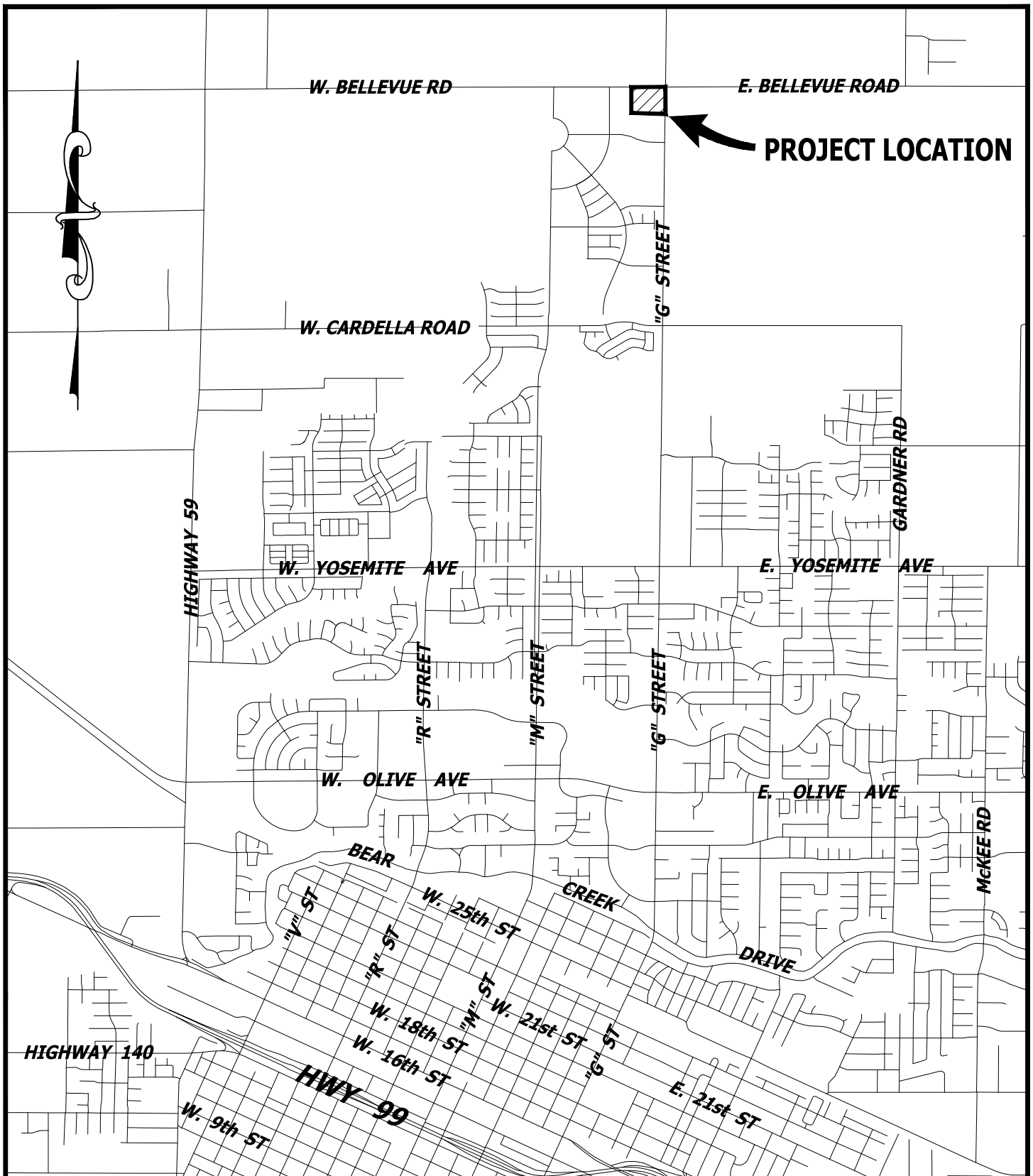
On April 3, 2017, the City Council awarded a contract to Yellow Jacket Drilling to complete a test well at the Well 21 site. This work affirmed that the site was suitable for a new municipal well.

IMPACT ON CITY RESOURCES

This project was established as a Capital Improvement Project and account 556-1118-637.65-00-113026 contains sufficient funding to complete the project.

ATTACHMENTS

1. Site Map
2. Bid Results
3. Nor-Cal Pump and Well Drilling, Inc. Contract
4. AECOM Technical Services, Inc. Contract Amendment



LOCATION MAP

NO SCALE

PROJECT NO. 113026
WELL SITE 21

CITY OF MERCED
PROJECT NO. 113026
MUNICIPAL WELL 21 - WELL CONSTRUCTION

Bid Opening 1/4/18

NO.	ITEM	UNIT OF MEASURE	ESTIMATED QUANTITY	ENGINEERS ESTIMATE		Nor-Cal Pump & Well Drilling (Yuba City, CA)		Zim Industries, Inc. (Fresno, CA)	
				UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL
1	Mobilization and Demobilization (not to exceed \$30,000)	LS	1	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
2	Sound Attenuation	LS	1	\$ 27,000.00	\$ 27,000.00	\$ 29,700.00	\$ 29,700.00	\$ 14,000.00	\$ 14,000.00
3	34-Inch-Diameter Conductor Casing and 42-Inch-Diameter Bore Hole	VF	50	\$ 460.00	\$ 23,000.00	\$ 400.00	\$ 20,000.00	\$ 440.00	\$ 22,000.00
4	Temporary Discharge Pipe	LS	1	\$ 75,000.00	\$ 75,000.00	\$ 40,211.00	\$ 40,211.00	\$ 70,900.00	\$ 70,900.00
5	28-Inch-Diameter Well Production Hole	VF	590	\$ 152.00	\$ 89,680.00	\$ 90.00	\$ 53,100.00	\$ 97.00	\$ 57,230.00
6	Geophysical Logging of Well Bore Hole	LS	1	\$ 7,000.00	\$ 7,000.00	\$ 4,750.00	\$ 4,750.00	\$ 4,500.00	\$ 4,500.00
7	18-Inch-Diameter Stainless Steel Blank Well Casing	VF	273	\$ 530.00	\$ 144,690.00	\$ 440.00	\$ 120,120.00	\$ 447.00	\$ 122,031.00
8	18-Inch-Diameter Stainless Steel Louvered Well Casing	VF	370	\$ 575.00	\$ 212,750.00	\$ 585.00	\$ 216,450.00	\$ 596.00	\$ 220,520.00
9	Gravel Pack	VF	410	\$ 54.00	\$ 22,140.00	\$ 50.00	\$ 20,500.00	\$ 48.00	\$ 19,680.00
10	Annular Seal Including Bentonite Seal	VF	230	\$ 47.00	\$ 10,810.00	\$ 50.00	\$ 11,500.00	\$ 48.00	\$ 11,040.00
11	Airlifting and Swabbing	HRS	24	\$ 450.00	\$ 10,800.00	\$ 500.00	\$ 12,000.00	\$ 400.00	\$ 9,600.00
12	Setting and Removing Well Development Pump	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 11,400.00	\$ 11,400.00	\$ 8,500.00	\$ 8,500.00
13	Well Development by Pumping and Surging	HRS	32	\$ 300.00	\$ 9,600.00	\$ 250.00	\$ 8,000.00	\$ 280.00	\$ 8,960.00
14	Pump Test	HRS	16	\$ 300.00	\$ 4,800.00	\$ 250.00	\$ 4,000.00	\$ 280.00	\$ 4,480.00
15	Miscellaneous Work	LS	1	\$ 12,000.00	\$ 12,000.00	\$ 26,576.00	\$ 26,576.00	\$ 47,000.00	\$ 47,000.00
CONSTRUCTION COST				\$ 689,270.00		\$ 608,307.00		\$ 650,441.00	

GENERAL CONSTRUCTION CONTRACT

THIS CONTRACT made on _____, by and between the CITY OF MERCED, a municipal corporation of the State of California, hereinafter called the Owner, and NOR-CAL PUMP & WELL DRILLING, INC., hereinafter called the Contractor:

WITNESSETH:

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

1. **CONTRACT DOCUMENTS.** The complete contract consists of the following documents, to wit:

- (1) This General Construction Contract;
- (2) Faithful Performance Bond;
- (3) Laborers and Materialmens Bond;
- (4) Guaranty;
- (5) Special Provisions for PROJECT NO. 113026;
- (6) Amendments to the Standard Specifications;
- (7) Project Plans;
- (8) Standard Specifications;
- (9) City Standards;
- (10) Proposal;
- (11) Instructions to Bidders;
- (12) Notice Inviting Bids;
- (13) Bidder's Bond;
- (14) Notice of Determination of Prevailing Wages;
- (15) List of Subcontractors and Material Dealers; and
- (16) Safety Provisions.

Any and all obligations of the Owner and the Contractor are fully set forth and described therein.

All of the above documents are intended to cooperate so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents. The documents comprising the complete contract are sometimes hereinafter referred to as the Contract Documents. In case of conflict between any of the documents, the order of documents first listed above shall be the order of precedence's, with the first item listed having the highest precedence.

2. **THE WORK.** Said Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor, transportation, and material necessary to perform and complete in a good and workmanlike manner all work of improvement in accordance with Contract Documents in the manner designated in, and in strict conformity with, the Plans and Specifications for PROJECT NO. 113026, which said Plans and Specifications are entitled, "MUNICIPAL WELL 21 - WELL CONSTRUCTION," for construction in Merced County in Merced, and which were included in the award of bid made by the City Council of the City of Merced on _____, 2018.

It is understood and agreed that said tools, equipment, apparatus, facilities, labor, transportation and material, except materials to be supplied by the City as designated in the Contract Documents, shall be furnished and said work performed and completed as required in said Plans and Specifications under the sole direction and control of the Contractor, and subject to inspection and approval of the Owner or its representative. The Owner hereby designates the City Engineer as its representative for the purpose of this Contract.

3. **CONTRACT PRICE.** The Owner agrees to pay, and the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and doing all work contemplated and embraced in this agreement to wit:

ITEM NO.	ITEM	UNIT OF MEASURE	ESTIMATED QUANTITY	UNIT PRICE (IN FIGURES)	ITEM TOTAL (IN FIGURES)
1	Mobilization and Demobilization (not to exceed \$30,000)	LS	1	\$ 30,000.00	\$ 30,000.00
2	Sound attenuation	LS	1	\$ 29,700.00	\$ 29,700.00
3	34-Inch-Diameter Conductor Casing and 42-Inch-Diameter Bore Hole	VF	50	\$ 400.00	\$ 20,000.00
4	Temporary Discharge Pipe	LS	1	\$ 40,211.00	\$ 40,211.00
5	28-Inch-Diameter Well Production Hole	VF	590	\$ 90.00	\$ 53,100.00
6	Geophysical Logging of Well Bore Hole	LS	1	\$ 4,750.00	\$ 4,750.00
7	18-Inch-Diameter Stainless Steel Blank Well Casing	VF	273	\$ 440.00	\$ 120,120.00
8	18-Inch-Diameter Stainless Steel Louvered Well Casing	VF	370	\$ 585.00	\$ 216,450.00
9	Gravel Pack	VF	410	\$ 50.00	\$ 20,500.00
10	Annular Seal Including Bentonite Seal	VF	230	\$ 50.00	\$ 11,500.00
11	Airlifting and Swabbing	HRS	24	\$ 500.00	\$ 12,000.00
12	Setting and Removing Well Development Pump	LS	1	\$ 11,400.00	\$ 11,400.00
13	Well Development by Pumping and Surging	HRS	32	\$ 250.00	\$ 8,000.00
14	Pump Test	HRS	16	\$ 250.00	\$ 4,000.00
15	Miscellaneous Work	LS	1	\$ 26,576.00	\$ 26,576.00

Total of Items 1 Through 15 \$ 608,307.00

4. **TERMINATION.** If the Contractor should be adjudged as bankrupt or if he should make a general assignment for the benefit of his creditors, or if a receiver should be appointed on account of his insolvency, or if he or any of his subcontractors should violate any of the provisions of the Contract Documents, the Owner may serve written notice upon him and his surety of its intention to terminate the Contract; such notice to contain the reasons for such intention to terminate the Contract, and, unless within ten (10) days after serving of such notice such violation shall cease and satisfactory arrangements for correction thereof be made, the Contract shall, upon the expiration of said ten (10) days, cease and terminate.

In the event of any such termination, the Owner shall immediately serve written notice thereof upon the surety and the Contractor, and the surety shall have the right to take over and perform the Contract; provided however, that if the surety within fifteen (15) days after the serving upon it of notice of termination does not give the Owner written notice of its intention to take over and perform the Contract or does not commence performance thereof within thirty (30) days from the date of the serving of such notice, the Owner may take over the work and prosecute the same to completion by contract or by any other method it may deem advisable, for the account and at the expense of the Contractor, and the Contractor and his

surety shall be liable to the Owner for any excess cost occasioned the Owner thereby, and in such event the Owner may, without liability for so doing, take possession of and utilize in completing the work such materials, appliances, plant, and other property belonging to the Contractor as may be on the site of the work and necessary therefor.

5. NOTICE AND SERVICE THEREOF. Any notice from one party to the other under the Contract shall be in writing and shall be dated and signed by the party giving such notice, or by a duly authorized representative of such party. Any such notice shall not be effective for any purpose whatsoever unless served in the following manner; namely, (a) if the notice is given to the Owner, per personal delivery thereof to the City Engineer of said Owner, or by depositing the same in the United States mails enclosed in a sealed envelope, addressed to the Owner, postage prepaid and registered; (b) if the notice is given to the Contractor, by personal delivery thereof to said Contractor or to his duly authorized representative at the site of the project, or by depositing the same in the United States mails enclosed in a sealed envelope, addressed to said Contractor at 1325 BARRY ROAD, YUBA CITY, CA 95993, postage prepaid and registered; and (c) if the notice is given to the surety or any other person, by personal delivery to such surety or other person, or by depositing the same in the United States mails enclosed in a sealed envelope, addressed to such surety or person, as the case may be, at the address of such surety or person last communicated by him to the party giving the notice, postage prepaid and registered.

6. ASSIGNMENT OF CONTRACT. Neither the Contract nor any part thereof, nor moneys due, or to become due thereunder, may be assigned by the Contractor without the prior written approval of the Owner.

7. CONTRACT SECURITY. The Contractor shall furnish a surety bond in an amount at least equal to 100 percent of the contract price as security for the faithful performance of this Contract. The Contractor shall also furnish a separate surety bond in an amount at least equal to 100 percent of the contract price as security for the payment of all persons for furnishing materials, provisions, provender, or other supplies used in, upon, for, or about the performance of the work contracted to be done, or for performing any work or labor thereon of any kind, and for the payment of amounts due under the Unemployment Insurance Code with respect to such work or labor in connection with this Contract, and for the payment of a reasonable attorney's fee to be fixed by the court in case suit is brought upon the bond.

8. INSURANCE. The Contractor shall not commence work under this Contract until he has obtained all insurance required by Section 7-3 of the Standard Specifications, as amended, and such insurance has been approved by the City Attorney of Owner, nor shall the Contractor allow any subcontractor to commence work on his subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish the Owner with satisfactory proof of the carriage of insurance required, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Contract, and particularly paragraph 9 hereof. Said insurance obtained by the Contractor shall be primary and noncontributory as to any insurance maintained by owner. **Endorsement for additional insured shall be submitted on standard form CG 20101185. Endorsement forms CG 20101001 and CG 20371001, when used together, are acceptable in lieu of CG 20101185 for Public Works projects.** Any policy of insurance required of the Contractor under this Contract shall also contain an endorsement providing that thirty (30) days' notice must be given in writing to the Owner of any pending change in the limits of liability or of any cancellation or modification of the policy. All insurance required by this section shall be from a California admitted insurance company.

9. HOLD HARMLESS. The Contractor will indemnify, defend with counsel selected by the Owner, save, keep, and hold harmless, the Owner and all officers, employees, and agents thereof from all damages, costs, or expenses, in law or in equity, that may at any time arise or be set up because of personal injury or

damage to property sustained by any person or persons by reason of, or in the course of the performance of said work, or by reason of any infringement or alleged infringement of the patent rights of any person or persons, firm or corporation, in consequence of the use in, on, or about said work, of any article or material supplied or installed under this Contract. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Notwithstanding the above, the Contractor shall, wherever it is necessary, keep and maintain at his sole cost and expense during the course of his operations under this Contract such warnings, signs, and barriers as may be required to protect the public. The provisions of the preceding sentence shall not impose any liability upon the Owner and are for the express benefit of the general public.

Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

It is expressly understood that Contractor is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Contractor shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Contractor desire any insurance protection, the Contractor is to acquire such protection at its expense.

In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

10. ACCIDENT PREVENTION. Precaution shall be exercised at all times for protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions of the Construction Safety Orders issued by the Industrial Accident Commission of the State of California.

11. PAYMENT. The Owner will make partial and final payment to the Contractor in accordance with Section 9-3.2 of the Standard Specifications, as amended, except that the Owner will retain the five percent (5%) of the final payment amount until the expiration of thirty-five (35) days from the date of recording by Owner of notice of acceptance of completion of all work covered by this Contract, if such notice be recorded within ten (10) days after the acceptance of completion of such Contract; or, if such notice be not so recorded within ten (10) days, until the expiration of ninety-five (95) days after the acceptance of completion of such work of improvement, at which time and not before, Owner shall pay to Contractor the whole of the remaining five percent (5%) of said contract price so held back as provided.

The payment of progress payments by the Owner shall not be construed as an absolute acceptance of the work done up to the time of such payments, but the entire work is to be subjected to the inspection and approval of the Owner and subject to whatever inspection and approval may be required by law.

12. CALIFORNIA LABOR CODE. The Contractor is aware of, and hereby agrees to comply with Sections 1770, 1773, 1776, and 1777.5 of the California Labor Code.

13. SUBSTITUTION OF SECURITIES FOR WITHHELD AMOUNTS. Pursuant to Section 22,300 of the Public Contracts Code of the State of California, securities may be substituted for any moneys withheld by a public agency to ensure performance under a contract. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the public agency, or with a State or Federally-chartered bank as the escrow agent, who shall pay such moneys to the Contractor upon satisfactory completion of the Contract.

Securities eligible for substitution under this section shall include those listed in Section 16430 of the Government Code of the State of California, or bank or savings and loan certificate of deposit.

The Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

Any escrow agreement entered into pursuant to this section shall contain, as a minimum, the following provisions:

- (a) The amount of securities to be deposited;
- (b) The terms and conditions of conversion to cash in case of the default of the Contractor; and
- (c) The termination of the escrow upon completion of the Contract.

14. TRENCHES AND EXCAVATIONS. Should the Contractor be required to dig trenches or other excavations that extend deeper than four (4) feet below the surface, then the following clauses shall apply:

- (a) The Contractor shall promptly, and before the following conditions are disturbed, notify the City in writing of any:

- (1) Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law;

- (2) Subsurface or latent physical conditions at the site differing from those indicated;

- (3) Unknown physical conditions at the site of any unusual nature different materially from those ordinarily encountered, and generally recognized as inherent in work of the character provided for in the contract.

- (b) The City shall promptly investigate the conditions, and if it finds that the conditions do materially so differ or do involve hazardous waste and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the work, shall issue a change order under the procedures described in this contract.

- (c) In the event that a dispute arises between the City and the Contractor whether the conditions materially differ or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of or time required for performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. The Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

15. CLAIMS. This clause applies to all Contractor claims of three hundred seventy-five thousand dollars (\$375,000), or less, which arise out of this contract.

- (a) "Claim" means a separate demand by the Contractor for (1) a time extension, (2) payment of money or damages arising from work done by, or on behalf of, the Contractor pursuant to this contract, and payment of which is not otherwise expressly provided for or the Contractor not otherwise entitled to, or (3) an amount the payment of which is disputed by the City.
- (b) The claim shall be in writing and include the documents necessary to substantiate the claim. Claims must be filed on or before the date of final payment. Nothing herein shall extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims.
- (c) For claims of less than fifty thousand dollars (\$50,000), the City shall respond in writing to any written claim within forty-five (45) days of receipt of the claim or may request, in writing within thirty (30) days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims the City may have against the Contractor.
 - (1) If additional information is thereafter required, it shall be requested and provided upon mutual agreement of the City and the Contractor.
 - (2) The City's written response to the claim as further documented shall be submitted to the Contractor within fifteen (15) days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information, whichever is greater.
- (d) For claims of over fifty thousand dollars (\$50,000) and less than, or equal to, three hundred seventy-five thousand dollars (\$375,000), the City shall respond in writing to all written claims within sixty (60) days of receipt of the claim or may request, in writing within thirty (30) days of receipt of the claim, any additional documentation supporting the claim, or relating to defenses or claims the City may have against the Contractor.
 - (1) If additional information is thereafter required, it shall be requested and provided upon mutual agreement of the City and the Contractor.
 - (2) The City's written response to the claim as further documented shall be submitted to the Contractor within thirty (30) days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.
- (e) If the Contractor disputes the City's written response, or the City fails to respond within the time prescribed, the Contractor may so notify the City, in writing, either within fifteen (15) days of receipt of the City's response, or within fifteen (15) days of the City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the City shall schedule a meet and confer conference within thirty (30) days for settlement of the dispute.
- (f) If, following the meet and confer conference, the claim or any portion remains in dispute, the Contractor may file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title I of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits its written claim pursuant to Subdivision (b)

until the time the claim is denied, including any period of time utilized by the meet and confer conference.

- (g) The following procedures shall be followed for all civil actions filed to resolve claims subject to this clause:
 - (1) Within sixty (60) days, but no earlier than thirty (30) days following the filing or responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within fifteen (15) days by both parties of a disinterested third person as mediator, shall be commenced within thirty (30) days of the submittal, and shall be concluded within fifteen (15) days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.
 - (2) If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act of 1986 (Article 3 commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.
 - (3) In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.
- (h) The City shall not fail to pay money as to any portion of a claim which is undisputed, except as otherwise provided in this contract.
- (i) In any suit filed under Section 20104.4, the City shall pay interest at the legal rate on any arbitration award or judgment. The interest shall begin to accrue on the date the suit is filed in a court of law.

IN WITNESS WHEREOF, three (3) identical counterparts of this Contract, each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on the day and year first herein written.

ATTEST:

CITY OF MERCED, a Municipal Corporation
(Herein called Owner)

By: _____
Deputy City Clerk

By: _____
City Manager

APPROVED AS TO FORM:

NOR-CAL PUMP & WELL DRILLING, INC.
(Herein called Contractor)

By: _____
City Attorney

By:  _____
Contractor

ACCOUNT DATA:

TAXPAYER I.D. NO: **20-8898991**

Project No. **113026**

VENDOR NUMBER: **15620**

Project Account Number(s) / Amount

ADDRESS: **1325 BARRY ROAD
YUBA CITY, CA 95993**

556-1118-637.65-00-113026 \$ 608,307.00

PHONE: **(530) 674-5861**

FAX: _____

EMAIL: **NORCALPUMP@YAHOO.COM**

By: _____
Finance Officer Verification

(SEAL)

GUARANTY

To the City of Merced, California:

PROJECT NO. 113026

The undersigned guarantees the construction and installation of the work included in this project as described in the Contract Documents.

