



CITY OF MERCED

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, May 20, 2019

6:00 PM

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

Closed Session at 5:30 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.** [19-283](#) **SUBJECT:** CONFERENCE WITH REAL PROPERTY NEGOTIATORS -
Property: 3033 G Street, Merced, CA APN 007-350-009; Agency
Negotiator: Frank Quintero, Director, Economic Development;
Negotiating Parties: Doug Collins Representing Merced City School
Districts and City of Merced and; Under Negotiation: Price and Terms
of Payment
- B.2.** [19-286](#) **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS - Agency
Designated Representative: City Manager Steve Carrigan; Employee

Organizations: Merced Police Officers' Association (MPOA); Merced
Association of Police Sergeants. AUTHORITY: Government Code
Section 54957.6

C. CALL TO ORDER

C.1. Invocation - Bruce Logue, Life Spring Church

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. WRITTEN PETITIONS AND COMMUNICATIONS

G. 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.

H. 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.

H.1. [19-219](#) **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.

H.2. [19-237](#)

SUBJECT: Information Only - Site Plan Review Committee Meeting Minutes of March 28, 2019

RECOMMENDATION

For information only.

H.3. [19-236](#)

SUBJECT: Information Only-Bicycle Advisory Commission Meeting Minutes of February 26, 2019

RECOMMENDATION

For information only.

H.4. [19-250](#)

SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of April 15, 2019

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 April 15, 2019.

H.5. [19-221](#)

SUBJECT: Adoption of Resolutions By The City Council Acting In Its Capacity as the Housing Successor Agency Authorizing the Retention of 26 West 18th Street, a Housing Asset Owned By the Former Redevelopment Agency of the City of Merced, Validating the Deposit of Funds Into the Housing Asset Fund From the Sale Of 454 West 18th Street, Which Was A Housing Asset Owned By the Former Redevelopment Agency of the City of Merced and Validating the Deposits of Funds Into the Housing Asset Fund From the Sale of 951 West 7th Street Which Was a Housing Asset Owned By the Former Redevelopment Agency of the City of Merced

REPORT IN BRIEF

Considers adopting Resolutions of the City Council, acting in its capacity

as the Housing Successor Agency to approve the Retention of 26 West 18th Street, a Housing Asset Owned by the Former Redevelopment Agency of the City of Merced and validating the deposit of funds into the Housing Asset Fund from the sale of 454 West 18th Street and 951 West 7th Street, both of which were Housing Assets Owned by the Former Redevelopment Agency of the City of Merced.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2019-17**, A Resolution of the City Council of the City of Merced, California, Acting in its capacity as the Housing Successor Agency Authorizing its Retention of a Housing Asset (26 West 18th Street) Owned by the Former Redevelopment Agency of the City of Merced; and,

B. Adopting **Resolution 2019-18**, A Resolution of the City Council of the City of Merced, California, Acting in its capacity as the Housing Successor Agency validating the deposit of funds from the sale of a Housing Asset (454 West 8th Street) owned by the Former Redevelopment Agency of the City of Merced into the Housing Asset Fund; and,

C. Adopting **Resolution 2019-19**, A Resolution of the City Council of the City of Merced, California, acting in its capacity as the Housing Successor Agency validating the deposit of funds from the sale of a Housing Asset (951 West 7th Street) owned by the Former Redevelopment Agency of the City of Merced into the Housing Asset Fund.

H.6. [19-239](#)

SUBJECT: Approval of a Finding of Public Convenience or Necessity to Allow Beer and Wine Sales for Off-Site Consumption for Exxon Mobil/Mobil Mart Located at 782 Carol Avenue (Land Use Determination #19-01)

REPORT IN BRIEF

This report provides options for the City Council to consider in making a Finding of Public Convenience or Necessity (PCN), as required by the Department of Alcoholic Beverage Control (ABC) to allow the sale of beer and wine for off-site consumption for Exxon Mobil/Mobil Mart located at 782 Carol Avenue.