Should any of the materials or equipment prove defective or should the work as a whole prove defective, due to faulty workmanship, material furnished or methods of installation, or should the work or any part thereof fail to operate properly as originally intended and in accordance with the plans and specifications, due to any of the above causes, within one year after date on which the "Notice of Completion" is recorded by the City, the undersigned agrees to reimburse the City, upon demand, for its expenses incurred in restoring said work to that contemplated in said project, including the cost of any such equipment or materials replaced and the cost of removing and replacing any other work necessary to make such replacement or repairs, or, upon demand by the City, to replace any such material and to repair said work completely without cost to the City so that said work will function as contemplated.

The City shall have the unqualified option to make any needed replacements or repairs itself or to have such replacements or repairs done by the undersigned. In the event the City elects to have said work performed by the undersigned, the undersigned agrees that the repairs shall be made and such materials as are necessary shall be furnished and installed within a reasonable time after the receipt of demand from the City. If the undersigned shall fail or refuse to comply with his obligations under this guaranty, the City shall be entitled to all costs and expenses, including attorney's fees, reasonably incurred by reason of said failure or refusal.

By: _____

Contractor

Date: _____

01/12/2018

**SECOND AMENDMENT TO AGREEMENT FOR
PROFESSIONAL SERVICES
(Design Professional)**

THIS SECOND AMENDMENT TO AGREEMENT is made and entered into this ____ day of _____, 2018 , by and between the City of Merced, a California Charter Municipal Corporation (“City”), and AECOM Technical Services, Inc., a California Corporation whose address of record is 1360 East Spruce Avenue, Suite 101, Fresno, California 93720, (“Consultant”).

WHEREAS, City is undertaking a project to install a new municipal well;
and

WHEREAS, City and Consultant have previously entered into an Agreement for Professional Services (“Agreement”) dated September 21, 2015 and a First Amendment to Agreement dated October 18, 2016; and

WHEREAS, City and Consultant desire to amend said Agreement to provide for additional services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, agree as follows:

1. Section 24, “ADDITIONAL WORK,” is hereby added to the Agreement to read as follows:

“SECTION 24. ADDITIONAL WORK. Consultant shall perform the additional work outlined in the proposal from Consultant to City dated November 14, 2017, attached hereto as Exhibit “1”.

2. Section 25, “ADDITIONAL COMPENSATION,” is hereby added to the Agreement to read as follows:

“SECTION 25. ADDITIONAL COMPENSATION. City shall pay to Consultant the not to exceed additional sum of Two Thousand Five Hundred Sixty-One Dollars (\$2,561.00) for the additional work described in the

proposal attached hereto as Exhibit "1" and in accordance with the rates set forth on Exhibit "1."

3. Except as herein amended, the Agreement dated September 21, 2015, and as amended on October 18, 2016, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: K. Flores 12-12-2017
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT
AECOM TECHNICAL SERVICES,
INC., A California Corporation

BY: Masood Mesbah
(Signature)

Masood Mesbah
(Typed Name)

Its: Water Business Unit Lead
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. 95-2661922

ADDRESS: 1360 E. Spruce Ave.
Suite 101
Fresno, CA 93720

TELEPHONE: (559) 490-8309

FAX: (559) 448-8233

E-MAIL: stephen.spencer@aecom.com

Scope of Services

**Amendment No. 2
Additional Bid Package and Bid Support for
Rebid of the Well Construction**

**City of Merced Water Supply
Well No. 21
City of Merced**

A. Background

This scope and fee has been prepared to amend the current Agreement for Professional Services between the City of Merced and AECOM Technical Services, Inc. executed on September 21, 2015 (Agreement).

B. Scope of Services

AECOM shall perform the following tasks. The task numbering sequence is an extension of the sequence from the current Agreement.

Subtask 2.6 – Revised Bid Package and Bid Support for Well Construction Rebid

The City has decided to rebid the well construction project due to concerns with the original bids. City staff asked AECOM to prepare a revised bid package for the rebid and be present at another pre-bid meeting. Preparation of a rebid package, attending an additional pre-bid meeting, and supporting a second bid (answering contractor questions during bidding) are outside of our current scope and therefore this proposed amendment has been prepared for submittal to the City.

C. Work or Services to be Provided by the City

See original Agreement for Professional Services between the City of Merced and AECOM Technical Services, Inc. executed on September 21, 2015.

D. Safety

City agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project, including safety of all persons and property, and that this requirement shall be made to apply continuously and not be limited to normal working hours. AECOM

shall not have control over or charge of, and shall not be responsible for, construction means, methods, techniques, sequences, or procedures, as these are solely the responsibility of the construction contractor. AECOM shall not have the authority to stop the work of the construction contractor. In no event shall AECOM be liable for the acts or omissions of any construction contractors, their subcontractors, any of their agents or employees, or any other persons or entities performing any work related to this project, or for the failure of any them to carry out construction work under contract with the City.

E. Delay

AECOM shall not be responsible for delays due to causes beyond AECOM's reasonable control. In the case of any such delay, the time of completion shall be extended accordingly.

F. Entitled to Rely

Consistent with the professional standard of care and unless specifically provided herein, AECOM shall be entitled to rely upon the accuracy of data and information provided by City or others without independent review or evaluation.

G. Opinions of Construction Cost

Any opinion of the construction cost prepared by AECOM represents its judgment as a design professional and is supplied for the general guidance of City. Since AECOM has no control over the cost of labor and material, or over competitive bidding or market conditions, AECOM does not guarantee the accuracy of such opinions as compared to contractor bids or actual cost to City.

H. Hazardous Materials

Notwithstanding anything herein to the contrary, title to, ownership of, legal responsibility, and liability for any and all pre-existing waste shall at all times remain with the City. Pre-existing waste is any hazardous or toxic substance which was generated by the City or existing on the City's Project Site prior to AECOM's presence. AECOM shall have no responsibility for the presence, handling, removal or disposal of, or exposure to persons to such pre-existing waste except if such liability arises from AECOM's gross negligence or willful misconduct. The parties acknowledge that AECOM does not provide disposal services for the direct disposal of hazardous or toxic substances that may be discovered upon or removed from the City's Project Site.

I. Compensation

AECOM shall be compensated monthly with progress payments by the Client for services provided by AECOM during the previous month pursuant to this Amendment No. 2 and in accordance with AECOM's Hourly Rate Schedule contained in the Agreement. Maximum compensation for AECOM's services as described in Task 2.6 shall not exceed \$2,561.00 without the prior written approval of the Client. AECOM's total fee authorized by the Client is presented in the table below.

Date	Contract Summary	Fee
09/21/2015	Original contract	\$287,783
10/18/2016	Amendment 1 – New Pilot Boring Bid Package, Limited Bid and Construction Support	\$9,769
	Amendment 2 – Additional Bid Package and Bid Support for Rebid of Well Construction	\$2,561
	Total	\$300,113

Project Proposal Budget - Amendment 2

New Municipal Well No. 21 - Preparation of a Rebid Package for Well Construction

City of Merced
15-Nov-17

Task Description	Personnel Hours								Budget					
	PM/Principal Eng	Principal Elec Eng	Senior Engineer II	Senior Engineer I	Assoc. Engineer II	Environmental Tech	Design CAD Operator	Technical Typist	Total Hours	Labor	Subconsultants	Other Direct Costs	Total Non-Labor	Total
Subtotal														
Task 2 - Design and Install Supply Well														
Task 2.1 Prepare Plans & Specs for Drilling, Construction & Development of the Municipal Well														
Task 2.2 Prepare Plans & Specs for Well Site Infrastructure														
Task 2.3 Project Bidding Services														
Task 2.4 Project Construction Services														
Task 2.5 Additional Bid Package + bid support														
Task 2.6 Rebid Package + bid support	6						3	4	13	\$ 1,850	\$ 600	\$ 111	\$ 711	\$ 2,561
Subtotal	6	-	-	-	-	-	3	4	13	1,850	600	111	711	2,561
Total	6	-	-	-	-	-	3	4	13	1,850	600	111	711	2,561

Personnel Category	\$/HR
PM/Principal Eng	\$205.00
Principal Elec Eng	\$210.00
Senior Engineer II	\$180.00
Senior Engineer I	\$150.00
Assoc Engineer II	\$125.00
Environmental Tech	\$70.00
Design CAD Operator	\$100.00
Technical Typist	\$80.00



ADMINISTRATIVE REPORT

Agenda Item I.8.

Meeting Date: 2/5/2018

Report Prepared by: Francisco Mendoza-Gonzalez, Planner, Development Services

SUBJECT: Street Closure #18-01 for Sacred Heart Catholic Church to Host the "Stations of the Cross" Reenactment and the Silent March for Good Friday, March 30, 2018

REPORT IN BRIEF

Consider a request for use of City streets.

RECOMMENDATION

City Council - Adopt a motion approving the street closures of Canal Street (between 13th Street and 11th Street), 11th Street (between Canal Street and M Street), M Street (between 11th Street and 13th Street), 12th Street (between M Street and Canal Street) and the alleyway behind the church located between 13th Street and 12th Street, as requested by Sacred Heart Catholic Church, on Friday, March 30, 2018, from 3:00 p.m. to 4:30 p.m. and from 7:00 p.m. to 8:00 p.m.; subject to the conditions outlined in the administrative staff report.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to modifications as conditioned by Council; or,
3. Deny the request completely; or,
4. Refer back to staff for reconsideration of specific items as requested by Council; or,
5. Continue to a future Council meeting (date and time to be specified in the motion).

AUTHORITY

City of Merced Charter Section 200; California Vehicle Code (CVC) Sections 21100(a) and 21101(e), the latter as follows:

"21101. Local authorities, for those highways under their jurisdiction, may adopt rules and regulations by ordinance or resolution on the following matters:

"(e) Temporarily closing a portion of any street for celebrations, parades, local special events, and other purposes when, in the opinion of local authorities having jurisdiction or a public officer or employee that the local authority designates by resolution, the closing is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing.

CITY COUNCIL PRIORITIES

Not applicable.

DISCUSSION

Event Description

Sacred Heart Catholic Church requests the street closures to host two religious activities associated with Good Friday on March 30, 2018. As with other Catholic churches honoring this day, these activities include a "Stations of the Cross" procession. The procession will stop and start intermittently in order to perform certain scenes in the Passion of the Christ. This procession will begin at 3:00 p.m. and will last approximately one hour. Additionally, the Silent March for Good Friday will be a slow walk through the closure area and will also last approximately one hour. This march will begin at 7:00 p.m.

The "Stations of the Cross" reenactment and the Silent March for Good Friday are two separate activities held in connection with Good Friday remembrances. The congregation expects an attendance of approximately 800 people for both events. Food or alcohol will not be served at this event.

Street Closure Details

Requested street closure times are as follows:

- "Stations of the Cross": Friday, March 30, 2018; 3:00 p.m. to 4:30 p.m.
- Silent March for Good Friday: Friday, March 30, 2018; 7:00 p.m. to 8:00 p.m.

Requested street closure locations

- Canal Street, between 13th Street and 11th Street
- 11th Street, between Canal Street and M Street
- M Street, between 11th Street and 13th Street
- 12th Street, between M Street and Canal Street
- The alleyway behind the church, between 13th Street and 12th Street

Route (both events will use the same route):

The route will begin from the alley between W. 13th/W. 12th/M/Canal Streets (adjacent to the church), then proceed east to Canal Street, south to W. 11th Street, west to M Street, north to W. 12th Street, and end the procession by entering the church office's parking lot (519 W. 12th Street), and returning to the front of the church. All streets will be fully open during the hours of 4:30 p.m. and 7:00 p.m. between activities.

The affected streets will be closed as the processions move through the loop and then will be reopened when the streets are clear for traffic. Barricades will be used to block off all streets. Traffic control will be provided at the surrounding six intersections by church volunteers and the Merced Police Department to ensure the safety of participants.

At least seventy-two hours (three days) prior to the street closures, the event organizers are required to notify nearby businesses and residences within one-half mile of the affected streets (Condition #5). To ensure this is done, event organizers are required to provide staff with confirmation that this

notification was given. To accomplish this, staff has prepared a standard form that the event sponsor shall complete, photocopy, and distribute to businesses and residences within the stated area (Attachment 2). A copy of this form shall also be signed and submitted to Planning Department staff, affirming that the required businesses and residences were notified.

Conditions of Approval

The event and street closure will be subject to the following conditions, if approved:

1. By applying for the street closure request, the Permittee shall agree to indemnify, protect, defend (with counsel selected by the City), save, and hold City, its officers, employees, agents, and volunteers harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Event Sponsor or Event Sponsor's officers, employees, agents, volunteers, and participants during performance of the Event, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Event Sponsor or its officers, employees, agents, volunteers, or participants, or resulting from the negligence of the City, its officers, employees, agents, and volunteers, except for loss caused solely by the gross negligence of the City. Acceptance by City of insurance certificates and endorsements required for this Event does not relieve Event Sponsor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply.
2. Prior to engaging in the event, Event Sponsor shall provide the City with a Certificate of Liability Insurance evidencing coverage in an amount of no less than \$500,000 for property damage and \$500,000 for personal injury or a minimum combined single limit coverage of \$500,000. Said policy shall stipulate that this insurance will operate as primary insurance and that no other insurance will be called on to cover a loss covered thereunder. Additional insured endorsements evidencing this coverage, naming the City of Merced, its Officers, Employees, and Agents as additional insureds, must be submitted to the City prior to the event. This certificate shall provide that thirty (30) days written notice of cancellation shall be given to the City. Certificates of Insurance shall also be provided for Automobile insurances of all automobiles used for the event. If the Event Sponsor has any employee(s), full workers' compensation insurance shall be provided with a limit of at least \$100,000 for any one person as required by law.
3. Failure to comply with any law, rule, or regulation applicable to the use of said streets shall be grounds to revoke any such permit and, in such circumstances, the Chief of Police shall immediately revoke said permit. The Event Sponsor or permit holder, in such case, shall have the right to appeal said revocation to the City Council.
4. Event sponsor shall be responsible for placing and removing all traffic barricades and posting of parking restrictions where street is closed. "No Parking" signs shall be posted at least twenty-four (24) hours prior to towing of vehicle(s) per California Vehicle Code Section 22651(m).
5. Event sponsor shall contact all businesses and residences affected by the street closures, advising them of the hours, conditions, and reason thereof within one-half mile of the closure area at

least seventy-two (72) hours prior to the event. Event Sponsor shall provide the City with confirmation that the proper notification was given (Attachment 2).

6. Event sponsor shall provide emergency vehicles access to and through the interior of the closure area at all times. Fire hydrant access shall not be blocked at any time whatsoever.

7. In addition to the traffic control provided by the Merced Police Department, the Event Sponsor shall provide traffic monitors at the frequency of 3-4 volunteers each City block throughout the closure area in order to safely and efficiently move the activities through the closure areas. Each traffic monitor shall wear a safety vest for visibility and, at night, shall carry a flashlight.

8. Prior to and for the duration of each activity, safety monitors shall be stationed at the east and west ends of each affected alley to ensure vehicles cannot enter or exit as participants walk by. Additionally, temporary barricades (i.e. safety cones, etc.) at the alleys are required.

9. Safety monitors, with aid of the Merced City Police Department if necessary, shall close and reopen the streets one block in advance and one block behind the Stations of the Cross procession and Silent March as they move through each City block.

10. The Merced City Police Department or their designee has the authority to immediately cancel all activities requested with this street closure if there is a police or other emergency incident in the area. Application fees are non-refundable.

11. Event sponsor shall be responsible for removing all equipment and disposing of any trash and debris within and around the closure area that is generated from the event prior to the expiration of the closure permit.

12. Alcoholic beverages may not be served or sold at this event.

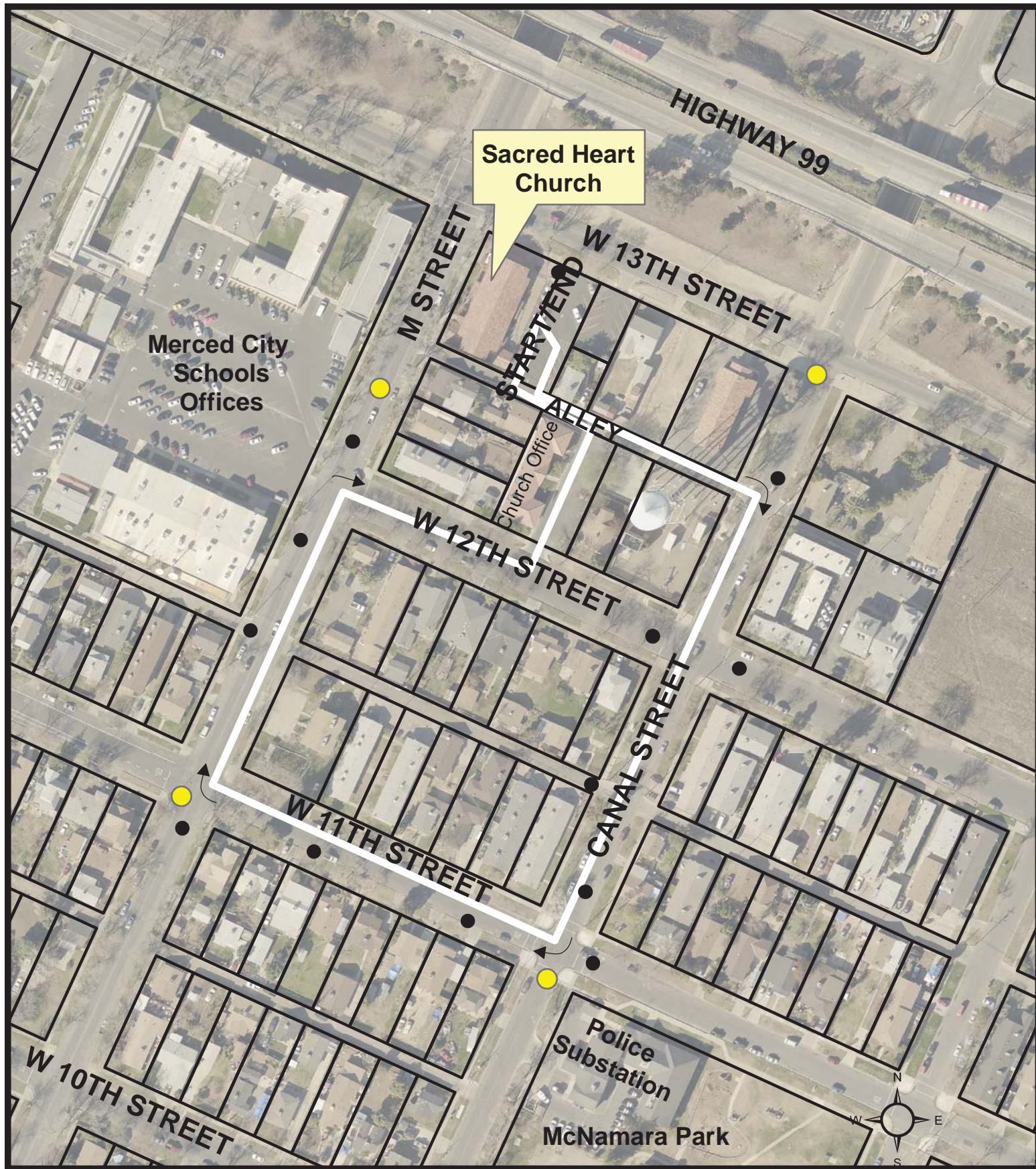
13. All other provisions addressed in Ordinance #1941 Chapter 12.42 (Temporary Street Closures) shall apply.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed. However, Police Department personnel will provide some traffic control at the event, diverting police resources from other areas of the City.

ATTACHMENTS

1. Attachment 1 - Street Closure Area
2. Attachment 2 - Notification of Pending Street Closure



Disclaimer: This document was prepared for general inquiries only. The City of Merced makes no warranty, representation, or guarantee regarding the accuracy of this map. The City of Merced is not responsible for errors or omissions that might occur. Official information regarding specific parcels should be obtained from official recorded or adopted City documents.

ROUTE: STATIONS OF THE CROSS: & SILENT MARCH

Street Closure #18-01

Sacred Heart Catholic Church

March 30, 2018

3:00 pm - 4:30 pm & 7:00 pm - 8:00 pm

KEY:

- = Church Traffic Monitors
- = Police Positions
(Locations approximate)

"Rolling Closure"
Clockwise route
Subject to change by Police
as needed on day of event

NOTIFICATION OF PENDING STREET CLOSURE

This is to notify you of an event that will require the closure of street(s) in your area. Please note the details below, including the date and time of the closure(s), and plan to park your vehicle(s) off the affected street(s) on the day of the event. Your cooperation is greatly appreciated. If you have any concerns, please notify the contact person listed.

Name of Event: _____ Type of event (parade, etc.): _____

Contact Person: _____ Phone Number: _____

Date(s) of closure: _____ Time: between _____ am/pm and _____ am/pm

Streets to be closed: _____

Other streets with restricted access: _____

Please Note: Event Sponsor is responsible for posting of parking restrictions where street is closed. "No Parking" signs shall be posted at least twenty-four (24) hours prior to any necessary towing of vehicle(s), per California Vehicle Code Section 22651(m).

To avoid having your vehicle towed, please keep this notice as a reminder and comply with the posted parking restrictions. If you are a business with employees, please notify your employees as soon as possible and post this notice in a conspicuous location. Thank you.

NOTIFICATION OF PENDING STREET CLOSURE

This is to notify you of an event that will require the closure of street(s) in your area. Please note the details below, including the date and time of the closure(s), and plan to park your vehicle(s) off the affected street(s) on the day of the event. Your cooperation is greatly appreciated. If you have any concerns, please notify the contact person listed.

Name of Event: _____ Type of event (parade, etc.): _____

Contact Person: _____ Phone Number: _____

Date(s) of closure: _____ Time: between _____ am/pm and _____ am/pm

Streets to be closed: _____

Other streets with restricted access: _____

Please Note: Event Sponsor is responsible for posting of parking restrictions where street is closed. "No Parking" signs shall be posted at least twenty-four (24) hours prior to any necessary towing of vehicle(s), per California Vehicle Code Section 22651(m).

To avoid having your vehicle towed, please keep this notice as a reminder and comply with the posted parking restrictions. If you are a business with employees, please notify your employees as soon as possible and post this notice in a conspicuous location. Thank you.

To be signed by Event Sponsor Representative after completion of required 72-hour notification and submitted to the City of Merced Planning Dept, City Hall (2nd Floor), 678 W. 18th Street, Merced.

I have notified the required parties of the dates, times, and affected streets, as required.

Signed _____ Title: _____ Date: _____



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.9.

Meeting Date: 2/5/2018

Report Prepared by: Janet German, Secretary III, Fire Dept.

SUBJECT: Disposal of Equipment Acquired Under Federal Emergency Management Agency Grant No. EMW-2002-FG-04005

REPORT IN BRIEF

Dispose of equipment acquired under Federal Emergency Management Agency Grant No. EMW-2002-FG-04005.

RECOMMENDATION

City Council - Adopt a motion authorizing the equipment to be transferred to Purchasing for sale as surplus equipment.

ALTERNATIVES

1. Approve as recommended by staff; or,
2. Approve subject to amended conditions to be addressed in the City Council motion; or,
3. Deny; or,
4. Refer back to staff for reconsideration of specific items as requested by City Council; or,
5. Continue item to a future City Council meeting.

AUTHORITY

Merced Municipal Code Chapter 3.04, Article IV, Section 3.04.370
44 CFR 13.32 (e)

CITY COUNCIL PRIORITIES

Public Safety as provided for in the 2017-18 Adopted Budget.

DISCUSSION

Background

In 2002, the City of Merced Fire Department was awarded a \$33,898 one-year fire prevention grant under the Federal Emergency Management Agency's Assistance to Firefighters Grant Program for Fiscal Year 2002. The grant funds were used to purchase a public education fire and life safety trailer and a robotic fire hydrant. As the grant recipient, the City was required to pay a 30% cost match which amounted to \$14,527.00.

The equipment purchased through this grant enhanced the department's public education program

for many years by allowing staff to professionally deliver fire prevention and public education programs to the citizens of our community. For instance, it is estimated that during a one year time frame following the receipt of the trailer, the Fire Department delivered safety messages to more than 111,000 people. Likewise, the robotic fire hydrant was used to educate over 116,000 students.

At present time, the department has exceeded its training expectations of the intended target audience, satisfied all of the grant's requirement and is now focused on other fire prevention areas and means. Accordingly, we are requesting authorization to dispose of the equipment.

The disposition of equipment acquired under the grant is governed by 44 CFR 13.32, subsection (e). This section states:

“(e) *Disposition.* When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

- (1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
- (2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.
- (3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions.”

The acquired equipment has exceeded its useful life and each piece of equipment currently has a value of less than \$5,000. Based upon estimates from the originating vendors, it is likely that they city will receive less than \$3,000 for the trailer and \$2,800 for the robotic fire hydrant. Accordingly, under 44 CFR 13.32 (e)(2), the City will not be required to return a portion of the proceeds to FEMA, when the items are sold.

On September 7, 2017, the City mailed FEMA a Tangible Personal Property Report/ Disposition request for the trailer and robotic fire hydrant via certified mail. The certified mailing was received on September 12, 2017, which triggered a 120-day period for FEMA to reply to the City's request with disposition instructions. The 120-day period has since passed which allows the City to sell the equipment at a surplus auction.

IMPACT ON CITY RESOURCES

Equipment to be sold through the surplus auction. Based upon estimates from the originating vendors, it is likely that they city will receive less than \$3,000 for the trailer and \$2,800 for the robotic fire hydrant.

ATTACHMENTS

1. FEMA Grant Award
2. Pink Slip for the Trailer
3. Trailer - Fair Market Value Estimate
4. Robotic Fire Hydrant - Fair Market Value Estimate
5. FEMA Certified Mail Receipt with Accompanying Correspondence



Federal Emergency Management Agency
Washington, D.C. 20472

Ms. Leonard Franco
Merced City Fire Department
99 E. 16th. Street
Merced, California 95340-5020

Re: Grant No.EMW-2002-FG-04005

Dear Ms. Franco:

Congratulations. Your grant application submitted under FEMA's FY 02 Assistance to Firefighters Grant Program for Fire Prevention has been approved. The approved project costs amount to \$48,425.00. The Federal share is 70 percent or \$33,898.00 of the approved amount and your share of the costs is 30 percent or \$14,527.00.

As part of your award package, you will find FEMA's Grant Agreement Articles. Please make sure you read and understand the Articles as they outline the terms and conditions of your Grant award. Maintain a copy of these documents for your official file. **You establish acceptance of the Grant and FEMA's Grant Agreement Articles when you request and receive any of the Federal Grant funds awarded to you.**

For your convenience, we will have an on-line system that will accept payment requests. The first step to request your grant funds is to ensure that FEMA has your correct Direct Deposit Information on-line. Once you have confirmed your Direct Deposit information, print a copy of it by clicking the Print SF 1199A button on the screen. Sign the form and take it to your bank to complete the bottom portion of the form. Once your bank has completed and signed the form, mail it, with the original signatures, to the address below:

Department of Homeland Security
Emergency Preparedness and Response Directorate (FEMA)
Grants Management Branch
500 C Street, SW, Room 350
Washington, DC 20472

Attn: Assistance to Firefighters Grant Program

The second step will be to request your grant funds. If you have any questions or concerns regarding the process to request your grant funds, please call Marilyn Grim at 202-646-3459.

Sincerely,

A handwritten signature in cursive script, reading 'Patricia A. English'.

Patricia A. English
Senior Procurement Executive

Agreement Articles



Federal Emergency Management Agency
Washington, D.C. 20472

AGREEMENT ARTICLES**ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM****GRANTEE:** Merced City Fire Department**PROGRAM:** Fire Prevention**AGREEMENT NUMBER:** EMW-2002-FG-04005**AMENDMENT NUMBER:****TABLE OF CONTENTS**

Article I	Project Description
Article II	Grantee Concurrence
Article III	Period of Performance
Article IV	Amount Awarded
Article V	Requests for Advances or Reimbursements
Article VI	Budget Changes
Article VII	Financial Reporting
Article VIII	Performance Reports
Article IX	FEMA Officials
Article X	Other Terms and Conditions
Article XI	General Provisions
Article XII	Audit Requirements

Article I - Project Description

The grantee shall perform the work described in the approved grant application's Program Narrative. That narrative is made a part of these grant agreement articles by reference. The purpose of the Assistance to Firefighters Grant Program is to protect the health and safety of the public and firefighting personnel against fire and fire-related hazards. After careful consideration, FEMA has determined that the grantee's project, as detailed in submitted project narrative and budget information, submitted as part of the grantee's application (and considered part of this agreement by reference), was consistent with the program's purpose and worthy of award. As such, any deviation from the approved program narrative must have prior written approval from FEMA.

Article II - Grantee Concurrence

By requesting and receiving Federal grant funds provided by this grant program, the grantee accepts and agrees

to abide by the terms and conditions of the grant as set forth in this document and the documents identified below. All documents submitted as part of the application are made a part of this agreement by reference.

Article III - Period of Performance

The period of performance shall be from 01-AUG-02 to 31-JUL-03.

The grant funds are available to the grantee for obligation only during the period of performance of the grant award. The grantee is not authorized to incur new obligations after the expiration date unless the grantee has requested, and FEMA has approved, a new expiration date. The grantee has 90 days after period of performance to incur costs associated with closeout or to pay for obligations incurred during period of performance. Award expenditures are for the purposes detailed in the approved grant application only. The grantee cannot transfer funds to other agencies or departments without prior written approval from FEMA.

Article IV - Amount Awarded

The amount of the award is detailed on the Obligating Document for Award attached to these articles. Following are the budgeted estimates for object classes for this grant (including Federal share plus grantee match):

Personnel	\$0.00
Fringe Benefits	\$0.00
Travel	\$0.00
Equipment	\$48,425.00
Supplies	\$0.00
Contractual	\$0.00
Construction	\$0.00
Other	\$0.00
Indirect Charges	\$0.00
Total	\$48,425.00

Article V - Requests for Advances or Reimbursements

Grant payments under the Assistance to Firefighter Grant Program are made on an advance or reimbursable basis for immediate cash needs. When the grantee needs grant funds, the grantee fills out the on-line Request for Advance or Reimbursement.

Payments under this grant program are made via direct deposit, therefore before a payment is made, grantees must confirm their on-line Direct Deposit information, print a copy, sign it and mail (with an original signature) the hardcopy to FEMA at the following address:

Federal Emergency Management Agency
 Financial & Acquisition Management Division
 Grants Management Branch
 500 C Street, SW, Room 336
 Washington, DC 20472
 Attn: Sylvia A. Carroll

Article VI - Budget Changes

Generally, changes in the budget-line items are permitted, as long as the original program narrative is accomplished. The only exception to this provision is for grants where the Federal share is in excess of \$100,000.00. In grants where the Federal share exceeds \$100,000.00, the budgeted line items can be changed, but if the cumulative changes exceed ten (10) percent of the total budget, FEMA must approve those changes.

Article VII - Financial Reporting

The Request for Advance or Reimbursement mentioned above, will also be used for interim financial reporting purposes. At the end of the performance period, or upon completion of the grantee's program narrative, the grantee must complete, on-line, a final financial report that is required to close out the grant. This report is due within 90 days after the end of the performance period.

Article VIII - Performance Reports

The grantee must submit a semi-annual and a final performance report to FEMA. The final performance report should provide a short narrative on what the grantee accomplished with the grant funds and any benefits derived there from. The semi-annual report is due six months after the award date.

Article IX - FEMA Officials

Program Officer: Brian A. Cowan, Chief of the Grants Program Office, is the Program Officer for this grant program. The Program Officer is responsible for the technical monitoring of the stages of work and technical performance of the activities described in the approved grant application.

Grants Assistance Officer: Richard Goodman, Chief of the Grants Management Branch, or Sylvia A. Carroll, Grants Management Specialist, is the Assistance Officer for this grant program. The Assistance Officer is the Federal official responsible for negotiating, administering, and executing all grant business matters.

Grants Management Specialist: Marilyn Grim 202-646-3459 is the Grants Management Specialist for this grant award and shall be contacted for all financial and administrative grant business matters.

Article X - Other Terms and Conditions

A. Pre-award costs directly applicable to the awarded grant are allowable if approved in writing by the FEMA program official.

B. The grantee agrees to maintain their operating expenditures in the funded grant category at a level equal to or greater than the average of their operating expenditures in the two fiscal years preceding the fiscal year in which assistance is awarded.

C. The grantee agrees to provide information to the National Fire Incident Reporting System for the period covered by the grant.

Article XI - General Provisions

The following are hereby incorporated into this agreement by reference:

44 CFR, Emergency Management and Assistance

Part 7 Nondiscrimination in Federally-Assisted Programs

Part 13 Uniform administrative requirements for grants and cooperative agreements to state and local governments

Part 17 Government-wide Debarment and Suspension (Non-procurement) and Government-wide Requirements for Drug-free Workplace (Grants)

Part 18 New Restrictions on Lobbying

31 CFR 205.6 Funding Techniques

OMB Circular A-122 Cost Principles for Nonprofit Organizations

OMB Circular A-110 Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations Assistance to Firefighters Grant Application and Assurances contained therein.

Article XII- Audit Requirements

All grantees must follow the audit requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. The main requirement of this OMB Circular is that grantees that expend \$300,000.00 or more in Federal funds (from all Federal sources) must have a single audit performed in accordance with the circular.

As a condition of receiving funding under this grant program, you must agree to maintain grant files and supporting documentation for three years after the conclusion of the grant. You must also agree to make your grant files, books, and records available for an audit by FEMA, the U.S. Government Accountability Office (GAO), or their duly authorized representatives to assess the accomplishments of the grant program or to ensure compliance with any requirement of the grant program.

ADDITIONAL REQUIREMENTS (IF APPLICABLE)

FEDERAL EMERGENCY MANAGEMENT AGENCY OBLIGATING DOCUMENT FOR AWARD/AMENDMENT

1a. AGREEMENT NO. EMW-2002-FG-04005	2. AMENDMENT NO. 0	3. RECIPIENT NO. 94-6000371	4. TYPE OF ACTION AWARD	5. CONTROL NO. W355357N
6. RECIPIENT NAME AND ADDRESS Merced City Fire Department 99 E. 16th. Street Merced California, 95340-5020	7. ISSUING FEMA OFFICE AND ADDRESS Grant Programs Directorate 500 C Street, S.W. Washington DC, 20472 Specialist:Marilynn Grim 202-646-3459		8. PAYMENT OFFICE AND ADDRESS FEMA/Financial Services Branch 500 C Street, S.W., Room 723 Washington DC, 20472	
9. NAME OF RECIPIENT PROJECT OFFICER Leonard Franco	PHONE NO.	10. NAME OF FEMA PROJECT COORDINATOR Brian Cowan	PHONE NO. (202) 646-2821	
11. EFFECTIVE DATE OF THIS ACTION 01-AUG-02	12. METHOD OF PAYMENT SF-270	13. ASSISTANCE ARRANGEMENT Cost Sharing	14. PERFORMANCE PERIOD From:01-AUG-02 To:31-JUL-03	

Budget Period
From:01-OCT-01 To:30-SEP-02

15. DESCRIPTION OF ACTION

a. (Indicate funding data for awards or financial changes)

PROGRAM NAME ACRONYM	CFDA NO.	ACCOUNTING DATA (ACCS CODE) XXXX-XXX-XXXXXX-XXXXX- XXXX-XXXX-X	PRIOR TOTAL AWARD	AMOUNT AWARDED THIS ACTION + OR (-)	CURRENT TOTAL AWARD	CUMMULATIVE NON- FEDERAL COMMITMENT
AFG	97.044	2002-03-6410RA-64000000- 4101-D	\$0.00	\$33,898.00	\$33,898.00	\$14,527.00
TOTALS			\$0.00	\$33,898.00	\$33,898.00	\$14,527.00

b. To describe changes other than funding data or financial changes, attach schedule and check here.
N/A

16 a. FOR NON-DISASTER PROGRAMS: RECIPIENT IS REQUIRED TO SIGN AND RETURN THREE (3) COPIES OF THIS DOCUMENT TO FEMA (See Block 7 for address)

Assistance to Firefighters Grant Program recipients are not required to sign and return copies of this document. However, recipients should print and keep a copy of this document for their records.

16b. FOR DISASTER PROGRAMS: RECIPIENT IS NOT REQUIRED TO SIGN

This assistance is subject to terms and conditions attached to this award notice or by incorporated reference in program legislation cited above.

17. RECIPIENT SIGNATORY OFFICIAL (Name and Title)
N/ADATE
N/A18. FEMA SIGNATORY OFFICIAL (Name and Title)
Sylvia CarrollDATE
01-JUL-02

Go Back

Select section to review

Select section to review



Go

STATE OF CALIFORNIA

CERTIFICATE OF TITLE

183030624D8

VEHICLE HISTORY

F965

TRAILER

PERM EXEMPT

VEHICLE ID NUMBER

1SSTT35T2311SS744

YR
MODEL

2003 SCOTT

MAKE

PLATE NUMBER

1158746

BODY TYPE MODEL

CCH

AX UNLADEN
WEIGHT

FUEL

TRANSFER DATE

FEES PAID

NONE

REGISTRATION

EXPIRATION DATE

12/31/2099

YR 1ST
SOLD

CLASS

*YR

MO

EQUIPMT/TRUST NUMBER

ISSUE DATE

07/04/03

2003 KW

JU

MOTORCYCLE ENGINE NUMBER

ODOMETER DATE

ODOMETER READING

REGISTERED OWNER(S)

CITY MERCED
1776 GROGAN AVE
MERCED CA 95340

F-965



I certify under penalty of perjury under the laws of the State of California, that THE SIGNATURE(S) BELOW RELEASES INTEREST IN THE VEHICLE.

1a.

DATE

X

SIGNATURE OF REGISTERED OWNER

1b.

DATE

X

SIGNATURE OF REGISTERED OWNER

Federal and State law requires that you state the mileage upon transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.

The odometer now reads (no tenths), miles and to the best of my knowledge reflects the actual mileage unless one of the following statements is checked.

WARNING ☐ Odometer reading is not the actual mileage. ☐ Mileage exceeds the odometer mechanical limits.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATE	TRANSFEROR/SELLER SIGNATURE(S)	DATE	TRANSFeree/BUYER SIGNATURE(S)
	X		X
PRINTED NAME OF AGENT SIGNING FOR A COMPANY		PRINTED NAME OF AGENT SIGNING FOR A COMPANY	

IMPORTANT READ CAREFULLY

Any change of Lienholder (holder of security interest) must be reported to the Department of Motor Vehicles within 10 days.

LIENHOLDER(S)

2.

X

Signature releases interest in vehicle. (Company names must be countersigned)

Release Date

CA71778299

018396

REG. 17.30 (REV. 10/02)

KEEP IN A SAFE PLACE - VOID IF ALTERED

VOID WITHOUT BEAR WATERMARK. HOLD TO LIGHT TO VIEW.

VOID WITHOUT BEAR WATERMARK. HOLD TO LIGHT TO VIEW.

From: [Melissa Marks](#)
To: [German, Janet](#)
Subject: 2003 SCOTTY Fire Safety House
Date: Monday, August 21, 2017 2:15:06 PM

Dear Janet,

Without a formal inspection of the unit we can not give an appropriate estimate but we can assume that it is worth less than \$3,000 for a 13 year old unit.

Let me know if you need anything else.

Thank you,
Melissa Marks
Mobile Concepts

Sent from my iPhone

German, Janet

From: Paul George [REDACTED]
Sent: Tuesday, August 22, 2017 4:39 PM
To: German, Janet
Subject: Re: Pluggie

That would be about \$2800.00

Paul

Paul George

[REDACTED]
801-489-4466 Ext. 2005
Robotronics
1610 W. 1600 South
Springville, UT 84663

On Tue, Aug 22, 2017 at 5:03 PM, German, Janet <GermanJ@cityofmerced.org> wrote:

Our robot is from 2002.

What is your estimate of the value?

Thank you!

Janet German

City of Merced

Fire Department

99 E. 16th Street

Merced, CA 95340

(209) 385-6982 Direct Line

[\(209\) 489-3218](tel:(209)489-3218) Cell

From: Paul George [mailto: [REDACTED]]
Sent: Tuesday, August 22, 2017 3:54 PM
To: German, Janet <GermanJ@cityofmerced.org>
Subject: Pluggie

Good Afternoon,

For a Pluggie robot that is 2013, its value would be about \$5,000.00. The serial number would start with 2013.

Best Regards,

Paul

Paul George

[REDACTED]
[801-489-4466](tel:801-489-4466) Ext. 2005
Robotronics
1610 W. 1600 South
Springville, UT 84663

SENDER: COMPLETE THIS SECTION

- ☐ Complete items 1, 2, and 3.
- ☐ Print your name and address on the reverse so that we can return the card to you.
- ☐ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Douglas Woods
1111 Broadway Ste. 1200
Oakland, CA 94607



9590 9403 0648 5183 5535 80

2. Article Number (Transfer from service label)

7017 0530 0000 3440 2905

PS Form 3811, April 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
- ☐ Address

B. Received by (Printed Name)

Date of Delivery

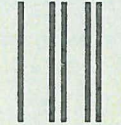
9-7-17

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation
- ☐ Signature Confirmation Restricted Delivery
- ☐ Priority Mail Express®

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4® in this box•

City of Merced Fire Dept.
99 East 16th St.
Merced, CA 95340-5020

USPS TRACKING#



9590 9403 0648 5183 5535 80

U.S. Postal Service™

CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$4.95
Extra Services & Fees (check box, add fee as appropriate)
☒ Return Receipt (hardcopy) \$4.75
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage \$2.10

Total Postage and Fees \$11.30

Sent To

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

Postmark
Here

USPS.com

7017 0530 0000 3440 2905

TANGIBLE PERSONAL PROPERTY REPORT

Final Report SF-428- B

Federal Grant or Other Identifying Number Assigned by Federal Agency (Block 2 on SF-428).

EMW-2002-FG-04005

1. Report (Select all that apply)

- a. ☒ Federally-owned Property (List on Supplemental Sheet SF-428S or recipient equivalent and complete Section 2a below.)
- b. ☐ Acquired Equipment with acquisition cost of \$5,000 or more for which the awarding agency has reserved the right to transfer title (List on Supplemental Sheet SF-428S or recipient equivalent and complete Section 2b below.)
- c. ☐ Residual Unused Supplies with total aggregate fair market value exceeding \$5,000 not needed for any other Federally sponsored programs or projects. (Complete Section 2c below)
- d. ☐ None of the above

2. Complete relevant section(s)

For Agency Use Only

2a. Federally-owned Property (Select one or more.)

Agency response to requested disposition of Federally owned property:

- (i) ☐ Request transfer to Award _____
- (ii) ☒ Request Federal Agency disposition instructions
- (iii) ☐ Other (Provide detail in Block 3 or attach request)

(i) Recipient request approved _____ denied _____

(ii) Dispose in accordance with attached instructions _____

2b. Acquired Equipment (Select one or more.)

Agency response to requested disposition of acquired equipment:

- (i) ☐ Request unconditional transfer of title with no further obligation to the Federal Government.
- (ii) ☒ Request Federal Agency disposition instructions

(i) Recipient request approved _____ denied _____

(ii) Dispose in accordance with attached instructions _____

Note: If the awarding agency does not provide disposition instructions within 120 days the recipient may continue to use the equipment for Federally supported projects or dispose in accordance with the applicable property standards.

Authorized Awarding Agency Official

Signature: [Signature]

Date: 9/6/2017

Name: Michael R Wilkinson

Phone: 209 388 8734

Title: Fire Chief

Email: WILKINSONM@Cityofmerced.org

2c. Reportable Residual Unused Supplies

- (i) ☐ Sale proceeds or ☒ Estimate of current fair market value \$ 5,800
- (ii) Percentage of Federal participation 70 %
- (iii) Federal share \$ 4,060
- (iv) Selling and handling allowance \$ 0
- (v) Amount remitted to the Federal Government..... \$ 0

3. Comments

The City of Merced Fire Department is requesting permission to dispose/sell the awarded equipment (public education trailer and a robotic fire hydrant). Over the course of the last few years, the Fire Department has evolved and changed its delivery of fire safety and educational messages, resulting in the non-use of the trailer and robot. Sign unseen fair market value estimates have been provided by the vendors.

FINAL REPORT ATTACHMENT TO SF-428

Agency use only

TANGIBLE PERSONAL PROPERTY REPORT

Disposition Request/Report SF-428- C

Federal Grant or Other Identifying Number Assigned by Federal Agency (Block 2 of SF-428)

EMW-2002-FG-04005

1. Request Disposition Instructions for:

For Agency Use Only

a. Federally-owned Property
(Select one or more and attach Supplemental Sheet SF-428S or recipient equivalent)
(i) ☒ Request Federal Agency disposition instructions
(ii) ☐ Other (Specify in Block 8 "Comments" or attach request)

Agency response to requested disposition of Federally owned property:

(i) Recipient request approved _____ denied _____
(ii) Dispose in accordance with attached instructions _____

b. Acquired Equipment with current fair market value of \$5,000 or more
(Select one or more and attach Supplemental Sheet SF-428S or recipient equivalent)
(i) ☐ Request approval to trade-in or sell to offset costs of replacement equipment
(ii) ☐ Request Federal Agency disposition instructions

Agency response to requested disposition of acquired equipment:

(i) Recipient request approved _____ denied _____
(ii) Dispose in accordance with attached instructions _____

Authorized Awarding Agency Official

Signature:

Date:

Name:

Phone:

Michael E. Wilkinson

209 388 8736

Title

Email

Fire Chief

WILKINSON.M@CH901

merced.org

2. Report Disposition by Sale or Retention

a. ☐ Retention of acquired equipment for use on non Federally supported projects

b. ☐ Sale of acquired equipment

(Attach Supplemental Sheet SF-428S or recipient equivalent and complete worksheet below)

(i) Sale proceeds (or estimate of current fair market value)..... \$ _____
(ii) Percentage of Federal participation %
(iii) Federal share \$ _____
(iv) Selling and handling allowance \$ _____
(v) Amount remitted to the Federal Government..... \$ _____

3. Report Loss, Destruction or Theft of Federally-owned Property

☐ Loss, Destruction or Theft of Federally-owned property

(Attach Supplemental Sheet SF-428S or recipient equivalent and describe the circumstances in Block 4)

4. Comments

The City of Merced Fire Department is requesting permission to dispose of or sell off the awarded equipment. The awarded equipment is a robotic fire hydrant and a manufactured enclosed trailer, utilized as a public education trailer. Over the years the City of Merced Fire Department has changed its fire safety and education program. This change has resulted in an unnecessary need for the awarded trailer. The estimated value of the trailer is approximately \$3,000 and the robot is estimated at \$2,800.