RECOMMENDATION

City Council - Adopt a motion approving the Finding of Public Convenience or Necessity to allow the issuance of a Type 20 Alcohol License (allows the sale of beer and wine for off-site consumption) for

Exxon Mobil/Mobil Mart located at 782 Carol Avenue.

H.7. [19-214](#)

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

REPORT IN BRIEF

Consider the approval of the First Amendment the Townsend Public Affairs, Inc. contract, extending the term of the agreement for an additional two years for Legislative Affairs Advocacy and Consulting Services for an annual Amount of \$60,000.

RECOMMENDATION

City Council - Adopt a motion approving the First Amendment to the Townsend Public Affairs, Inc., contract and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

H.8. [19-267](#)

SUBJECT: Authorization to Negotiate the Temporary Purchase of Transfer Water Between the Merced Irrigation District and the City of Merced Through a Memorandum of Understanding and to Return with a Final Agreement for City Council Consideration

REPORT IN BRIEF

Provide staff the authority to negotiate the temporary purchase of transfer water between Merced Irrigation District and the City of Merced through a Memorandum of Understanding and direct staff to return with a final document for consideration by the City Council.

RECOMMENDATION

City Council - Adopt a motion providing staff the authority to negotiate the temporary purchase of transfer water between the Merced Irrigation District and the City of Merced through a Memorandum of Understanding and direct staff to return with a final document for consideration by the City Council.

H.9. [19-225](#)

SUBJECT: Adoption of Resolution Changing the Meeting Date and Time of the Arts and Culture Advisory Commission to the Third Thursday of Every Odd-Numbered Month at 4 p.m. as Recommended by the Arts and Culture Advisory Commission

REPORT IN BRIEF

Considers approving Resolution changing the meeting date and time of the Arts and Culture Advisory Commission to the third Thursday of every odd-numbered month at 4 p.m. as recommended by the Arts and Culture Advisory Commission.

RECOMMENDATION

City Council - Adopt a motion approving **Resolution 2019-20**, a Resolution of the City Council of the City of Merced, California, Setting the Day and Time of the Regular meeting of the Arts and Culture Advisory Commission.

H.10. [19-238](#)

SUBJECT: Approval of Recommendation by the Parks and Recreation Commission to Distribute the 2019 Allocation of the Wahneta Hall Trust Funds in the Amount of \$1,561 to the Kiwanis Club of Greater Merced to Operate a Mini Train in Applegate Park

REPORT IN BRIEF

Considers approving the recommend Wahneta Hall Trust Funds to the Kiwanis Club of Greater Merced in the amount of \$1,561 to be used to operate and maintain the train at Kiddieland in Applegate Park.

RECOMMENDATION

City Council - Adopt a motion approving the recommendation by the Parks and Recreation Commission to allocate the 2019 Wahneta Hall Trust funds of \$1,561 to the Kiwanis Club of Greater Merced to be paid out of Fund 795 Wahneta Hall Trust Fund; and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

H.11. [19-247](#)

SUBJECT: Approval of Request to Accept and Appropriate Donated Funds in the Amount of \$237 from Fearless Yoga from a Fundraiser Held for Applegate Park Zoo to Purchase Animal Enrichment Supplies

REPORT IN BRIEF

Considers approving a request for acceptance and appropriation in the amount of \$237 from Fearless Yoga Fundraiser in the Contributions and Donations account to the Zoo Supplies account to purchase animal enrichment supplies for Applegate Park Zoo.

RECOMMENDATION

City Council - Adopt a motion accepting a donation from Fearless Yoga Fundraiser in the amount of \$237 to account 024-1205-360.02-01 (Contributions and Donations); and appropriating the same to account

024-1205-542-.25-00 (Maintenance Materials and Services) to purchase animal enrichment supplies.

H.12. [19-183](#)

SUBJECT: Award of Proposal and Approval of Agreement for Professional Services to Koff & Associates for Conducting a Citywide Employee Total Compensation Study for the Not to Exceed Amount of \$75,040

REPORT IN BRIEF

Considers awarding a contract and approving a professional services agreement with the consulting firm Koff & Associates to conduct a citywide employee total compensation study for the not to exceed amount of \$75,040.

RECOMMENDATION

City Council - Adopt a motion awarding a contract for professional services to include a citywide compensation study to Koff & Associates in an amount not to exceed \$75,040 and authorizing the City Manager or the Assistant City Manager to execute the Agreement for Professional Services.

H.13. [19-241](#)

SUBJECT: Adoption of Resolution Approving a Memorandum of Understanding Between the City of Merced and the Merced Association of Police Sergeants Regarding Pay, Hours and Other Terms and Conditions of Employment for the Period January 1, 2019 Through December 31, 2019

REPORT IN BRIEF

Considers approving a Memorandum of Understanding between the City of Merced and the Merced Association of Police Sergeants regarding pay, hours and other terms and conditions of employment for the period January 1, 2019 through December 31, 2019.

RECOMMENDATION

City Council - Adopt a motion approving **Resolution 2019-22**, a Resolution of the City Council of the City of Merced, California, approving a Memorandum of Understanding with the Merced Association of Police Sergeants; and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

H.14. [19-222](#)

SUBJECT: Adoption of Resolution Approving a Memorandum of Understanding Between the City of Merced and the Merced Police Officers Association Regarding Pay, Hours and Other Terms and

Conditions of Employment for the Period January 1, 2019 Through
December 31, 2019

REPORT IN BRIEF

Considers approving a Memorandum of Understanding with between the City of Merced and the Merced Police Officers Association regarding pay, hours and other terms and conditions of employment for the period January 1, 2019 through December 31, 2019.

RECOMMENDATION

City Council - Adopt a motion approving **Resolution 2019-23**, a Resolution of the City Council of the City of Merced, California, approving Memorandum of Understanding with between the City and the Merced Police Officer Association; and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

H.15. [19-288](#)

SUBJECT: Authorization to Seek Applicants for Boards and Commissions Annual Vacancies

REPORT IN BRIEF

Authorizes staff to seek applicants for vacancies for terms expiring July 1, 2019 and for current vacant seats on all Boards and Commissions.

RECOMMENDATION

City Council - Adopt a motion directing the Clerk's Office to notice all current vacant seats and upcoming vacancies for all Boards and Commissions.

I. 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.

I.1. [19-168](#)

SUBJECT: Adoption of Resolution Approving General Plan Amendment #19-01 to Amend the Merced Vision 2030 General Plan Transportation and Circulation Element to Eliminate a Portion of Mission Avenue, Between S. Coffee Street and State Highway 99, Includes Adopting a CEQA Categorical Exemption Pursuant to Section 15061(b)(3) of the CEQA Guidelines and Adoption of Resolution Declaring the Intent to

Abandon the Same Parcel and Setting a Public Hearing on June 17, 2019, for the Vacation Process (Vacation #18-01)

REPORT IN BRIEF

Considers adopting a resolution to amend the Merced Vision 2030 General Plan Transportation and Circulation Element to eliminate the portion of Mission Avenue, between S. Coffee Street and State Highway 99 and adopting a CEQA Categorical Exemption pursuant to Section 15061(b)(3) of the CEQA Guidelines. In addition, the Council will consider adopting a resolution declaring the intent to vacate this area (Mission Avenue, between S. Coffee Street and Highway 99) and Setting a Public Hearing on June 17, 2019, for the vacation process.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2019-25**, a Resolution of the City Council of the City of Merced, California, for General Plan Amendment #19-01 to amend the Merced General Plan Transportation and Circulation Element, which would modify the City of Merced Circulation Plan (Figures 4.1 and 4.2) and all associated maps and descriptions throughout the General Plan, to eliminate Mission Avenue, between Coffee Street and State Highway 99 and adopting a CEQA Categorical Exemption pursuant to Section 15061(b)(3) of the CEQA Guidelines; and,

B. Adopting **Resolution 2019-24**, a Resolution of the City Council of the City of Merced, California, declaring its intention to abandon a portion of Mission Avenue, between Coffee Street and State Highway 99 [approximately 400 feet long] (Vacation #18-01) and setting time and place for public hearing.