DISPOSITION REQUEST/REPORT ATTACHMENT TO TPR

Agency use only

From: [Paul George](#)
To: [German, Janet](#)
Subject: Re: Pluggie
Date: Tuesday, August 22, 2017 4:38:58 PM

That would be about \$2800.00

Paul

Paul George


801-489-4466 Ext. 2005
Robotronics
1610 W. 1600 South
Springville, UT 84663

On Tue, Aug 22, 2017 at 5:03 PM, German, Janet <German.J@cityofmerced.org> wrote:

Our robot is from 2002.

What is your estimate of the value?

Thank you!

Janet German

City of Merced

Fire Department

99 E. 16th Street

Merced, CA 95340

[\(209\) 385-6982](tel:(209)385-6982) Direct Line

[\(209\) 489-3218](tel:(209)489-3218) Cell

From: Paul George [mailto: [REDACTED]]
Sent: Tuesday, August 22, 2017 3:54 PM
To: German, Janet <GermanJ@cityofmerced.org>
Subject: Pluggie

Good Afternoon,

For a Pluggie robot that is 2013, its value would be about \$5,000.00. The serial number would start with 2013.

Best Regards,

Paul

Paul George

[REDACTED]
[801-489-4466 Ext. 2005](tel:801-489-4466)
Robotronics
1610 W. 1600 South
Springville, UT 84663

From: [Melissa Marks](#)
To: [German, Janet](#)
Subject: 2003 SCOTTY Fire Safety House
Date: Monday, August 21, 2017 2:15:06 PM

Dear Janet,

Without a formal inspection of the unit we can not give an appropriate estimate but we can assume that it is worth less than \$3,000 for a 13 year old unit.

Let me know if you need anything else.

Thank you,
Melissa Marks
Mobile Concepts

Sent from my iPhone



ADMINISTRATIVE REPORT

Agenda Item I.10.

Meeting Date: 2/5/2018

Report Prepared by: Jolie Houston, Interim City Attorney, City Attorney's Office

SUBJECT: Introduction of Ordinance Regarding Local Business Preference Policy

REPORT IN BRIEF

Considers the introduction of an ordinance allowing for a local preference policy when purchasing goods and services from vendors.

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance 2485**, an Ordinance of the City Council of the City of Merced, California, amending chapter 3.04 by adding section 3.04.215, "Local Business Preference Policy," to the Merced Municipal Code.

ALTERNATIVES

1. Introduce as requested; or,
2. Introduce with amendments (specified in motion); or,
3. Continue to a future meeting; or,
4. Deny this item.

AUTHORITY

City of Merced Charter, Section 200.

CITY COUNCIL PRIORITIES

As it pertains to stimulating the local economy.

DISCUSSION

The City purchases a variety of supplies and services as a part of doing daily business. In addition to common items such as office supplies, the City purchases landscaping materials, hand tools and various parts and supplies. The City also requires the use of non-professional services such as minor construction, including fencing of properties, towing, signage, City automobile repair, miscellaneous facility repairs and more. While many of these purchases and services are not available from vendors in Merced, others are available locally. Staff currently seeks out local vendors whenever possible.

The City Council asked staff to prepare a policy that would require the City to consider and select local businesses, when appropriate, in an effort to support, stimulate, and boost the City of Merced's local economy. Strategies that promote the use of local vendors and service provider's help retain local dollars within the community and strengthen employment. Upon adoption of the ordinance

amending the City of Merced's Municipal Code Chapter 3.04 Purchasing System by adding a new section, Local Business Preference Policy, Council can adopt a Local Business Preference Policy by resolution. By having the Local Business Preference Policy adopted by resolution it may be amended by the Council from time to time without the formalities of an ordinance.

The attached resolution and Local Business Preference Policy will give a competitive preference to local industries and/or companies doing business within the City by requiring that departments consider the locality of industries and/or businesses and their sub-consultants. When more than one business or service provider is considered and they are competitively matched in terms of other criteria, local service providers should be selected. The resolution will be brought to a future meeting for adoption by Council after the attached ordinance is in full effect.

The resolution and Local Business Preference Policy provide that local businesses will be given a 5% local preference for purposes of quantitative comparisons when comparing the prices offered by bidders. Application of the Local Business Preference Policy will be for comparison purposes only when evaluating proposals and will not actually reduce the amount ultimately paid to the successful vendor. This policy will apply in all cases when the City is soliciting proposals for products or services, except as noted below:

- Services provided under a cooperative purchasing agreement.
- Contracts which are funded in whole or in part by a governmental entity, and the laws, regulations or policies governing such funding prohibit application of a local preference.
- Construction (public works) contracts or other contracts procured under authority which requires award to the lowest responsible bidder without an exception for a local preference criterion or which otherwise does not allow consideration of a local preference criterion.
- Contracts procured under emergency situations.
- Purchases not made through competitive bidding, pursuant to Section 3.04.210 of the Merced Municipal Code.
- When the City Manager determines that application of this policy would hinder the operational effectiveness or public benefit of the City.

The local business preference established in the policy will in no way inhibit, limit or restrict the right and obligation of the City to compare quality and fitness for use of services proposed for purchase and will compare the qualifications, character, responsibility and fitness of all persons, firms, or corporations submitting bids or proposals. Nor will the preference established in this policy be construed to prohibit the right of the City from giving any other preference permitted by law. In addition, if the City will be paying sales tax on the purchase, the local business will have to possess a valid resale license from the State Board of Equalization showing evidence of a City of Merced address and the payment of the local share of the sales tax will have to go to the City of Merced. The local business cannot be in default or delinquent on any fee, tax or charge owed to the City of Merced.

The policy will require any vendor or consultant claiming to be a local business to provide a signed declaration when submitting their bid. The City will verify the accuracy of the declaration and will have sole discretion to determine if a consultant meets the definition of "Local Business." A Local Business will be defined as a business or consultant who meets all the following qualifications:

- Has a valid physical address located within the City of Merced from which the vendor or consultant operates or performs business on a day-to-day-basis;
- Has conducted business in the City of Merced for at least six months prior to submittal of a qualifying bid; and
- Holds a valid City of Merced business license for at least six months prior to submittal of a qualifying bid.

IMPACT ON CITY RESOURCES

N/A

ATTACHMENTS

1. Draft Ordinance
2. Draft Resolution

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AMENDING CHAPTER 3.04 BY ADDING
SECTION 3.04.215, “LOCAL BUSINESS
PREFERENCE POLICY,” TO THE MERCED
MUNICIPAL CODE**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN
AS FOLLOWS:**

SECTION 1. ADDITION TO CODE. Section 3.04.215, “Local Preference Policy,” is hereby added to the Merced Municipal Code to read as follows:

“3.04.215 Local Business Preference Policy.

The Council may, by resolution, adopt a local business preference policy which otherwise complies with the regulations of this chapter.”

SECTION 2. EFFECTIVE DATE. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

SECTION 3. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4. PUBLICATION. The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the ____ day of _____, 2018, and was passed and adopted at a regular meeting of said City Council held on the ____ day of _____, 2018, by the following called vote:

AYES: **Council Members:**

NOES: **Council Members:**

ABSTAIN: **Council Members:**

ABSENT: **Council Members:**

APPROVED:

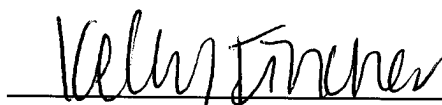
Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

 1/25/18
City Attorney **Date**

NOTICE OF POTENTIAL INTRODUCTION OF ORDINANCE

CITY OF MERCED

NOTICE IS HEREBY GIVEN that on _____, 2018, the City Council of the City of Merced is scheduled to consider the introduction of an Ordinance entitled:

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AMENDING CHAPTER 3.04 BY ADDING
SECTION 3.04.215, "LOCAL BUSINESS
PREFERENCE POLICY," TO THE MERCED
MUNICIPAL CODE**

at its regular meeting to be held at 6:00 pm in the City Council Chambers at 678 West 18th Street, Merced, California. The public is invited to provide any oral or written comments regarding this proposed Ordinance.

If adopted, this Ordinance would allow adoption by resolution of a Local Business Preference Policy.

A copy of the full text of the proposed Ordinance is available for review in the Office of the City Clerk, City of Merced, 678 West 18th Street, Merced, California, and on the City's website at www.cityofmerced.org.

ASSISTANT CITY CLERK

PUBLISH:

PUBLIC NOTICE OF ADOPTION OF ORDINANCE

CITY OF MERCED

ORDINANCE NO. _____

NOTICE IS HEREBY GIVEN that on _____, 2018, the City Council of the City of Merced adopted Ordinance No. _____, entitled:

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AMENDING CHAPTER 3.04 BY ADDING
SECTION 3.04.215, "LOCAL BUSINESS
PREFERENCE POLICY," TO THE MERCED
MUNICIPAL CODE**

Ordinance No. _____ allows adoption by resolution of a Local Business Preference Policy.

Ordinance No. _____ was adopted by the following roll call vote of the City Council:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

A copy of the full text of Ordinance No. _____ is available for review in the Office of the City Clerk, City of Merced, 678 West 18th Street, Merced, California, and on the City's website at www.cityofmerced.org.

ASSISTANT CITY CLERK

PUBLISH:

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MERCED, CALIFORNIA, ADOPTING A
LOCAL BUSINESS PREFERENCE POLICY**

WHEREAS, the City Council of the City of Merced desires to find opportunities to support, stimulate, and boost the City of Merced's economy; and

WHEREAS, strategies that promote the use of local vendors and service providers help retain local dollars within the community and strengthen employment; and

WHEREAS, in order to promote employment and business opportunities for local businesses and give preference to Merced businesses and consultants; and

WHEREAS, a local business preference policy would give competitive preference to local industries and companies doing business with the City by requiring that when more than one business or service provider is considered and they are competitively matched in terms of other criteria, local service providers should be selected; and

WHEREAS, a local business preference policy would provide a 5% local preference for purposes of quantitative comparisons when comparing the prices offered by bidders; and

WHEREAS, Municipal Section Code 3.04.215 allows the City Council of the City of Merced to establish a Local Business Preference Policy by resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED
DOES RESOLVE AS FOLLOWS:

///

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///

SECTION 1. That certain document entitled "Local Business Preference Policy," attached hereto as Exhibit "A," is hereby approved.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

City Attorney

Date

CITY OF MERCED LOCAL BUSINESS PREFERENCE POLICY

The City of Merced recognizes that strategies that promote the use of local vendors and services providers help create a sustainable economy and preserve local businesses. The use of local businesses helps retain local dollars within the community and strengthen employment. It is the policy of the City to promote employment and business opportunities for local businesses on all contracts and give preference to Merced businesses and consultants to the extent consistent with the law and interests of the public.

Local Service Provider

A Local Business is defined as a business or consultant who meets all the following qualifications:

1. Has a valid physical address located within Merced from which the vendor or consultant operates or performs business on a day-to-day-basis;
2. Has conducted business in Merced for at least six months prior to submittal of a qualifying bid; and
3. Holds a valid Merced business license for at least six months prior to submittal of a qualifying bid.

Preference Policy

Departments shall consider the locality of consultants or businesses and their sub-consultants when selecting business for purchases or service contracts. If there is more than one business or service provider being considered and the providers are competitively matched in terms of other criteria, local service providers should be selected.

When comparing the prices offered by bidders, Local Businesses shall be given a 5% local preference for purposes of quantitative comparisons. Application of the local preference is for comparison purposes only when evaluating proposals and does not actually reduce the amount ultimately paid to the successful vendor. This policy applies in all cases when the City is soliciting proposals for products or services, except as noted below.

Exceptions to Local Preference Policy

1. Services provided under a cooperative purchasing agreement.
2. Contracts which are funded in whole or in part by a governmental entity, and the laws, regulations or policies governing such funding prohibit application of a local preference.
3. Construction contracts or other contracts procured under authority which requires award to the lowest responsible bidder without an exception for a local preference criterion or which otherwise does not allow consideration of a local preference criterion.
4. Contracts procured under emergency situations.
5. Purchases not made through competitive bidding, pursuant to Section _____ of the Merced Municipal Code.
6. When the City Manager determines that application of this policy would hinder the operational effectiveness or public benefit of the City.

Quality and Fitness

The preference established in this policy shall in no way be construed to inhibit, limit or restrict the right and obligation of the City to compare quality and fitness for use of services proposed for purchase and compare the qualifications, character, responsibility and fitness of all persons, firms, or corporations submitting bids or proposals. Nor shall the preference established in this policy be construed to prohibit the right of the City from giving any other preference permitted by law.

Other Criteria

Where the City will be paying sales tax on the purchase, the local business must possess a valid resale license from the State Board of Equalization showing evidence of a City of Merced address. The payment of the local share of the sales tax must go to the City of Merced.

The local business must not be in default or delinquent on any fee, tax or charge owed to the City of Merced or the County of Merced.

Verification of Local Business Preference Eligibility

Any vendor or consultant claiming to be a local business shall provide a signed declaration when submitting their bid. The City shall verify the accuracy of the declaration and shall have sole discretion to determine if a consultant meets the definition of “Local Business.”

DRAFT



ADMINISTRATIVE REPORT

Agenda Item J.1.

Meeting Date: 2/5/2018

Report Prepared by: Kelly C. Fincher, Chief Deputy City Attorney

SUBJECT: Cost of Assessment and Report Re: 439 East Olive Avenue (Abatement and Demolition of Building)

REPORT IN BRIEF

Accounting of costs and assessment report for the abatement of a public nuisance located at 439 East Olive Avenue.

RECOMMENDATION

City Council - Adopt a motion:

- A. Conducting a public hearing and consider all testimony and other evidence with regard to the cost of assessment and report for the abatement of a public nuisance located 439 East Olive Avenue, Merced, California; and,
- B. Reviewing and approving the accounting of costs and assessment report for the abatement of a public nuisance located at 439 East Olive Avenue; and,
- C. Establishing the charge for the abatement in the amount of \$14,254.43; and,
- D. Adopting **Resolution 2018-05**, a Resolution of the City Council of the City of Merced, California, confirming the cost assessment report relating to the nuisance abatement at 439 East Olive Avenue, Merced, California, assessing a charge therefor against the property, directing the tax collector of Merced County to collect the delinquent account, and directing the city clerk to file a certified copy of this resolution with the county recorder to provide notice of the lien.

ALTERNATIVES

- 1. Request additional information and continue to a subsequent date.
- 2. Modify the recommended action.
- 3. Disapprove the recommended action.

AUTHORITY

Merced Municipal Code Section 17.16.010.

Chapter 9 of the Uniform Code for the Abatement of Dangerous Buildings:

- Section 901 of the Uniform Code for the Abatement of Dangerous Buildings states as follows:

“The director of public works shall keep an itemized account of the expense incurred by this jurisdiction in the repair or demolition of any building done pursuant to the provisions of Section 701.3, Item 3, of this code. Upon the completion of the work of repair or demolition, said director shall prepare and file with the clerk of this jurisdiction a report specifying the work done, the itemized and total cost of the work, a description of the real property upon which the building or structure is or was located, and the names and addresses of the persons entitled to notice pursuant to Section 401.3.”

- Section 902 provides that the clerk shall present the itemized account of the expense to the legislative body of the jurisdiction for consideration. The legislative body shall hear the report and any protests or objections thereto.
- Section 904 provides that upon the hearing of the matter, the legislative body shall make any such revision, correction, or modification in the report or the charge as it may deem just, and shall confirm or reject the report.
 - Section 905.1 provides that the legislative body may order the charge be made a personal obligation of the property owner or assess said charge against the property involved. If the legislative body opts to make the charge a personal obligation, it shall direct the attorney for the jurisdiction to collect the amount by use of all appropriate legal remedies. If the legislative body orders that the charge be assessed against the property, it shall confirm the assessment, cause it to be recorded on the assessment roll, and thereafter said assessment shall constitute a special assessment against and a lien upon the property.

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget

DISCUSSION

On June 29, 2017, the City of Merced declared that the condition of the building located at 439 East Olive Avenue (the “Property”), also known as Assessor’s Parcel Number 006-124-003, constituted a public nuisance. The owner of the Property was notified of the violation and ordered to bring the Property into compliance or to demolish the building. The owner failed to abate the nuisance or appeal the finding and order. On August 17, 2017, the City of Merced completed an abatement of the public nuisance by demolishing the building on the Property. The declaration of public nuisance and the abatement thereof were conducted pursuant to and in accordance with the Uniform Code for the Abatement of Dangerous Buildings.

The City of Merced has adopted the Uniform Code for the Abatement of Dangerous Buildings as part of the Merced Municipal Code at Section 17.16.010. The Uniform Code for the Abatement of Dangerous Buildings defines what constitutes dangerous buildings and provides a procedure for identifying dangerous buildings and either making them safe or demolishing them. The Code also

provides for notice of violations to the owner(s) of the property and notice of their appeal rights. Finally, as described in the “Authority” section of this report, if the City is forced to abate a nuisance condition, when the abatement is complete, the Code provides for the collection by the City of the costs of abatement.

History of Abatement of Nuisance on the Property

Since approximately May 2014, the Property was “Red-tagged” and the house posted “Unsafe to Occupy” due to lack of water, sewer, and garbage service. The Property quickly fell into disrepair, attracting transients for activities that were unsafe. A detached garage on the Property was completely destroyed by fire in 2015. The house on the Property sustained significant structural damage from two separate fires in 2016. In an attempt to locate the owner of the Property, it was discovered that the owner passed away in October 2012, and no probate proceeding was initiated with respect to the estate.

On April 9, 2017, an Inspection Warrant was issued by the Merced Superior Court allowing the City and designated representatives to enter upon the Property and determine whether conditions of non-conformity existed in violation of the Merced Municipal Code. On April 11, 2017, Code Enforcement Officer Jackie Hicks inspected the Property along with Assistant Chief Building Official Richard Graves of the City of Merced Building Department, Fire Marshal Mike Stephenson of the City of Merced Fire Department, and representatives of Unruh Bobcat Service and Taylor Backhoe Service.

After the inspection, it was determined that the Property was in violation of many sections of the Merced Municipal Code, the Building Code, and the Uniform Code for the Abatement of Dangerous Buildings. Many of these provisions are overlapping in effect, so City staff complied with the procedures provided in the Uniform Code for the Abatement of Dangerous Buildings to issue the owner of record a “Notice and Order to Repair or Demolish Substandard Housing” which cited the many violations of the Uniform Code for the Abatement of Dangerous Buildings. Included in the Notice and Order to Repair or Demolish Substandard Housing was an instruction to the owner of record to bring the Property into compliance with the codes or to demolish the building. The Notice and Order to Repair or Demolish Substandard Housing stated that if the owner of record did not comply, the City could demolish the building and charge the Property owner for the cost. The Notice and Order to Repair or Demolish also stated the Property owner’s appeal rights. The City did not receive a notice of appeal, and the Property remained in an abandoned, dilapidated and substandard condition.

The City Attorney’s Office sought and obtained an Abatement Warrant for authority from the Court to enter onto the Property and to demolish the building. The Abatement Warrant was issued on August 9, 2017. The City’s hired contractor, Unruh Bobcat Service, completed demolition of the building on August 17, 2017.

The City has expended funds for the cost of demolition, for staff time involved in the inspections and securing the building, and the process of obtaining authority from the Court to abate the nuisance on the Property as set forth in Attachment “A” hereto.

As addressed in the “Authority” section of this report, if the City wishes to recover its costs with

regard to abatement, the City Council must review and approve the accounting of the costs presented. The City Council may make changes it deems to be just. Once the City Council has approved the cost report and the charge based thereon, the City Council may order that the charge be made an assessment and a lien against the Property, and not a personal obligation of the owner, in light of the fact that the Property owner is deceased and there are no known heirs or devisees.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Attachment A - Cost Assessment Report - Public Nuisance Abatement by the City of Merced Pertaining to 439 East Olive Avenue
2. Attachment B - Confirming Resolution

ATTACHMENT A

COST ASSESSMENT REPORT PUBLIC NUISANCE ABATEMENT BY THE CITY OF MERCED

439 EAST OLIVE AVENUE

This Cost Assessment Report pertains to the nuisance abatement proceedings regarding property located at 439 East Olive Avenue in Merced, California, also known as Assessor's Parcel No.: 006-124-003-000.

<u>Item</u>	<u>Cost</u>
1) Contract for Asbestos Testing Bovee Environmental Management	\$ 1,000.00
2) Contract for Demolition Unruh Bobcat Service	\$10,800.00
3) Staff Time (Staff time is reported below)	\$2,454.43
TOTAL	<u>\$14,254.43</u>

SUMMARY OF COSTS RELATED TO STAFF TIME

<u>Title</u>	<u>Total</u>
City Manager	\$ 54.50
Community Services Officer	\$989.10
Land Engineer	\$603.56
Assistant Chief Building Official	\$556.25
Fire Marshal	\$251.02

ATTACHMENT A

CITY MANAGER

DATE: **ITEM:** **RATE:** **TIME:** **COST:**

6/20/2017	Met with Code Enforcement Team re: Choice of Contractors and Demolition	\$217.98	.25	\$54.50
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TOTAL: \$54.50

COMMUNITY SERVICES OFFICER

DATE: **ITEM:** **RATE:** **TIME:** **COST:**

3/15/2016	Site Inspection & Photos	\$87.92	1.5	\$131.88
8/26/2016	Consult with City Attorney re Inspection Warrant	\$87.92	1.0	\$87.92
3/23/2017	Post Inspection Warrant on Property	\$87.92	.5	\$43.96
3/28/2017	Conduct Inspection Warrant with Assistant Chief Building Official, Fire Marshal, and interested Demolition Contractors	\$87.92	2.0	\$175.84
4/11/2017	Consult with City Attorney, Assistant Chief Building Official, and Land Engineer Re: Need for Inspection Warrant for Asbestos Testing	\$87.92	1.0	\$87.92
5/26/2017	Post Inspection Warrant for Asbestos Testing on Property	\$87.92	.5	\$43.96
5/31/2017	Site Inspection & Asbestos Testing	\$87.92	1.5	\$131.88
6/1/2017	Consult with City Attorney, Assistant Chief Building Official & Land Engineer re Asbestos testing results	\$87.92	1.0	\$87.92
6/20/2017	Consult with City Manager and City Attorney to Review Demolition Contractor Bids and Need for Inspection Warrant for Demolition	\$87.92	.75	\$65.94
8/10/2017	Post Abatement Warrant	\$87.92	.5	\$43.96
8/17/2017	Met with Demolition Contractor at Property for Demolition	\$87.92	1.0	\$87.92

TOTAL: \$989.10

ATTACHMENT A

ASSISTANT CHIEF BUILDING OFFICIAL

DATE: **ITEM:** **RATE:** **TIME:** **COST:**

3/28/2017	Conduct Inspection Warrant with Community Services Officer, Fire Marshal, and interested Demolition Contractors	\$123.61	2.0	\$247.22
4/11/2017	Consult with City Attorney, Community Services Officer, and Land Engineer Re: Need for Inspection Warrant for Asbestos Testing	\$123.61	1.0	\$123.61
6/1/2017	Review Asbestos Testing Report from Bovee Environmental Management	\$123.61	.5	\$61.81
6/29/2017	Prepared and mailed Notice & Order to Repair or Demolish	\$123.61	1.0	\$123.61

TOTAL: \$556.25

LAND ENGINEER:

DATE: **ITEM:** **RATE:** **TIME:** **COST:**

3/28/2017	Conduct Inspection Warrant with Community Services Officer, Assistant Chief Building Official, Fire Marshal, and interested Demolition Contractors	\$100.59	2.0	\$201.18
4/11/2017	Consult with City Attorney, Assistant Chief Building Official, and Community Services Officer Re: Need for Inspection Warrant for Asbestos Testing	\$100.59	1.0	\$100.59
4/17/2017	Consult with San Joaquin Valley Air Control District Regarding Asbestos Testing	\$100.59	.5	\$50.30
4/18/2017	Consult with Bovee Environmental Management RE: Asbestos Testing	\$100.59	.5	\$50.30
6/1/2017	Review Asbestos Testing Report	\$100.59	.5	\$50.30

ATTACHMENT A

8/10/2017	Place Work Order with Public Works to Disconnect and Cap Water and Sewer Services	\$100.59	.25	\$25.15
8/10/2017	Place Work Order with PG&E to Disconnect Power and Cap Gas Lines	\$100.59	.25	\$25.15
8/17/2017	Met with Demolition Contractor at Property for Demolition	\$100.59	1.0	\$100.59

TOTAL: \$603.56

FIRE MARSHAL:

DATE: ITEM: RATE: TIME: COST:

3/28/2017	Conduct Inspection Warrant with Community Services Officer and interested Demolition Contractors	\$125.51	2.0	\$251.02
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TOTAL: \$251.02

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
CONFIRMING THE COST ASSESSMENT
REPORT RELATING TO THE NUISANCE
ABATEMENT AT 439 EAST OLIVE AVENUE,
MERCED, CALIFORNIA, ASSESSING A CHARGE
THEREFOR AGAINST THE PROPERTY,
APPROVING A LIEN AGAINST THE PROPERTY,
DIRECTING THE TAX COLLECTOR OF
MERCED COUNTY TO COLLECT THE
DELINQUENT ACCOUNT, AND DIRECTING THE
CITY CLERK TO FILE A CERTIFIED COPY OF
THIS RESOLUTION WITH THE COUNTY
RECORDER TO PROVIDE NOTICE OF THE
LIEN**

WHEREAS, The City of Merced declared the condition of the building located at 439 East Olive Avenue owned by Ana Mayorga to be a public nuisance and a dangerous building pursuant to the Uniform Code for the Abatement of Dangerous Buildings, as adopted by Ordinance by the City Council; and,

WHEREAS, The City of Merced notified the owner of the building that the building was in violation of the Uniform Code for the Abatement of Dangerous Buildings and ordered that the building should either be brought into compliance or demolished; and,

WHEREAS, The owner of the building at 439 East Olive Avenue failed to bring the building into compliance or to demolish the building within a reasonable time; and,

WHEREAS, The condition of the building constituted an eminent threat to the health, safety, and welfare of the citizens of the City of Merced; and,

WHEREAS, Upon the failure of the owner to abate the public nuisance located at 439 East Olive Avenue, the City after seeking judicial approval caused the public nuisance to be abated by the demolition and removal of the building located thereon; and,

WHEREAS, The City of Merced has incurred costs as a result of the abatement; and,

WHEREAS, The Uniform Code for the Abatement of Dangerous Buildings authorizes the City to recover its costs of abatement pursuant to Chapter 9 of said Uniform Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED HEREBY RESOLVES, DETERMINES, FINDS, DECLARES, AND ORDERS AS FOLLOWS:

SECTION 1. The statement of amount due for the demolition of the public nuisance located at 439 East Olive Avenue, Merced, California, as reported in the attached Cost Assessment Report, is appropriate.

SECTION 2. The time and place for submitting the report to the City Council has been noticed as required by law.

SECTION 3. The date and time for the hearing and considering the report has been noticed as the 5th day of February 2018, at 6:00 p.m., City Hall, Council Chambers, Merced, California.

SECTION 4. At the hearing, all those desiring to present evidence and testimony were provided the opportunity to do so.

SECTION 5. The City Council finds, after evaluating all testimony and other evidence, that said itemization of costs incurred by the City is correct and that the amounts charged are reasonable.

SECTION 6. The City Council hereby agrees with the abatement of said nuisance, orders and confirms the Cost Assessment Report attached as Attachment "A," and orders and confirms the charge described therein for the abatement of the nuisance.

SECTION 7. The City Council further orders that the charge be assessed against the property and directs the Tax Collector of the County of Merced to place the charge on the assessment roll to constitute a special assessment and a lien upon the property.

SECTION 8. The City Council directs the City Clerk to file this Resolution with Attachment "A" with the County Recorder of the County of Merced to provide notice of the lien against the property.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the 5th day of February 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVEN CARRIGAN, CITY CLERK

BY: _____
Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:



City Attorney



ADMINISTRATIVE REPORT

Agenda Item J.2.

Meeting Date: 2/5/2018

Report Prepared by: Kelly C. Fincher, Chief Deputy City Attorney

SUBJECT: Cost of Assessment and Report Re: 960 West 11th Street (Abatement and Demolition of Building)

REPORT IN BRIEF

Accounting of costs and assessment report for the abatement of a public nuisance located at 960 West 11th Street.

RECOMMENDATION

City Council - Adopt a motion:

- A. Conducting a public hearing and consider all testimony and other evidence with regard to the cost of assessment and report for the abatement of a public nuisance located 960 West 11th Street, Merced, California.
- B. Reviewing and approving the accounting of costs and assessment report for the abatement of a public nuisance located at 960 West 11th Street.
- C. Establish the charge for the abatement in the amount of \$23,443.03.
- D. Adopting **Resolution 2018-06**, a Resolution of the City Council of the City of Merced, California, confirming the cost assessment report relating to the nuisance abatement at 960 West 11th Street, Merced, California, assessing a charge therefor against the property, directing the tax collector of Merced County to collect the delinquent account, and directing the city clerk to file a certified copy of this resolution with the county recorder to provide notice of the lien.

ALTERNATIVES

- 1. Request additional information and continue to a subsequent date.
- 2. Modify the recommended action.
- 3. Disapprove the recommended action.

AUTHORITY

Merced Municipal Code Section 17.16.010.

Chapter 9 of the Uniform Code for the Abatement of Dangerous Buildings:

- Section 901 of the Uniform Code for the Abatement of Dangerous Buildings states as follows:

“The director of public works shall keep an itemized account of the expense incurred by this jurisdiction in the repair or demolition of any building done pursuant to the provisions of Section 701.3, Item 3, of this code. Upon the completion of the work of repair or demolition, said director shall prepare and file with the clerk of this jurisdiction a report specifying the work done, the itemized and total cost of the work, a description of the real property upon which the building or structure is or was located, and the names and addresses of the persons entitled to notice pursuant to Section 401.3.”

- Section 902 provides that the clerk shall present the itemized account of the expense to the legislative body of the jurisdiction for consideration. The legislative body shall hear the report and any protests or objections thereto.
- Section 904 provides that upon the hearing of the matter, the legislative body shall make any such revision, correction, or modification in the report or the charge as it may deem just, and shall confirm or reject the report.
- Section 905.1 provides that the legislative body may order the charge be made a personal obligation of the property owner or assess said charge against the property involved. If the legislative body opts to make the charge a personal obligation, it shall direct the attorney for the jurisdiction to collect the amount by use of all appropriate legal remedies. If the legislative body orders that the charge be assessed against the property, it shall confirm the assessment, cause it to be recorded on the assessment roll, and thereafter said assessment shall constitute a special assessment against and a lien upon the property.

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget

DISCUSSION

On June 29, 2017, the City of Merced declared that the condition of the building located at 960 West 11th Street (the “Property”), also known as Assessor’s Parcel Number 032-043-001, constituted a public nuisance. The owner of the Property was notified of the violation and ordered to bring the Property into compliance or to demolish the building. The owner failed to abate the nuisance or appeal the finding and order. On August 8, 2017, the City of Merced completed an abatement of the public nuisance by demolishing the building on the Property. The declaration of public nuisance and the abatement thereof were conducted pursuant to and in accordance with the Uniform Code for the Abatement of Dangerous Buildings.

The City of Merced has adopted the Uniform Code for the Abatement of Dangerous Buildings as part of the Merced Municipal Code at Section 17.16.010. The Uniform Code for the Abatement of Dangerous Buildings defines what constitutes dangerous buildings and provides a procedure for identifying dangerous buildings and either making them safe or demolishing them. The Code also

provides for notice of violations to the owner(s) of the property and notice of their appeal rights. Finally, as described in the “Authority” section of this report, if the City is forced to abate a nuisance condition, when the abatement is complete, the Code provides for the collection by the City of the costs of abatement.

History of Abatement of Nuisance on the Property

Since approximately June 2015, the City has responded to numerous complaints regarding this Property. On June 4, 2015, City of Merced Code Enforcement inspected the property from the public right-of-way and noted visible evidence of squatters and/or vandals frequenting the Property. The Property was unsecured and appeared abandoned for quite some time. Code Enforcement also determined that overgrown dead vegetation and debris about the Property rendered it a fire hazard. The Property was “Red-tagged” and the house posted “Unsafe to Occupy.” In April 2016, the City was notified of fire damage to the Property. Upon inspection, the City noted that the Property was once again unsecured, and there was evidence of squatters living on the premise. On April 22, 2016, the City re-inspected the Property and found that the locks securing the Property were cut and observed squatters living in the house and garage. A third fire on the Property occurred on June 20, 2016. On July 4, 2016, the City checked on the Property and observed additional fire damage to the house. On July 3, 2017, a fourth fire occurred on the Property. City officials observed evidence of squatters and/or transients living in the basement. The house on the Property sustained significant structural damage from fires over the past year and a half and quickly became a threat to the public to the public’s safety. In an attempt to locate the owner of the Property, it was discovered that the owner passed away in August 1994, and no probate proceeding was initiated with respect to the estate.

On March 22, 2017, an Inspection Warrant was issued by the Merced Superior Court allowing the City and designated representatives to enter upon the Property and determine whether conditions of non-conformity existed in violation of the Merced Municipal Code. On March 28, 2017, Code Enforcement Officer Tim Farmer inspected the Property along with Assistant Chief Building Official Richard Graves of the City of Merced Building Department, Fire Marshal Mike Stephenson of the City of Merced Fire Department, and representatives of Unruh Bobcat Service and Taylor Backhoe Service.

After the inspection, it was determined that the Property was in violation of many sections of the Merced Municipal Code, the Building Code, and the Uniform Code for the Abatement of Dangerous Buildings. Many of these provisions are overlapping in effect, so City staff complied with the procedures provided in the Uniform Code for the Abatement of Dangerous Buildings to issue the owner of record a “Notice and Order to Repair or Demolish Substandard Housing” which cited the many violations of the Uniform Code for the Abatement of Dangerous Buildings. Included in the Notice and Order to Repair or Demolish Substandard Housing was an instruction to the owner of record to bring the Property into compliance with the codes or to demolish the building. The Notice and Order to Repair or Demolish Substandard Housing stated that if the owner of record did not comply, the City could demolish the building and charge the Property owner for the cost. The Notice and Order to Repair or Demolish also stated the Property owner’s appeal rights. The City did not receive a notice of appeal, and the Property remained in an abandoned, dilapidated and substandard condition.

The City Attorney's Office sought and obtained an Abatement Warrant for authority from the Court to enter onto the Property and to demolish the building. The Abatement Warrant was issued on July 26, 2017. The City's hired contractor, Unruh Bobcat Service, completed demolition of the building on August 8, 2017.

The City has expended funds for the cost of demolition, for staff time involved in the inspections and securing the building, and the process of obtaining authority from the Court to abate the nuisance on the Property as set forth in Attachment "A" hereto.

As addressed in the "Authority" section of this report, if the City wishes to recover its costs with regard to abatement, the City Council must review and approve the accounting of the costs presented. The City Council may make changes it deems to be just. Once the City Council has approved the cost report and the charge based thereon, the City Council may order that the charge be made an assessment and a lien against the Property, and not a personal obligation of the owner, in light of the fact that the Property owner is deceased and there are no known heirs or devisees.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Attachment A - Cost Assessment Report - Public Nuisance Abatement by the City of Merced Pertaining to 439 East Olive Avenue
2. Attachment B - Confirming Resolution

ATTACHMENT A

COST ASSESSMENT REPORT
PUBLIC NUISANCE ABATEMENT
BY THE CITY OF MERCED

960 WEST 11TH STREET

This Cost Assessment Report pertains to the nuisance abatement proceedings regarding property located at 960 West 11th Street in Merced, California, also known as Assessor's Parcel No.: 032-043-001.

<u>Item</u>	<u>Cost</u>
1) Contract for Asbestos Testing Bovee Environmental Management	\$ 1,000.00
2) Contract for Demolition Unruh Bobcat Service	\$19,621.77
3) Staff Time (Staff time is reported below)	
	\$2,821.26
TOTAL	<u>\$23,443.03</u>

SUMMARY OF COSTS RELATED TO STAFF TIME

<u>Title</u>	<u>Total</u>
City Manager	\$ 54.50
Community Services Officer	\$989.10
Land Engineer	\$603.56
Assistant Chief Building Official	\$556.25
Fire Marshal	\$251.02
Fire Chief	\$366.83

ATTACHMENT A

CITY MANAGER

DATE: **ITEM:** **RATE:** **TIME:** **COST:**

6/20/2017	Met with Code Enforcement Team re: Choice of Contractors and Demolition	\$217.98	.25	\$54.50
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TOTAL: \$54.50

COMMUNITY SERVICES OFFICER

DATE: **ITEM:** **RATE:** **TIME:** **COST:**

7/4/2016	Site Inspection & Photos	\$87.92	1.0	\$87.92
7/4/2016	Prepare and Mail Administrative Citation	\$87.92	.5	\$43.96
1/17/2017	Consult with City Attorney re Inspection Warrant	\$87.92	1.0	\$87.92
3/23/2017	Post Inspection Warrant on Property	\$87.92	.5	\$43.96
3/28/2017	Conduct Inspection Warrant with Assistant Chief Building Official, Fire Marshal, and interested Demolition Contractors	\$87.92	2.0	\$175.84
4/11/2017	Consult with City Attorney, Assistant Chief Building Official, and Land Engineer Re: Need for Inspection Warrant for Asbestos Testing	\$87.92	1.0	\$87.92
5/26/2017	Post Inspection Warrant for Asbestos Testing on Property	\$87.92	.5	\$43.96
5/31/2017	Site Inspection & Asbestos Testing	\$87.92	1.5	\$131.88
6/1/2017	Consult with City Attorney, Assistant Chief Building Official & Land Engineer re Asbestos testing results	\$87.92	1.0	\$87.92
6/20/2017	Consult with City Manager and City Attorney to Review Demolition Contractor Bids and Need for Inspection Warrant for Demolition	\$87.92	.75	\$65.94
7/27/2017	Post Abatement Warrant at 960 West 11 th Street	\$87.92	.5	\$43.96
7/31/2017	Met with Demolition Contractor at Property for Demolition	\$87.92	1.0	\$87.92

TOTAL: \$989.10

ATTACHMENT A

ASSISTANT CHIEF BUILDING OFFICIAL

DATE: **ITEM:** **RATE:** **TIME:** **COST:**

3/28/2017	Conduct Inspection Warrant with Community Services Officer, Fire Marshal, and interested Demolition Contractors	\$123.61	2.0	\$247.22
4/11/2017	Consult with City Attorney, Community Services Officer, and Land Engineer Re: Need for Inspection Warrant for Asbestos Testing	\$123.61	1.0	\$123.61
6/1/2017	Review Asbestos Testing Report from Bovee Environmental Management	\$123.61	.5	\$61.81
6/29/2017	Prepared and mailed Notice & Order to Repair or Demolish	\$123.61	1.0	\$123.61

TOTAL: \$556.25

LAND ENGINEER:

DATE: **ITEM:** **RATE:** **TIME:** **COST:**

3/28/2017	Conduct Inspection Warrant with Community Services Officer, Assistant Chief Building Official, Fire Marshal, and interested Demolition Contractors	\$100.59	2.0	\$201.18
4/11/2017	Consult with City Attorney, Assistant Chief Building Official, and Community Services Officer Re: Need for Inspection Warrant for Asbestos Testing	\$100.59	1.0	\$100.59
4/17/2017	Consult with San Joaquin Valley Air Control District Regarding Asbestos Testing	\$100.59	.5	\$50.30
4/18/2017	Consult with Bovee Environmental Management RE: Asbestos Testing	\$100.59	.5	\$50.30
6/1/2017	Review Asbestos Testing Report	\$100.59	.5	\$50.30

ATTACHMENT A

7/10/2017	Place Work Order with Public Works to Disconnect and Cap Water and Sewer Services	\$100.59	.25	\$25.15
7/10/2017	Place Work Order with PG&E to Disconnect Power and Cap Gas Lines	\$100.59	.25	\$25.15
7/31/2017	Met with Demolition Contractor at Property for Demolition	\$100.59	1.0	\$100.59

TOTAL: \$603.56

FIRE MARSHAL:

DATE: ITEM: RATE: TIME: COST:

3/28/2017	Conduct Inspection Warrant with Community Services Officer and interested Demolition Contractors	\$125.51	2.0	\$251.02
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TOTAL: \$251.02

FIRE CHIEF:

DATE: ITEM: RATE: TIME: COST:

7/5/2017	Consult with City Attorney, Community Services Officer regarding recent structure fire and need for summary abatement on property	\$146.73	1.5	\$220.10
7/31/2017	Met with Demolition Contractor at Property for Demolition	\$146.73	1.0	\$146.73

TOTAL: \$ 366.83

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
CONFIRMING THE COST ASSESSMENT
REPORT RELATING TO THE NUISANCE
ABATEMENT AT 960 WEST 11TH STREET,
MERCED, CALIFORNIA, ASSESSING A CHARGE
THEREFOR AGAINST THE PROPERTY,
APPROVING A LIEN AGAINST THE PROPERTY,
DIRECTING THE TAX COLLECTOR OF
MERCED COUNTY TO COLLECT THE
DELINQUENT ACCOUNT, AND DIRECTING THE
CITY CLERK TO FILE A CERTIFIED COPY OF
THIS RESOLUTION WITH THE COUNTY
RECORDER TO PROVIDE NOTICE OF THE
LIEN**

WHEREAS, The City of Merced declared the condition of the building located at 960 West 11th Street owned by Tecla Mendoza to be a public nuisance and a dangerous building pursuant to the Uniform Code for the Abatement of Dangerous Buildings, as adopted by Ordinance by the City Council; and,

WHEREAS, The City of Merced notified the owner of the building that the building was in violation of the Uniform Code for the Abatement of Dangerous Buildings and ordered that the building should either be brought into compliance or demolished; and,

WHEREAS, The owner of the building at 960 West 11th Street failed to bring the building into compliance or to demolish the building within a reasonable time; and,

WHEREAS, The condition of the building constituted an eminent threat to the health, safety, and welfare of the citizens of the City of Merced; and,

WHEREAS, Upon the failure of the owner to abate the public nuisance located at 439 East Olive Avenue, the City after seeking judicial approval caused the public nuisance to be abated by the demolition and removal of the building located thereon; and,

WHEREAS, The City of Merced has incurred costs as a result of the abatement; and,

WHEREAS, The Uniform Code for the Abatement of Dangerous Buildings authorizes the City to recover its costs of abatement pursuant to Chapter 9 of said Uniform Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED HEREBY RESOLVES, DETERMINES, FINDS, DECLARES, AND ORDERS AS FOLLOWS:

SECTION 1. The statement of amount due for the demolition of the public nuisance located at 960 West 11th Street, Merced, California, as reported in the attached Cost Assessment Report, is appropriate.

SECTION 2. The time and place for submitting the report to the City Council has been noticed as required by law.

SECTION 3. The date and time for the hearing and considering the report has been noticed as the 5th day of February 2018, at 6:00 p.m., City Hall, Council Chambers, Merced, California.

SECTION 4. At the hearing, all those desiring to present evidence and testimony were provided the opportunity to do so.

SECTION 5. The City Council finds, after evaluating all testimony and other evidence, that said itemization of costs incurred by the City is correct and that the amounts charged are reasonable.

SECTION 6. The City Council hereby agrees with the abatement of said nuisance, orders and confirms the Cost Assessment Report attached as Attachment "A," and orders and confirms the charge described therein for the abatement of the nuisance.

SECTION 7. The City Council further orders that the charge be assessed against the property and directs the Tax Collector of the County of Merced to place the charge on the assessment roll to constitute a special assessment and a lien upon the property.

SECTION 8. The City Council directs the City Clerk to file this Resolution with Attachment "A" with the County Recorder of the County of Merced to provide notice of the lien against the property.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the 5th day of February 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVEN CARRIGAN, CITY CLERK

BY: _____
Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:



City Attorney



ADMINISTRATIVE REPORT

Agenda Item K.1.

Meeting Date: 2/5/2018

Report Prepared by: Ken F. Elwin, PE, Director of Public Works

SUBJECT: Applegate Park Play Equipment

REPORT IN BRIEF

Requests Council direction on the proposed replacement of the Applegate Park play structure.

RECOMMENDATION

Provide direction to staff on how to proceed with replacement of play equipment at Applegate Park.

ALTERNATIVES

1. Direct staff to proceed with an option outlined in this report; or,
2. Refer to staff for reconsideration of specific items; or,
3. Deny.

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

Addresses Council Priority for Park Maintenance.

DISCUSSION

The Applegate Park play equipment was installed in February 1997. Over the years, there have been various repairs to the equipment, which include replacing components such as slides, swings, etc., at the park. Unfortunately, the play equipment is nearly 21 years old and has met its useful lifespan.

An inspection was performed at the park and it was determined that the structure should be completely removed due to safety concerns. The play structure was closed to the public on January 17, 2018, and staff began the process of removing the play equipment. Any salvageable pieces have been kept for re-use; however, the bulk of the play structure is no longer operational.

Most of the decking and bridge components were beyond repair and needed to be replaced on the existing structure; the availability of replacement parts makes repair unlikely. In order to properly address the safety concerns with the park equipment, staff recommends completely replacing the play structure.

No funds have been budgeted for a park replacement project and a supplemental appropriation

would be required in order to address this issue. Staff will be providing playground layout options, and associated costs, at the meeting and is seeking Council's direction on how to proceed.

IMPACT ON CITY RESOURCES

If Council approves replacing the play structure at Applegate Park, a supplemental appropriation from either the General Fund and/or Fund 442 Park Reserve would be required to move forward.

ATTACHMENTS

1. Location Map





ADMINISTRATIVE REPORT

Agenda Item K.2.

Meeting Date: 2/5/2018

Report Prepared by: Kim Espinosa, Planning Manager, Development Services Department

SUBJECT: Options for Cannabis Tax Measure

REPORT IN BRIEF

The City Council will receive an overview of the options for a cannabis tax measure.

RECOMMENDATION

Provide input and direction to staff on the various cannabis tax options and timing to allow for the preparation of a tax ordinance.

ALTERNATIVES

Not applicable

AUTHORITY

Section 20,44,170(O)(6) of the recently adopted Ordinance No. 2480 calls for additional cannabis-specific gross receipts, excise, cultivation, or any other tax approved by the voters of Merced.

CITY COUNCIL PRIORITIES

On March 29, 2017, the City Council held a study session on priorities and medical marijuana regulations were listed under "City Administration-Current Projects."

DISCUSSION

At the City Council meeting, City staff and SCI Consulting will present information about options for a cannabis tax measure. The City Council will then be asked to provide direction to staff for preparation of an ordinance and the possible timing of proposing a cannabis tax measure for consideration by the voters.

IMPACT ON CITY RESOURCES

At the meeting, the City Council will receive information about potential revenue generated by a cannabis tax and the steps that staff are taking to test the timing and viability of the cannabis tax measure and a draft ordinance related to the proposed options.

ATTACHMENTS

1. Draft Ordinance

ORDINANCE NO. XXXX

AN ORDINANCE OF THE PEOPLE OF THE CITY OF MERCED, CALIFORNIA, ADDING CHAPTER XXXX TO THE CITY OF MERCED MUNICIPAL CODE, APPROVING AND IMPLEMENTING A COMMERCIAL CANNABIS BUSINESS TAX

THE PEOPLE OF CITY OF MERCED ORDAIN:

SECTION 1. Special Tax.

The Commercial Cannabis Business Tax is enacted solely to raise revenue for specific governmental purposes for the City of Merced and not for purposes of regulation or of raising revenues for regulatory purposes. All of the proceeds from the tax imposed by this Chapter shall be used exclusively to maintain local police and fire protection services such as protecting and maintaining 9-1-1 emergency response times; maintaining neighborhood based policing; reducing illegal dumping, neighborhood crime and fire risks; addressing homelessness to keep public areas safe and secure for all residents; and retaining skilled police officers and firefighters, and cannot be spent for any other purpose. .

SECTION 2. Purpose.

A. To ensure that the cannabis industry will pay its fair share for the right to conduct business within our city by imposing a tax on the privilege of cultivating, manufacturing, processing, storing, laboratory testing, labeling, packaging, transporting, distributing, delivering, or sale of adult-use or medicinal cannabis or adult-use or medicinal cannabis products by commercial cannabis businesses in the City of Merced, pursuant to the state Medicinal and Adult-Use Cannabis Regulation and Safety Act, or other enabling legislation. As a Business License Tax, no users or medical patients who are not commercial cannabis businesses will pay this tax. These revenues will remain locally-controlled and are not subject to seizure by the State. All revenues are required to be spent in the City of Merced to maintain or enhance local police and fire services, and preserve the City's long-term financial stability.

SECTION 3. City of Merced Municipal Code Chapter XXXX is hereby repealed and replaced by Chapter XXXX to read:

COMMERCIAL CANNABIS BUSINESS TAX

- X.XX.XXX Imposition of Tax.
- X.XX.XXX Definitions.
- X.XX.XXX Payment Obligation.
- X.XX.XXX Remittance.
- X.XX.XXX Payment of Tax Does Not Authorize Unlawful Business or Activity.
- X.XX.XXX Modification, Repeal or Amendment.
- X.XX.XXX Administration.

X.XX.XXX Imposition of Tax.

A. Tax on Commercial Cannabis Cultivation:

1. Every person engaged in commercial cannabis cultivation in the city limits of the City of Merced shall pay an annual commercial cannabis business tax of up to \$25.00 per square foot or a 10% on gross receipts cultivation area.
2. Notwithstanding the maximum tax rate established by this ordinance, the City Council may at its discretion, at any time by resolution, implement a lower tax rate for all persons engaged in commercial cannabis cultivation within the City of Merced city limits for different categories of commercial cannabis cultivation subject to the maximum rate established in subsection (A)(1). The City Council may, by resolution, also increase any such tax rate from time to time, not to exceed the maximum tax rate established in subsection (A)(1).
3. Pursuant to subsection (A), the commercial cannabis business tax on commercial cannabis cultivation is to be initially imposed as follows:

Cultivation Area (s/f) - Indoor		Rate per s/f
Commercial A - Specialty Indoor	0 - 5000	\$7.00
Commercial B - Small Indoor	5,000 - 10,000	\$10.00
Commercial C - Medium Indoor	10,000 - 22,000	\$15.00
Commercial D - Large Indoor	over 22,000	\$20.00

Or

Cultivation Area (s/f) - Indoor		% of Gross Receipts
Commercial A - Specialty Indoor	0 - 5000	4%
Commercial B - Small Indoor	5,000 - 10,000	6%
Commercial C - Medium Indoor	10,000 - 22,000	8%
Commercial D - Large Indoor	over 22,000	10%

B. Tax on Commercial Cannabis Nurseries:

1. Every person engaged in commercial cannabis nurseries in the city limits of the City of Merced shall pay an annual commercial cannabis business tax at a rate of \$4.00 per square foot of nursery area.
2. Notwithstanding the maximum tax rate established by this ordinance, the City Council may at its discretion, at any time by resolution, implement a lower tax rate for all persons engaged in commercial cannabis nurseries within the City of Merced city limits subject to the maximum rate established in subsection (B)(1). The City Council may, by resolution, also increase any such tax rate from time to time, not to exceed the maximum tax rate established in subsection (B)(1).
3. Pursuant to subsection (B), the commercial cannabis business tax on commercial cannabis nurseries are to be initially imposed at the following rate:

Operator	Rate per s/f
Nurseries	\$0.50

C. Tax on Commercial Cannabis Manufacturing:

1. Every person engaged in commercial cannabis manufacturing in the city limits of the City of Merced shall pay an annual commercial cannabis business tax at a rate of \$25.00 per square foot of manufacturing area.
2. Notwithstanding the maximum tax rate established by this ordinance, the City Council may at its discretion, at any time by resolution, implement a lower tax rate for all persons engaged in commercial cannabis manufacturing within the City of Merced city limits subject to the maximum rate established in subsection (C)(1). The City Council may, by resolution, also increase any such tax rate from time to time, not to exceed the maximum tax rate established in subsection (C)(1).
3. Pursuant to subsection (C), the commercial cannabis business tax on commercial cannabis manufacturing is to be initially imposed at the following rate:

Operator	Rate per s/f
Manufacturing	\$7.00

D. Tax on Commercial Cannabis Distribution:

1. Every person engaged in commercial cannabis distribution in the city limits of the City of Merced shall pay an annual commercial cannabis business tax at a rate of up to \$5.00 per square foot of building and a 10% on gross receipts.
2. Notwithstanding the maximum tax rate established by this ordinance, the City Council may at its discretion, at any time by resolution, implement a lower tax rate for all persons engaged in commercial cannabis distribution within the City of Merced city limits subject to the maximum rate established in subsection (D)(1). The City Council may, by resolution, also increase any such tax rate from time to time, not to exceed the maximum tax rate established in subsection (D)(1).
3. Pursuant to subsection (D), the commercial cannabis business tax on commercial cannabis distribution is to be initially imposed as follows:

Operator	Rate per s/f
Distribution	\$1.00

And

Operator	% of Gross Receipts
Distribution	2%

E. Tax on Commercial Cannabis Retail:

1. Every person engaged in commercial cannabis retail in the city limits of the City of Merced shall pay an annual commercial cannabis business tax at a rate of up to 10% on gross receipts for adult-use retail and a rate of up to 7% on gross receipts for medicinal retail.

2. Notwithstanding the maximum tax rate established by this ordinance, the City Council may at its discretion, at any time by resolution, implement a lower tax rate for all persons engaged in commercial cannabis retail within the City of Merced city limits subject to the maximum rate established in subsection (E)(1). The City Council may, by resolution, also increase any such tax rate from time to time, not to exceed the maximum tax rate established in subsection (E)(1).
3. Pursuant to subsection (E), the commercial cannabis business tax on commercial cannabis retail is to be initially imposed at the following rates:

Operator	% of Gross Receipts
Medicinal Retail	4%
Adult-use Retail	7%

F. Tax on Commercial Cannabis Testing:

4. Every person engaged in commercial cannabis testing in the city limits of the City of Merced shall pay an annual commercial cannabis business tax at a rate of \$1.00 per square foot of building area.
5. Notwithstanding the maximum tax rate established by this ordinance, the City Council may at its discretion, at any time by resolution, implement a lower tax rate for all persons engaged in commercial cannabis testing within the City of Merced city limits subject to the maximum rate established in subsection (F)(1). The City Council may, by resolution, also increase any such tax rate from time to time, not to exceed the maximum tax rate established in subsection (F)(1).
6. Pursuant to subsection (F), the commercial cannabis business tax on commercial cannabis manufacturing is to be initially imposed at the following rate:

Operator	Rate per s/f
Testing	\$0.25

X.XX.XXX Definitions.

For the purposes of this Chapter.

A. "Business tax" or "Commercial Cannabis Business Tax" means the tax due pursuant to this Chapter for engaging in lawful commercial cannabis business in the City of Merced.

B. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin and as defined in Business

and Professions code 19300.5(f). For purposes of this Section the terms Cannabis and Marijuana shall have the same meaning.

C. "Commercial cannabis business" means any commercial business activity relating to cannabis, including but not limited to cultivating, manufacturing, processing, storing, laboratory testing, labeling, packaging, transporting, distributing, delivering, or sale of cannabis, medicinal cannabis or a cannabis or medicinal cannabis product, except as related Business and Professions Code Section 19319, and as they may be amended or Health and Safety Code Sections 11362.1 through 11362.45 and as they may be amended.

D. "Canopy area" means all premises that contains mature plants at any point in time; including all of the space within the boundaries. If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation or

D. "Cultivation area" means all portions of the premises deducting therefrom driveways, sidewalks, landscaping, vacant unused space, areas used exclusively for office space, employee break rooms, restrooms, and storage space unrelated to the commercial cannabis business (such as a janitorial closet).

E. "Gross receipts" means the total amount actually received or receivable from all cannabis sales; the total amount or compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit is allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares, or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of the material used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever.

F. "Manufacturing area" means the entire premises utilized for production, preparation, propagation, storage or compounding of manufactured cannabis or cannabis products, directly or indirectly, by non-volatile extraction methods not deducting for unutilized portions of the premises.

G. "Nursery area" means the entire premises utilized for production of clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis not deducting for unutilized portions of the premises.

J. "Person" includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

X.XX.XXX Payment Obligation.

Any entity subject to this chapter must pay the full tax imposed by this Chapter regardless of any rebate, exemption, incentive, or other reduction set forth elsewhere in this Code, except as required by California or Federal Law. Failure to pay the taxes required by this

Section within thirty (30) days after the due date shall be subject to the following penalties, interest charges, and assessments:

- A. A penalty in the sum equal to twenty-five percent (25%) of the total amount due; and
- B. If the tax remains unpaid, an additional penalty equal to ten percent (10%) shall be added on the first day of each calendar month following the month of the imposition of the twenty-five percent (25%) penalty if the tax remains unpaid.

X.XX.XXX Remittance.

The taxes imposed by this chapter shall be remitted directly to the City quarterly as set forth in this Chapter. The tax due shall be no less than the quarterly installment due, but the taxpayer may at anytime pay the tax due for the entire fiscal year. Each business shall pay on or before the last day of the month following the close of each calendar quarter.

X.XX.XXX Payment of Tax Does Not Authorize Unlawful Business or Activity.

The payment of any commercial cannabis business tax required under the provisions of this Chapter shall not be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal matter. Nothing in this section implies or authorizes that any activity connected with the distribution or possession of cannabis is legal unless authorized by California and Federal Law. Nothing in this section shall be applied or construed as authorizing the sale of cannabis.

X.XX.XXX Modification, Repeal or Amendment.

The voters expressly authorize the City Council to amend, modify, change, revise, or appeal any provision in this Chapter as the City Council deems in the best interest of the City without a vote of the people to the extent allowed by law. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment to Section X.XX.XXX that would increase the rate of any Tax levied pursuant to this Chapter above the maximum rates established by this Chapter.

The City Council may impose any tax authorized by this Chapter at a lower rate and may establish exemptions, incentives, or other reductions, and interest charges for failure to pay the tax in a timely manner, as otherwise allowed by California law. No action by the Council under this Section shall prevent it from later increasing the tax or removing any exemption, incentive, or reduction, and restoring the maximum tax rates specified in this Chapter.

X.XX.XXX Administration.

A. The City manager or the City manager's designee shall promulgate rules, regulations, and procedures to implement and administer this Chapter to ensure the efficient and timely collection of the tax imposed by this Chapter.

B. Independent Citizens Oversight: By law, funds from this measure can only be spent on local police, fire protection, and public safety services, and not for any other purpose. To ensure that funds are spent as promised to voters:

- 1) The City shall issue annual independent audits on proceeds raised by this measure.

- 2) A Citizens' Oversight Committee shall be formed to review the revenues and expenditures generated and spent. Said Committee shall consist of X members. Nominees shall be appointed by [whatever process you want, here]. Elected officials at any level of government and employees of the City are ineligible to serve as members of the Committee. Members so appointed shall serve without compensation for a term of [whatever you want, here].

The Committee shall [meet however frequently you wish] to review the revenues and expenditures generated and spent under this Chapter, and provide its findings to the City Council [however often you want, here]. Unless modified by City Council Resolution, the Committee shall not have any function, power, or authority other than those expressly provided herein.

SECTION 4. This Ordinance shall become effective upon adoption by two-thirds majority of the voters casting votes at the special election on June 5, 2018.

SECTION 5. The City Clerk shall publish this ordinance as required by applicable law. Upon approval by the voters, the City Clerk shall certify the passage of this ordinance by the voters, and cause the ordinance to be codified in the City of Merced Municipal Code.

PASSED, APPROVED, AND ADOPTED BY THE PEOPLE OF THE CITY OF MERCED AT THE SPECIAL MUNICIPAL ELECTION HELD THE ____ DAY OF _____ 2018.



ADMINISTRATIVE REPORT

Agenda Item K.3.

Meeting Date: 2/5/2018

Report Prepared by: Venus Rodriguez, Finance Officer

SUBJECT: Mid-Year Budget Review

REPORT IN BRIEF

FY 17-18 Mid-Year Financial Report and Budget Adjustments

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2018-07**, Resolution of the City Council of the City of Merced, California Amending the Salary Range for the Position of Fabrication Technician/Storekeeper; and
- B. Adoption **Resolution 2018-08**, Resolution of the City Council of the City of Merced, California Amending the Salary Range for the Position of Finance Liaison; and
- C. Approving a Supplemental Appropriation in the amount of \$50,000 from Fund 061 Measure C for the purchase of fire nozzles; and
- D. Approving the addition of a Housing Specialist position in Fund 070 Housing Administration and allowing the Interim Finance Officer to make the necessary budget adjustments.

ALTERNATIVES

- 1. Approve, as recommended; or
- 2. Approve, subject to other than recommended (identify specific findings and/or conditions amended to be addressed in the motion; or
- 3. Deny; or
- 4. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 1105

DISCUSSION

The purpose of this agenda item is to provide the City Council with a reconciliation on how the City ended Fiscal Year 2016-17, a General Fund update for the current Fiscal Year 2017-18, and to request changes to the budget due to needs that have been identified since the budget was adopted on June 19, 2017.

Beginning Fund Balance July 1, 2017

The table below reflects the Fiscal Year 17-18 adopted budget assumptions and is compared to actual fund balance at June 30, 2017.

Fund	FY 2017-18 Actual Beginning Balance	FY 2017-18 Beginning Budget Balance	Savings or (Deficit)
General Fund	\$10,326,931	\$9,889,464	\$437,467
Development Services	\$ 512,708	\$ 512,708	\$ 0
Parks & Community Services	\$ 69,379	\$ 76,593	\$ (7,214)
Airport	\$ 70,998	\$ 84,297	\$ (13,299)
Measure C	\$1,190,511	\$1,051,250	\$139,261

Fiscal Year 2017-18

The City Council adopted the Fiscal Year 2017-18 budget for all funds on June 19, 2017.

Subsequent to the budget adoption, there have been several actions approved by the City Council that affected the budget.

General Fund expenditures

The City Council has approved revenue increases of \$90,656 with equal offsetting expenditures. In addition, there has been \$260,140 in Supplemental Appropriations for the following:

Legislative Consultant	\$ 20,000
Substandard Properties	100,000
City Attorney Recruiter	26,400
Cannabis Tax Measure Consultant	26,750
Interim City Attorney Services	85,000
Maintenance Districts Ballot	<u>1,990</u>
Total	<u>\$260,140</u>

Economic Development Opportunity Fund Expenditures

Subsequent to the adoption of the budget, the City Council has approved Supplemental Appropriations for the following:

Industrial Expansion Study	\$ 22,000
Heavy Maintenance Facility For High Speed Rail	<u>140,000</u>
Total	<u>\$162,000</u>

Mid-Year Recommendations

The adoption of Fiscal Year 2017-18 budget included additional positions in various operating funds. Two of these positions, Fabrication Technician/Storekeeper and Finance Liaison are new for the City. As the job descriptions and requirements were being drafted staff noticed that the approved salary scale should be equivalent to a Water Technician II since it would require obtaining specific certifications. We are recommending the City Council adopt the attached resolutions amending the salary range to match the required skills for the positions. There is no financial impact this fiscal year. Since the positions have been vacant, the salary savings will cover any increase in salary that was not accounted for in the budget. Public Works plans to fill these positions before the end of the fiscal year.

Measure C had a 2016-17 Fiscal Year end savings of \$139,261. The Fire Department is requesting a Supplemental Appropriation from the savings of \$50,000 to purchase fire nozzles. Ensuring an aggressive fire attack requires that the Fire Department have an effective fire flow or fire stream. Unfortunately, the current compliment of nozzles are well over 20 years old and meet "out of service" criteria per manufacturer's recommendation and the National Fire Protection Association. While the current nozzles provide a fire stream and allows firefighters to extinguish fires, they are starting to have inconsistencies in flow ranges. These inconsistencies present unnecessary safety issues while engaged in a fire attack.

Due to the increasing needs and the Council priorities to get housing projects completed, the Housing Division is requesting the addition of a Housing Specialist II. The Housing Division currently consists of a Housing Manager, a Finance Specialist, and a part time Housing Specialist. Housing projects are complex and take time and resources not only to begin but also to see it through completion. Most large projects could take years to complete. A permanent employee who will be able to champion the project would be more beneficial than a 960-hour employee would. The Housing Division has already gone through two part time employees who choose to leave for other permanent opportunities. Each time this happens the division has to begin the training process again and this creates setbacks to the projects. The annual cost for a Housing Specialist II is \$98,400 (salary and benefits). If a permanent position is approved the Housing Division would eliminate approximately \$23,400 for the part time position. The net financial impact for the remaining fiscal year is \$32,800 if the position is filled by March 2018. This Housing Specialist II will be funded in Fund 070 Housing Administration. Fund 070 receives its revenue from activity delivery charges and administration of all of the Housing Funds and grants.

ATTACHMENTS

1. Resolution 2018-07
2. Resolution 2018-08

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AMENDING THE SALARY RANGE FOR THE
POSITION OF FABRICATION
TECHNICIAN/STORE KEEPER**

THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. The salary plan of the City of Merced is hereby amended by
setting the salary for the Fabrication Technician/Store Keeper at Range 178.

SECTION 2. This Resolution shall be effective as of February 5, 2018.

PASSED AND ADOPTED by the City Council of the City of Merced at a
regular meeting held on the ____ day of _____ 2018, by the following
vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Kelly Fincher 11/29/18
City Attorney Date

Exhibit A
Salary Range

JOB TITLE	GRADE	Step Range	1	2	3	4	5
Fabrication Tech/Store Keeper	178	Hourly	23,1069	24,2623	25,4754	26,7491	28,0866
		Monthly	4,005	4,205	4,416	4,637	4,868
		Annual	48,062	50,466	52,989	55,638	58,420

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AMENDING THE SALARY RANGE FOR THE
POSITION OF FINANCE LIAISON**

THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. The salary plan of the City of Merced is hereby amended by
setting the salary for the Finance Liaison at Range 178.

SECTION 2. This Resolution shall be effective as of February 5, 2018.

PASSED AND ADOPTED by the City Council of the City of Merced at a
regular meeting held on the ____ day of _____ 2018, by the following
vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Kelly Fincher 11/29/18
City Attorney Date

Exhibit A
Salary Range

JOB TITLE	GRADE	Step Range	1	2	3	4	5
Finance Liason	178	Hourly	23,1069	24,2623	25,4754	26,7491	28,0866
		Monthly	4,005	4,205	4,416	4,637	4,868
		Annual	48,062	50,466	52,989	55,638	58,420



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item K.4.

Meeting Date: 2/5/2018

Report Prepared by: Stephanie Dietz, Assistant City Manager

SUBJECT: Update on Goals and Priorities

REPORT IN BRIEF

Update on the City Council's goals and priorities.

RECOMMENDATION

For information only.

ATTACHMENTS

1. Goals and Priorities Presentation

Council Priorities

FY 2017/18

Future Growth Opportunity

- Increase Job Growth Capacity
 - Update Economic Development Action Plan – Spring 2018
 - Evaluate industrial park locations – Site 7 outreach In Progress
- Airport Industrial Park
 - Hire Airport Manager – Martin Pehl
 - Pursue current industrial leads – Spring 2018
- High Speed Rail/Altamont Corridor Express
 - Develop an Opportunity Plan for the proposed Downtown Station site – Spring 2018
- South Merced Grocery Store
 - Proposal received by the DLA, in negotiations
- Update Impact Fees
 - 5-year required update – Summer 2018

City Administration – Ongoing

- Succession Planning
- Economic Development
- Development Projects
- Code Enforcement/Sub-Standard Properties
- Downtown Projects
- Youth and recreation program enhancements
- Maintenance District Funding
- Redevelopment Agency (RDA) negotiations
- Financial Policy review
- Legislative Advocacy

City Administration – Current Projects

- Public Facilities Projects – Fall 2018
- Cannabis Implementation – Spring 2018
- Art Commission – Spring 2018
- Classification Study – Spring 2018
- Compensation Study – Fall 2018
- Disaster Council/EOC Training – Spring 2018
- Labor Negotiations – Spring 2018
- Technology/Hardware Refresh
 - Enterprise Resource Planning (ERP) System Assessment & Implementation Plan – Spring 2018
 - RFP Released for needs assessment
 - Desktop computer replacement – Regulatory compliance by 2020

Intergovernmental Partnerships – Ongoing

- UC Merced 2020 Plan
 - Fire Services Agreement
 - Parking Agreement
- Merced College
 - Workforce Development
 - Public Safety Training/Academy
- Merced County
 - Housing
 - Regional Fast Water Rescue Team
 - Workforce Investment – temporary workers
 - IRWM - Black Rascal Detention Basin
- MID Collaboration on Groundwater Management
 - Merced Irrigation-Urban GSA (MIUGSA)
 - Merced Area Groundwater Pool Interests (MAGPI)/Groundwater Sustainability Plan (GSP) development
- San Joaquin Valley Rail Working Group
- MCAG
 - Pavement Management System

Infrastructure Planning

- Sewer Master Plan – February 2018
- Pavement Management Program/Active Transportation Plan – Spring 2018
 - Evaluate needs of City roads and sidewalks to optimally select street maintenance locations
 - Utilize to allocate Measure V, SB 1, RTP funding
 - Community engagement to allow for input in prioritizing projects
- Speed Zone Study – Spring 2018
- Utility Rate Study – Spring/Summer 2018
 - Water Rate Study – in progress
 - Refuse Rate Study – Spring 2018

Future Planning

- CalPERS Discount Rate
 - Financial Advisory Services – Spring 2018
 - Trust 115
- Measure C Transition
- Employee Recruitment & Retention
- Fire Standards of Cover Strategic Plan – Spring 2018
- Enterprise Resource Planning (ERP) System & Hardware Upgrades – Continued Funding
- On-going Operational Sustainability
 - Technology replacement program
 - Fleet replacement program
 - Facility maintenance
- Sign Ordinance Update

Council Priorities

- Police Station/Fire Station/Public Works Yard/Park Restrooms
- Youth/Recreation Programs
- Quiet Zones/Railroad Safety
- Economic Development
- Campus Parkway
- Parks Maintenance
- Code Enforcement/Garbage/Blight
- Measure C Transition
- Employee Compensation
- Additional Police/Dispatch/Code Enforcement
- Homelessness/Pan Handling
- Local Roads/Sidewalks/Traffic
- Downtown Projects
- Public Art
- Housing Projects
- Welcome Signs



ADMINISTRATIVE REPORT

Agenda Item K.5.

Meeting Date: 2/5/2018

Report Prepared by: Ken F. Elwin, PE, Director of Public Works

SUBJECT: Sewer Master Plan Discussion

REPORT IN BRIEF

Seeks Council direction on finalizing the draft Sewer Master Plan.

RECOMMENDATION

Provide direction to staff on finalization of the draft Sewer Master Plan and approval to begin the CEQA environmental process as well as the assessment district process.

ALTERNATIVES

1. Refer to staff for reconsideration of specific items;
2. Continue to a future meeting.

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

Addresses Council priority of infrastructure planning via the Sewer Master Plan, as well as addresses the development of financing options for the Sewer Master Plan components.

HISTORY AND PAST ACTIONS

The Sewer Master Plan is designed to evaluate and help the City plan and expand its wastewater collection sewer system to meet the needs of its growing population.

Stantec Consulting was hired in 2013 to update the wastewater collection system model and continue with updates to the 2007 draft Sewer Master Plan. Multiple amendments to the contract were executed to provide additional servicing options, additional stakeholder meetings, as well as preparation of future Sewer Assessment District formation and financing options.

DISCUSSION

Staff has held multiple stakeholder meetings throughout the Sewer Master Plan development process. A separate stakeholder meeting was held March 30, 2017, to discuss financing options, including the formation of a sewer assessment district. A final stakeholder meeting was held on November 13, 2017; stakeholder input has been received and appropriate changes have been incorporated in the revised draft plan.

The draft Sewer Master Plan is now ready to be finalized so that the environmental process can begin. Staff is seeking Council input on the draft plan, as well as approval to begin the CEQA environmental process. Once environmental is complete, the final Sewer Master Plan will be brought back to Council for adoption.

Staff is also seeking approval to begin the process of assessment district formation. This is an essential component for the establishment of Capital Improvement Project (CIP) elements of the draft Sewer Master Plan.

See attached *Draft Sewer Master Plan Executive Summary*.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Executive Summary

**City of Merced
Wastewater Collection System
Master Plan**



Prepared for:
City of Merced

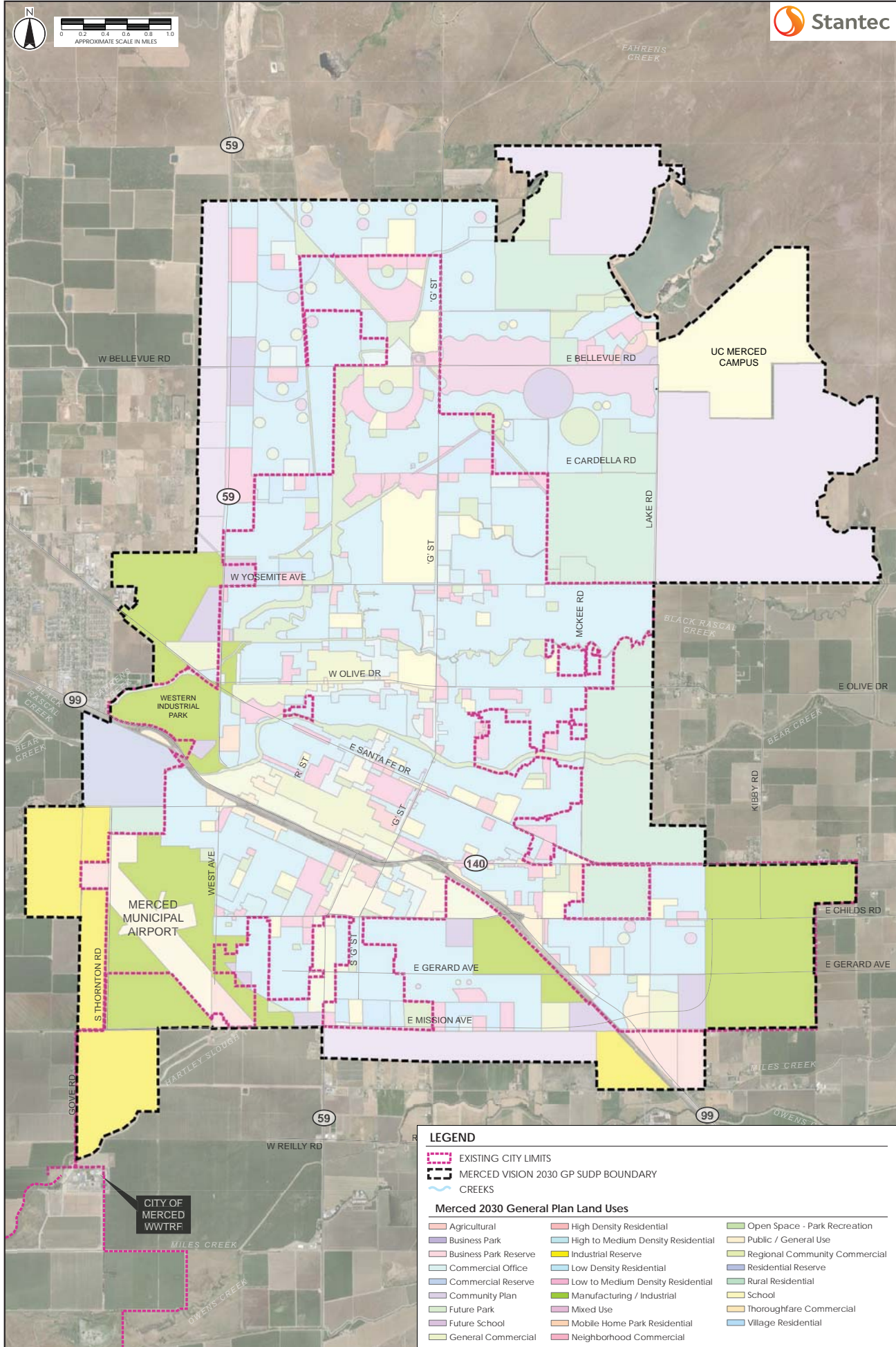
Prepared by:
Stantec Consulting Services Inc.

December 15, 2017

Executive Summary

The City of Merced (City) Vision 2030 General Plan (2030 General Plan) discusses City growth that may occur by the year 2030. Much of that growth requires construction of new infrastructure that is to be funded by the proponents of growth needing public services which the City provides. Key infrastructure needs relevant to this Wastewater Collection System Master Plan (WCS Master Plan) include the wastewater collection system, itself; wastewater treatment, disposal, and reuse facilities; and various potable and non-potable water needs for the growing areas of the City. This WCS Master Plan is focused on wastewater collection system (aka, sewer system) needs and planning. However, wastewater collection system planning is driven by 1) where the wastewater is generated (i.e., collected from), and 2) where it is conveyed to receive treatment, and then subsequent disposal or reuse of the treated wastewater, which is termed "effluent". The siting of wastewater treatment facilities is driven by many factors including land use/zoning, how/where the treated wastewater is to be disposed/reused, and overall life cycle costs. The City is in the process of updating its master plan for wastewater treatment needs and recently updated a draft of its water master plan (AECOM, 2015 draft). This WCS Master Plan is believed to integrate the intent and objectives expressed by City staff relevant to these related infrastructure planning efforts. The most important concept coming out of these concurrent planning efforts is that the City is not planning to implement extensive effluent reuse (i.e. the City is not planning to install a "purple pipe" distribution system) in the North Merced area. This WCS Master Plan considers the collection system needs of the existing City as well as future needs of the Specific Urban Development Plan (SUDP) identified in the 2030 General Plan, see **Figure ES-1**.

Because wastewater collection systems are designed to have an effective service life of over 50 years and can be expected to be in service up to 75 or 100 years, such systems are designed and constructed based on best professional judgement of wastewater collection system needs under "reasonable build-out" conditions, not just City growth envisioned in the 2030 General Plan (which has a mandated 20-year planning horizon). The City's collection system is to be designed and constructed to serve "reasonable build-out" of the General Plan SUDP depicted in **Figure ES-1**. "Reasonable build-out" conditions (hereinafter, simply "build-out", or "build-out conditions") are City growth and wastewater flow estimates based on development density assumptions outlined in Section 5.0 of this WCS Master Plan. Application of maximum densities on all properties within the 2030 General Plan SUDP could result in higher flow estimates than presented herein. Planning for maximum densities is unrealistic for a city like Merced (versus "land-locked" cities like San Francisco). Consequently, this WCS Master Plan is based on reasonable build-out of the City utilizing current development trends and judgment of City staff. Prior to actual design and construction of infrastructure improvements, developers should be given the opportunity to fund maximum density sewer capacity, if that is their desire.



Because wastewater collection systems flow to wastewater treatment plant sites and related effluent disposal/reuse facilities, these plant sites and effluent facilities must also be evaluated conceptually for function/viability under “build-out” flow conditions. The importance of this concept of planning infrastructure for build-out conditions becomes evident from the forecasts of current (2017), 2030 General Plan, and build-out design wastewater flows presented in **Table ES-1**.

Table ES-1 Design Wastewater ADWFs for the City of Merced ^(a)

Time Frame	Entire City	North Merced ^(b)	Rest of City ^(c)
	ADWF, Mgal/d	ADWF, Mgal/d	ADWF, Mgal/d
Current (2017) ^(d)	~ 8	--	--
2030 General Plan	~ 16 to 17	~ 4 to 5	~ 12
Build-out	~ 34 to 35	~ 14 to 15	~ 20

(a) Design flow= expected flow for design purposes, not actual flow which can vary materially from year-to-year. ADWF = average dry weather flow.

(b) Represents new flow from the North Merced service area requiring new trunk sewers and additional wastewater treatment and effluent disposal/reuse capacity.

(c) Represents flow to the existing trunk sewer system, including some flow (about 4 Mgal/d) from proposed projects entitled to connect to the existing trunk sewer system.

(d) Current flows include a mix of wastewater from both North Merced (including UC Merced) and the rest of the existing City.

Like collection systems, wastewater treatment plants are master planned to serve “reasonable build-out”, but construction of these facilities can be more cost effectively phased. Collection system sewer lines, particularly large trunk sewers, are often located within roadways. This WCS Master Plan has identified locations for trunk sewers which are consistent with the Vision 2030 General Plan Circulation Plan. Trunk sewers require deep excavations and are most cost effectively installed prior to, or concurrent with construction of major roadway and other surface improvements. Replacing sewers or putting in parallel sewers after the fact is disruptive to the public and very expensive.

Treatment plants, when properly sited have generous buffers to limit exposure of commercial and residential land uses to objectionable odors, noise and visual impacts associated with them. Thus, construction activities occurring on treatment plant sites do not involve significant traffic disruptions like trunk sewers and typically result in less exposure of the general public to noise and other potential impacts. So, although treatment plants must be planned for “reasonable build-out” to ensure these generous buffers are in place, they allow for construction of capacity expansions to be phased to keep pace with population growth and take advantage of advances in treatment process technology and consideration of regulatory requirements.

This WCS Master Plan, after consideration of many alternatives, describes two basic plans for building the wastewater collection system infrastructure needed to serve 2030 General Plan growth projections and City forecasts of reasonable “build-out” conditions. All flow capacities referred to in the following bullets are design, ADWF (Average Dry Weather Flow) capacities.

- Plan A: Under Plan A, the collection system takes all municipal wastewater to the City's existing 12 Mgal/d capacity wastewater treatment and reclamation facility (WWTRF) located southwest of the City, as shown in **Figure ES-2**. The existing WWTRF would be expanded, as needed, to handle 2030 General Plan flows. The effluent disposal and reuse facilities needed by the planned expansions largely exist; however, developers still need to buy their fair shares of all existing City facilities they use, including the land on which that infrastructure is located. The existing WWTRF site is believed to have sufficient land and disposal potential to serve “reasonable build-out” design flow estimates of 34 to 35 Mgal/d, if/when needed.
- Plan B: Under Plan B, the collection system takes most municipal wastewater generated by growth in North Merced to a new North Merced WWTRF (NMWWTRF) located on industrially zoned land west of the intersection of W. Yosemite Avenue and Highway 59 (aka, Snelling Highway), see **Figure ES-3**. The NMWWTRF site would be planned for 2030 General Plan and build-out capacities of approximately 4 to 5 Mgal/d, and 14 to 15 Mgal/d, respectively. The existing WWTRF would serve the remainder of the City and its growth, and would have approximate planned capacities for 2030 General Plan, and build-out conditions of 12 Mgal/d and 20 Mgal/d, respectively. Both the new NMWWTRF and existing WWTRF would be built and expanded in stages, or phases, as needed. The NMWWTRF would also need new effluent disposal and reuse facilities master planned for its 2030 General Plan and build-out flow conditions. This is because there are no existing effluent facilities or related effluent discharge permits for the NMWWTRF site, at this time, whereas they do exist at the WWTRF site.

When comparing wastewater collection system needs under Plan A (**Figure ES-2**) to the wastewater collection system needs under Plan B (**Figure ES-3**), it becomes evident that there is one major similarity and four major differences between these two plans, as summarized below.

Similarities:

- S-1. The wastewater collection systems servicing North Merced and the rest of the City are the same under both plans except that under Plan A the North Merced sewer system leads to a pump station conveying the wastewater to the existing WWTRF, whereas under Plan B, the North Merced sewer system leads to a pump station (in essentially the same location as Plan A) lifting the wastewater into the new NMWWTRF.

Differences:

- D-1. Plan A builds a pipeline between the North Merced pump station (see S-1, above) and the existing WWTRF, whereas Plan B does not.
- D-2. Plan A expands the existing WWTRF, whereas Plan B builds a new NMWWTRF on industrially zoned land adjacent to the North Merced pump station (see S-1, above).
- D-3. Plan A expands effluent disposal capacity at the existing WWTRF, whereas Plan B builds a new effluent disposal facility in the greater North Merced area. The new effluent disposal/reuse area could occupy up to approximately 3,800 acres of land under build-out conditions. Effluent reuse is envisioned to entail irrigation of agricultural crops in this WCS Master Plan in the absence of there being any other plan for NMWWTRF effluent, at this time.
- D-4. Plan B facilitates effluent reuse in the North Merced area, and therefore has the potential to reduce agricultural use of groundwater in the area, which has been over-utilized historically.

Because actual wastewater collection system needs under Plan A and Plan B are very similar, a comparison of Plan A and Plan B is presented in **Table ES-2** to help avoid confusion as to the major and material differences between these two plans.

Because the wastewater collection system improvements needed under Plans A and B are virtually identical except as noted under “D-1” of Table ES-2, the City Council’s decision regarding which wastewater collection system plan to implement will be based more on wastewater treatment and disposal/reuse issues (and associated costs) than on wastewater collection issues (and associated costs). Besides these differences and their costs, the City Council’s decision will also be based on many other considerations including recommendations from City staff, City consultants, the general public, and various special interest groups; water resource planning considerations; economics; political considerations; specific service area needs/objectives; etc.

Table ES-2 Differences Between Plan A and Plan B

Major Differences	Plan A	Plan B
D-1. Raw sewage pipeline from North Merced to existing WWTRF	Approximately 2.5 miles of dual 24 and 36-inch forcemains and approximately 3 miles of 60-inch diameter gravity sewer	Not required.
D-2. WWTRF Needs	Expand existing WWTRF to approximately 34 Mgal/d, as needed.	Build new approximately 14 Mgal/d NMWWTRF, and expand existing WWTRF to approximately 20 Mgal/d, both as needed.
D-3. Effluent disposal needs a. Land b. Storage c. Conveyance pipe	a. None b. None c. None	a. Up to ~3,800 acres b. Up to ~750 acres c. Approximately 2 miles to ag land north of Bellevue Road and west of Highway 59
D-4. Effluent reuse potential	Indirect via MID (Merced Irrigation District)	Indirect via MID and direct from NMWWTRF to ag land in/near North Merced area

An important consideration in the City Council's final decision regarding Plan A and Plan B is cost and cost differences between A and B. As will be discussed, the costs and cost differences between Plan A and Plan B are dependent on many factors, including whether the City plans to implement extensive effluent reuse via agricultural irrigation in the North Merced area to reduce agricultural use of the North Merced groundwater resource. This groundwater resource serving the City, agriculture, and other uses in the greater Merced area is currently heavily utilized. Extensive agricultural reuse of effluent in the North Merced area could potentially reduce agricultural use of the groundwater resource, and possibly play a role in helping sustain the City's potable water supply.

When put in those terms, without benefit of a more complete understanding of City water resource planning, it may seem irresponsible to not implement Plan B and associated effluent reuse in North Merced. However, the City has engaged in extensive water resource planning to help achieve the goal of making the City's potable water supply more sustainable and reliable. The most significant planning relative to this WCS Master Plan is between the City and Merced Irrigation District (MID) to swap effluent water from the existing WWTRF for Merced River water to be used to 1) recharge the area's groundwater resource, and 2) irrigate parks and other City landscaping (in place of using groundwater).

In summary, not implementing effluent reuse in the North Merced area does not mean the City is ignoring groundwater resource issues. It means the City is attempting to address the issue via different means involving use of lower salinity and lower nitrogen content Merced River water

rather than tertiary-treated effluent. This is important because the two most common contaminants of concern in groundwater resources are salinity and nitrogen. With this insight, one may ask, “Why even consider effluent reuse in North Merced when better quality water is available?” The answer is reliability. The City has greater control over an effluent reuse program than over a water swap program involving MID and parties impacted by changes in Merced River flows and/or diversions. This is why the City continues to consider effluent reuse in the North Merced area and throughout the City.

In so far as Plan A and Plan B both include effluent reclamation and groundwater resource considerations, the choice between Plan A and Plan B is primarily a matter of economics from an engineering perspective. Specifically, is the overall life cycle cost of Plan A more or less than the overall life cycle cost of Plan B? Life cycle costs cover the upfront cost of building the infrastructure (the primary concern of developers, who typically pay this bill when assessment districts are not involved), and the present worth of the on-going annual costs necessary to operate, maintain, and ultimately rebuild the infrastructure (the primary concern of businesses and residents, who pay these bills after occupying the developers' projects). The desires for low, up-front construction costs versus low, long-term annual costs are generally competing interests. The City's objective is to act as the fair deal broker between these two special interest groups, who are both essential to City growth.

Stantec's reconnaissance opinion of probable total project costs to plan, design and construct Plan A and Plan B (to serve “reasonable build-out”, or ~34 Mgal/d, ADWF) reflects a difference of approximately 15 to 20 percent, with Plan B having the higher expected cost. Detailed breakdowns of the estimated costs for Plan A and Plan B are presented in Section 8.0 of this WCS Master Plan, along with discussion of the anticipated process and facility components associated with each. Major uncertainties (known to exist, at this time) associated with each plan are presented in **Table ES-3**. Schematics of the relative locations of infrastructure needs for Plan A and Plan B are shown in **Figure ES-2** and **Figure ES-3**, respectively.

Table ES-3 Major Uncertainties Associated with Plan A and Plan B

Uncertainties	
Plan A	<ul style="list-style-type: none"> Will water swap with MID occur and be a long-term proposition?
Plan B	<ul style="list-style-type: none"> Does the City wish to devote 35 acres of industrially zoned land for the new NMWWTRF? Will the presence of a major WWTRF in the industrial park discourage other industries from locating there, particularly food processing industries? Which agricultural lands in the greater North Merced area will become part of the NMWWTRF effluent reclamation system, and how/when will those lands be secured for City use under build-out conditions? Will CEQA analyses and/or Regional Water Board permitting present any roadblocks to implementing Plan B either near-term or long term? Will Plan B help or hinder maintenance of the quantity and/or quality of the City's groundwater potable water supply?

Under Plan A, wastewater treatment, disposal, and reuse are expansions in-kind of existing facilities and permits. Much of the effluent is planned to be swapped for Merced River water, as described previously. Under Plan B, effluent disposal from the new NMWWTRF is envisioned to entail dry season effluent irrigation of agricultural land under City ownership (effluent disposal facilities should be as permanent [i.e., secure] as the developments they serve), wet season storage of effluent for subsequent use during the following dry season, and possibly wet season effluent discharges to Fahrens Creek under very wet conditions when Fahrens Creek is both below flood stage, and has adequate flow to dilute effluent discharged to it (if realistic under CEQA and permitted by the Regional Water Board). As to whether effluent produced by the NMWWTRF under Plan B could be swapped for MID surface water (as is proposed under Plan A) is unknown at this time. Plan B should reduce use of North Merced area groundwater for agricultural purposes, but this is not an established fact at this time because the agricultural lands that would be used for effluent reclamation have not been identified by the City, let alone acquired by the City. Because the actual types, locations, and feasibilities of the new NMWWTRF effluent facilities have not been developed by the City, subjected to CEQA analyses, permitted by the Regional Water Board, etc., the estimated higher total project costs for Plan B NMWWTRF effluent facilities are based solely on Stantec's judgement and experience with somewhat similar facilities in the Central Valley.

Plan A is believed to have a total project cost and fewer uncertainties than Plan B. Plan A's effluent is proposed to be swapped by the City for MID surface water; Plan B's effluent may not have this potential benefit. Plan A is well preceded by similar sized cities throughout the Central Valley, and is in concert with Regional Water Board policy to regionalize WWTRFs to the extent feasible rather than have multiple WWTRFs servicing geographically contiguous areas. Based on available information, Stantec's recommendation is to implement Plan A, primarily for cost and water resource planning reasons. In other words, Stantec's preliminary recommendation is to pipe all municipal wastewater to the existing WWTRF for treatment, disposal, reuse, and water swapping.

In making that preliminary recommendation, Stantec believes both Plan A and Plan B are viable. Merced-sized cities with two WWTRFs are relatively rare in the Central Valley, but do exist. A good example of such a city is Roseville, California. Roseville elected to build a second WWTRF (the Pleasant Grove Creek facility: ADWF= 18 Mgal/d) just under 5 miles northwest from its existing Dry Creek facility (ADWF= 12 Mgal/d) to serve new growth that was occurring primarily in this northwesterly area. The two Cities (Roseville and Merced) face different circumstances relative to land use planning. The driving force behind Roseville's decision to bifurcate treatment and disposal was the reality that development had encroached upon the Dry Creek facility, surrounding it and making expansion in that location impractical. The City of Merced, in contrast, has large agricultural and industrial land use buffers surrounding its existing WWTRF making such conflicts far less likely in the future.

When considering the contents of this WCS Master Plan, likely questions are “Why not recommend this approach...or that approach?” A very brief discussion of some collection system options raised by special interests that have not been carried forward in this WCS Master Plan as being feasible for the City on a long-term, permanent basis are presented below.

1. *Why not install wastewater flow equalization basins in the collection system to utilize the existing sewers more efficiently, and more cost effectively?*

Such basins are possible, but storing raw sewage for flow equalization purposes, in practice, is almost entirely limited to WWTRF sites. Such basins are rare in developed areas because they are ugly, are a potential nuisance, and are maintenance headaches. Such basins have aeration equipment (to minimize smells), have automatic wash-down systems (to scour “solids” from the basin when not in use), and may need a cover or other visual screening, noise attenuation, and/or odor scrubbing equipment (depending on situation-specific factors). Raw sewage equalization basins should not be a planned permanent component of a wastewater collection system (except in rare situations not applicable to Merced); however, such basins may be considered on a temporary basis (with specific closure criteria and financial guarantees) in specific situations authorized by the City Council. The entire cost of such a basin, if approved by the City Council, should be borne and bonded by the basin proponent, and in no way reduces proponent's fees for building the permanent wastewater collection system, which will be exactly the same regardless of whether the City Council permits temporary use of such a basin to expedite a specific development that otherwise would be on hold until sewer system capacity is built to meet the development's needs.

2. *Why not allow larger, planned community developments to build their own wastewater collection, treatment, and effluent reuse systems? We could save the cost of those big trunk sewers, implement effluent reuse, and expedite development all at the same time*

This approach to implementing wastewater infrastructure reduces upfront construction costs (paid by developers) and increases long-term annual costs (paid by residents and businesses) because of loss of economy of scale on at least operations and maintenance, if not also construction when total construction costs are considered. As an example of total construction costs, such systems need places to store effluent within the planned communities through 100-year rainfall seasons. In this example, each planned community may plan to build an ornamental lake for seasonal tertiary effluent storage, but problems with such lakes are manifold. The lake's water level must be able to rise and fall seasonally because the only lake volume that counts as 100-year effluent storage is the volume of the lake that is empty each autumn. Algae that naturally grow in tertiary effluent lakes can be chronically problematic. The lake may need aeration, circulation, and chemical controls. Following construction and filling of ornamental lakes, midge populations can explode to nuisance levels until the natural ecology of the lake has time to develop (typically in a year or two). Such small, project-specific wastewater

systems are difficult to permit with the Regional Water Board because they run contrary to Board policy, which was developed because the long-term track record of multiple small systems has been relatively poor. If/when such systems fail, the City will be responsible for correcting the failure. This is because the development is within the City, and the City permitted it to occur. Because the wastewater collection system was not planned for these "self-sufficient" planned community developments, the City will either reconstruct the wastewater collection system, or continue to rebuild and operate the small systems to prevent the planned community development from being condemned for health and safety reasons. However, as with the raw sewage equalization basins, temporary small wastewater systems (with specific closure criteria and financial guarantees) could be authorized by the City Council in specific situations to address specific development needs. The entire cost of the temporary system should be borne and bonded by the system proponent. The proponent still pays upfront for proponent's share of the permanent wastewater collection system and treatment facilities. The proponent still designs the development's collection system to tie into the permanent City trunk sewer by gravity flow when that trunk sewer reaches the development. Because the City has General Plan Policy UE-1.2 to maintain development in a compact urban form, any proposal for a temporary, development-specific wastewater treatment and reuse system should be located on the perimeter of existing City-served developments with the only hindrance to connecting to the City system being lack of capacity in the existing City wastewater collection system at the time the development desires to move forward.

The Regional Water Board is not expected to approve any small systems unless they are operated by the City, and are temporary (with specific and enforceable closure criteria and financial guarantees). Because of the poor economy of scale of operating and maintaining small WWTRFs, the annual costs (as reflected by monthly sewer use fees) for users of these small systems will be higher than normal City wastewater fees. As a matter of policy, the City Council (when approving any such temporary system) will need to decide whether the businesses and residents served by the temporary system pay higher monthly sewer use fees, or whether they pay the City's normal use fee with the system proponent covering the cost difference until the businesses and residents connect to the permanent City system.

Raw sewage equalization basins and development-specific WWTRFs are suggestions put forth by developers to reduce their infrastructure costs and/or to facilitate implementation of their developments that are on-hold because of the need for City wastewater infrastructure. Neither suggestion is recommended as a permanent facility; therefore, neither suggestion impacts the design or cost of Plan A, or Plan B. However, the City Council may wish to consider allowing developer use of temporary raw sewage equalization basins and/or development-specific WWTRFs on a project-specific basis for situation-specific reasons, e.g., to facilitate development critically needed by the community. If the City Council desires to consider temporary means to facilitate critically needed development, then Stantec recommends that the City develop an Implementation Plan describing use of and design criteria for temporary facilities.

Finally, this Executive Summary concludes with a list (see **Table ES-5**) of recommended trunk sewer projects:

- Improvements to existing trunk sewers (common to Plans A and B).
- New trunk sewers to serve new growth in SUDP (common to Plans A and B).
- New pump station, forcemain, and gravity sewer connecting North Merced area trunk sewers to the existing WWTRF (unique to Plan A).

Table ES-4 includes reconnaissance opinions of probable capital costs for each trunk sewer project.

Table ES-4 Recommended Trunk Sewer Improvements & Opinions of Probable Cost ^(a)

Service Area	Construction Cost ^(a)	Engineering, CM, Admin (20%)	Contingency (30%)	Total Project Costs (rounded)
Address Existing Deficiencies	\$3,417,000	\$683,000	\$1,230,000	\$5,330,000
North Merced SUDP (Plan A)	\$67,139,000	\$13,428,000	\$24,171,000	\$104,738,000
South Merced SUDP	\$14,620,000	\$2,924,000	\$5,264,000	\$22,808,000

(a) ENR CCI = 10703, June 2017. Costs presented do not include acquisition of additional right-of-way, environmental or permitting costs.

The improvement projects to address existing deficiencies identified in **Table ES-4** do not include repair and replacement (R&R) of City facilities. A robust R&R program is a key element of any properly managed public infrastructure system. The City's R&R program for the sewer utility includes an annual expenditure for the replacement of older, aging infrastructure. To replace all the facilities in the City's sewer enterprise would require a significant sum of money. An annual R&R allocation is recommended to reduce the impact of repairing and replacing critical portions of the City's sewer collection system by stretching them out over time.

Implementation of Plan A and the necessary improvements to convey wastewater to the existing City WWTRF site would require the construction of additional treatment capacity as needed. The City, as described previously and in more detail in Section 8.0 of this WCS Master Plan, intends to expand those facilities either in one 8 Mgal/d, ADWF phase, or in two 4 Mgal/d phases up to 20 Mgal/d. This would be sufficient to provide treatment and disposal capacity for the projected flows anticipated in 2030 (~16 to 17 Mgal/d, ADWF) as summarized in **Table ES-1**.

Table ES-5 summarizes the expected cost of those WWTRF improvements.

Table ES-5 An Estimate of Improvements Needed to Provide Capacity at Existing WWTRF to Serve 2030 Population Projections ^(a)

WWTRF Improvements	Opinion of Capital Costs to Expand Existing WWTRF to 20 Mgal/d ^(b)
Headworks and Primary Treatment Facilities	\$2,474,000
Secondary Treatment	\$21,901,000
Tertiary Treatment	\$3,065,000
Disinfection System	\$0
Effluent Disposal Facilities	\$0
Solids Handling Facilities	\$21,835,000
Miscellaneous Structures	\$677,000
Subtotal 1	\$49,952,000
Mobilization, Bonds, Insurance, Startup, Misc.	\$6,808,000
Sitework	\$6,152,000
Site Piping	\$4,922,000
Electrical and Instrumentation	\$10,663,000
Subtotal 2	\$78,497,000
Contingencies @ 30%	\$23,549,000
Subtotal 3	\$102,046,000
Engineering and Administration @ 20%	\$20,409,000
Total Project Cost	\$122,455,000

a) 20 Mgal/d, ADWF is estimated to be sufficient to serve the 2030 population projected in the City's General Plan.

b) Based on ENR-CCI (20 Cities Index) = 10703, June 2017.

At this time, the City is planning to budget \$600,000 to \$800,000 annually for repair and replacement of collection system assets. Prioritization of R&R projects will be done within the typical five-year CIP timeframe, updated accordingly, but the City also recognizes that unforeseen incidents may require adjustments in the specific projects identified in any particular year. Further discussion of the City's R&R program is provided in Sections 7.0 and 8.0 of this WCS Master Plan.



ADMINISTRATIVE REPORT

Agenda Item L.1.

Meeting Date: 2/5/2018

Report Prepared by: Steven S. Carrigan, City Manager

SUBJECT: Approval of New Finance Officer Employment Agreement

REPORT IN BRIEF

Considers approving the Employment Agreement with for the position of Finance Officer.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the Finance Officer Employment Agreement; and,
- B. Authorizing the Mayor to sign on behalf of the City.

ALTERNATIVES

- 1. Approve as recommended; or
- 2. Deny; or
- 3. Refer to staff for further study; or
- 4. Continue to a future meeting.

AUTHORITY

City of Merced Charter Section 600.

DISCUSSION

In March of 2017, both Brad Grant and Teri Albrecht retired after over 55 years of combined service in the Finance Department with the City of Merced. On an interim basis, M. Venus Rodriguez served both as the Interim Deputy Finance Officer from March 2017 to August 2017 and is currently serving as the Interim Finance Officer. Over the past 10 months, Mrs. Rodriguez has proven that her experience in accounting, budgeting, internal controls, purchasing and leadership are vital to the Finance Department and the City of Merced. For these reasons, I am recommending that the City Council appoint Mrs. Rodriguez at a salary of \$144,104.35 annually, along with the associated benefits consistent with other Director level positions.

IMPACT ON CITY RESOURCES

Sufficient funding for the proposed salary and benefits were included in the FY 2017/18 Budget within the Finance Department and are available.



ADMINISTRATIVE REPORT

Agenda Item L.2.

Meeting Date: 2/5/2018

Report Prepared by: Stephanie Dietz, Assistant City Manager

SUBJECT: Regional Transportation Impact Fee (RTIF) Program Options

REPORT IN BRIEF

Seek direction on how the Regional Transportation Impact Fee program should proceed in the future.

RECOMMENDATION

Provide direction on how the Regional Transportation Impact Fee (RTIF) program should proceed in the future.

AUTHORITY

Section 17.64 of the Merced Municipal Code authorizes the City's collection of the Regional Transportation Impact Fees.

CITY COUNCIL PRIORITIES

Addresses Council priority of infrastructure planning and development projects.

DISCUSSION

The Regional Transportation Impact Fee (RTIF) program collects one-time fees from new development to mitigate impacts on the regional road network. The purpose of the program is to ensure that adequate transportation facilities will be available to meet the projected needs of Merced County as it grows, and then the facilities planned are consistent with the Regional Transportation Plan.

The RTIF program was established in 2005 when each of the seven jurisdictions in Merced County entered into an implementation agreement authorizing Merced County Association of Governments (MCAG) to manage and administer the fee program. Participation in the collection of RTIF has varied since its inception. During the recession, the City Council suspended the collection of RTIF to lessen the impact on proposed development projects.

During the November 17, 2017 MCAG Board of Directors meeting, the status of future of the RTIF program was discussed. No decisions were made at that time. However, staff was directed to identify a menu of options on how to move forward with the RTIF. This information was also to include a variety of options on how to allocate the remaining fund balance should the board decide to dissolve the program. These options and choices were presented at the January 18, 2018 meeting and the Board of Directors elected to suspend RTIF indefinitely.

Attached are the recommended options from MCAG staff that were considered by the Governing Board. This item seeks input and a motion on which option the Council would like its representative to select at the upcoming MCAG Governing Board meeting for distribution of the remaining RTIF funds.

ATTACHMENTS

1. MCAG RTIF Description

Regional Transportation Impact Fee (RTIF) Alternatives for Consideration by the Merced County Association of Governments Governing Board January 2018

This document contains a list of options for how to proceed regarding the RTIF. The MCAG Governing Board has considerable discretion regarding the RTIF, however, several options require action by individual jurisdictions for implementation.

Option 1: Status quo

The Board could act at any time to allocate existing funds to eligible projects. As the 2016 study was not fully implemented, projects would need to be selected from the approved 2008 list. If projects from the 2016 study were desired, each of the seven jurisdictions would need to adopt the 2016 study. The continued collection of RTIF by selected jurisdictions is up to the jurisdictions.

Option 2: Re-commitment to RTIF and adopt the 2016 study

All jurisdictions approve the 2016 study and those jurisdictions which have suspended collections resume doing so. Current and future funds would be available throughout the county for projects on the 2016 list at the discretion of the Board. A new study could be conducted in the future as an update to the 2016 study as needed.

Option 3: Termination of the RTIF and distribution of available funds by the Board

Without all jurisdictions participating, all jurisdictions cease collecting RTIF. While the RTIF implementation could terminate with withdrawal of jurisdictions, that would render any jurisdiction which withdrew ineligible for funding. Rescission of the 2005 implementation agreement by all jurisdictions would terminate the RTIF and leave all jurisdictions eligible to receive some of the remaining available RTIF funds. Under this option there are many possibilities for the distribution and use of funds.

- **Option 3A: Allocation of funds to eligible projects**

Like Option 1, the Board could act to allocate existing funds to eligible projects. As the 2016 study was not fully implemented, projects would need to be selected from the approved 2008 list. If projects from the 2016 study were desired, each of the seven jurisdictions would need to adopt the 2016 study.

- **Option 3B: Allocation of funds to east and west regions**

While final authority remains with the Board, the Board could elect to allocate the remaining funds to the east and west sides of the county as geographically defined in the Measure V Transportation Expenditure Plan. The available funding could then be

considered by the Measure V Eastside and Westside Regional Projects Committees for recommendations to be made to the full board. Projects would need to be selected from the 2008 list unless all jurisdictions adopt the 2016 study.

- **Option 3B-1: Allocate funds by Measure V formula**
Divide the funds between the east and west based only on the Measure V method (50% by percentage of population and 50% by percentage of road mileage)
- **Option 3B-2: Allocate funds by contribution of jurisdiction**
Divide the funds between the east and west based on the contributions by individual jurisdictions. Amount of contributions by each city could be used to determine city-related contributions for each side of the county. The County's portion of contribution would still need to be split between the east and west regions. The allocation of the County's portion could be done by the Measure V formula or another method.
- **Option 3B-3: Allocate funds by other considerations**
Funds could be allocated using other considerations including continued collection of funds, previous use of funds, or any other applicable considerations.
- **Option 3C: Allocate remaining funds to all jurisdictions based on contributions**
Under this option, the funds would be allocated to all seven jurisdictions based on the amount of funds each contributed to the RTIF over the entire length of the program. This would account for jurisdictions which did and did not continue to collect RTIF funds. As a majority of all funds collected have already been expended, each jurisdiction would receive a pro-rated amount of the remaining funds. An estimated \$4.9 million is available of the total net revenue of \$14.2 million from the life of the program. That means that each jurisdiction would receive about 34.5 percent of the funds which were contributed. The Board has the ability to allocate funds to eligible projects, which is currently the 2008 list. The 2016 study would need to be adopted by all jurisdictions to make the 2016 projects available.

While the Board could allocate funds to each jurisdiction in this manner, the funds could only be used for eligible projects. This could result in some jurisdictions receiving amounts of funds that would not be meaningful compared to the costs of eligible projects. Options would need to be pursued by jurisdictions and the Board to ensure that final allocations would be made to jurisdictions in amounts that could be utilized effectively.

Quarterly Reporting
Date Updated: 10/23/2017

TABLE 1

REGIONAL TRANSPORTATION IMPACT FEES (RTIF) COLLECTED BY JURISDICTION FOR FY 2017-2018				
JURISDICTION	1 ST QTR	2 ND QTR	3 RD QTR	4 TH QTR
Atwater	41,912.26	0.00	0.00	0.00
Dos Palos				0.00
Gustine				0.00
Livingston				0.00
Los Banos Note 1			0.00	0.00
Merced City				0.00
Merced County	87,439.30	0.00	0.00	87,439.30
Interest Earnings	12,125.94	0.00	0.00	12,125.94
Total	141,477.50	0.00	0.00	141,477.50

TABLE 2

REGIONAL TRANSPORTATION IMPACT FEES (RTIF) COLLECTED BY JURISDICTION TO-DATE SEPTEMBER 2017*										
JURISDICTION	TOTAL	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	
Atwater	1,210,950.17	41,912.26	241,544.09	346,606.13	237,695.01	89,365.04	33,663.76	72,258.86	59,632.41	
Dos Palos	109,527.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Cash Balance in Fund @ 9/30/2017	4,711,441.15	0.00	0.00	0.00	0.00	0.00	18,641.70	0.00	0.00	
Livingston	117,251.00	0.00	0.00	117,251.00	0.00	0.00	0.00	0.00	0.00	
Los Banos	1,779,791.73	0.00	1,375.00	5,299.84	0.00	28,199.99	3,115.00	41,203.34	58,308.90	
Merced City	5,181,108.72	0.00	0.00	314,543.48	395,162.34	161,798.29	233,879.12	316,747.97	100,137.23	
Merced County	5,143,446.13	87,439.30	460,714.96	440,973.64	303,784.59	499,886.80	484,556.55	304,487.63	262,524.22	
Total Jurisdictions	18,253,515.90	129,351.56	703,634.05	1,224,674.09	936,641.94	779,250.12	773,856.13	734,697.80	480,602.76	
Interest Earnings	719,825.37	12,125.94	40,729.42	20,304.37	14,102.92	11,481.71	22,364.35	35,024.26	57,147.27	
Total Collections	18,973,341.27	141,477.50	744,363.47	1,244,978.46	950,744.86	790,731.83	796,220.48	769,722.06	537,750.03	
Refunds	-200,995.08	0.00	-16,120.10	-1,375.00	0.00	0.00	-42,436.94	-20,388.17	0.00	
Total Net	18,772,346.19	141,477.50	728,243.37	1,243,603.46	950,744.86	790,731.83	753,783.54	749,333.89	537,750.03	

REGIONAL TRANSPORTATION IMPACT FEE PROJECT LISTS

2008 RTIF Study Project List (Adopted)

Project Location	Project Description	Cost
Bellevue Road	connection to 99 - from new interchange to Atwater	\$5,000,000
Mission Avenue Improvements	from 59 to 99 (not adding lanes)	\$8,400,000
Hwy 59 north realignment	"Merced-Atwater Highway" - re-align from 99 to Bellevue with new 99 Interchange	\$214,000,000
Hwy 59 Mission to Childs	widen to 4 lanes from Mission Ave. to Childs Ave.	\$5,000,000
Hwy 59 – 152 to Mission	widen to 4 lanes from SR 152 to Mission Ave.	\$50,000,000
Hwy 140 Bradley Overhead	widen to 4/5 lanes - from Parsons to Santa Fe Ave.	\$48,000,000
Hwy 140 to Campus Parkway	widen to 4/5 lanes - from Santa Fe Ave. to Campus Parkway	\$13,500,000
Hwy 140/33 Gustine Truck Route	Bypass	\$5,000,000
Hwy 152 Los Banos Bypass		\$497,000,000
Hwy 165 North of Hilmar	widen to 4/5 lanes - from Hilmar to Stanislaus County or alternate project to reduce traffic on SR 165 through Hilmar	\$43,000,000
Dos Palos Road Improvements		\$5,000,000
Winton Parkway	Interchange improvements and widening (Livingston)	\$15,000,000
Campus Parkway	From SR 99 to Yosemite Ave.	\$63,000,000
TOTAL		\$971,900,000

2016 RTIF Study Project List (Not Adopted as of Dec 2017)

Project	Project Description	Cost
Atwater-Merced Expressway – Phase 1b	Construct two-lane extension from Green Sands to Santa Fe	\$62,200,000
Campus Parkway from Childs Avenue to north of SR 140	Construct Phase 2 of four-lane divided expressway	\$30,524,000
Campus Parkway from north of SR 140 to Yosemite Avenue	Construct Phase 3 of four-lane divided expressway	\$55,000,000
E. Mission Avenue from SR 59 to west of Henry Street in south Merced	Construct two-lane roadway	\$4,911,600
Bellevue Road from Vine Avenue to Orchard Park near Dole plant.	Construct two-lane roadway	\$2,206,240
Hammatt Avenue at SR 99 in Livingston	Construct traffic signals & roadway improvements at interchange	\$1,674,400
Lander Avenue (SR 165) from American Avenue to August Avenue	Construct center two way left turn lane for 0.4 miles	\$785,900
SR 33 at SR 140 in Gustine	Construct a roundabout	\$2,300,000
SR 59 from Merced to SR 152	Construct two sets of passing lanes	\$2,158,000
SR 33 (Elgin Avenue) from Valeria Street to Christian Street in Dos Palos	Construct four-lane roadway	\$5,000,000
Los Banos improvement project	Construct RTIF project, to replace Los Banos Bypass	\$50,000,000
TOTAL		\$216,760,140

12/21/18

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