J. REPORTS

J.1. [19-287](#)

SUBJECT: City of Merced Fiscal Year 2019-20 Budget

REPORT IN BRIEF

Review of the City Manager's proposed FY 2019-20 Budget.

RECOMMENDATION

For information and discussion only.

AUTHORITY

Charter of the City of Merced, Section 1104.

CITY COUNCIL PRIORITIES

As provided for by the City Council during priority setting session.

DISCUSSION

The City Council and the Public to be presented the City Manager's proposed FY 2019-20 budget.

ATTACHMENTS

1. Presentation

K. BUSINESS

K.1. [19-264](#)

SUBJECT: Council Discussion on Items to be Reviewed by Newly Formed Citizens Advisory Charter Review Committee

REPORT IN BRIEF

This item allows for Council discussion on possible amendments to the City of Merced Charter and to provide the newly appointed Citizens Advisory Charter Review Committee with direction.

RECOMMENDATION

City Council - Provide direction to the Citizens Advisory Charter Review Committee and staff on specific sections of the Charter for review.

K.2. [19-259](#)

SUBJECT: Appointments to the Citizens Advisory Charter Review Committee with 6 Members by District and 3 Members in At-Large Seats

REPORT IN BRIEF

Considers the appointment of individuals to the Citizens Advisory Charter Review Committee.

RECOMMENDATION

City Council - Adopt a motion accepting nominations and appointing one individual to each of the six City Council Districts and three individuals to at-large seats on the Citizens Advisory Charter Review Committee.

K.3. Request to Add Item to Future Agenda

K.4. City Council Comments

L. ADJOURNMENT



CITY OF MERCED

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

ADMINISTRATIVE REPORT

Agenda Item B.1.

Meeting Date: 5/20/2019

SUBJECT: CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Property: 3033 G Street, Merced, CA APN 007-350-009; Agency Negotiator: Frank Quintero, Director, Economic Development; Negotiating Parties: Doug Collins Representing Merced City School Districts and City of Merced and; Under Negotiation: Price and Terms of Payment



CITY OF MERCED

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

ADMINISTRATIVE REPORT

Agenda Item B.2.

Meeting Date: 5/20/2019

SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS - Agency Designated Representative:
City Manager Steve Carrigan; Employee Organizations: Merced Police Officers' Association
(MPOA); Merced Association of Police Sergeants. AUTHORITY: Government Code Section
54957.6



CITY OF MERCED

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

ADMINISTRATIVE REPORT

Agenda Item H.1.

Meeting Date: 5/20/2019

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 H.2.

Meeting Date: 5/20/2019

Report Prepared by: Taylor Hensley, Secretary I, Planning Division

SUBJECT: Information Only - Site Plan Review Committee Meeting Minutes of March 28, 2019

RECOMMENDATION

For information only.

ATTACHMENTS

1. Minutes

CITY OF MERCED
Site Plan Review Committee

MINUTES

Planning Conference Room
2nd Floor Civic Center
Thursday, March 28, 2019

Chairperson HREN called the meeting to order at 1:35 p.m.

1. ROLL CALL

Committee Members Present: Stuart England, Plans Examiner (for Chief Building Official), City Surveyor Cardoso (for City Engineer), and Scott McBride, Director of Development Services

Committee Members Absent: None

Staff Present: Planning Manager Espinosa, Associate Planner/Recording Secretary Nelson

2. MINUTES

M/S ENGLAND-CARDOSO, and carried by unanimous voice vote, to approve the Minutes of March 7, 2019, as submitted.

3. COMMUNICATIONS

None.

4. ITEMS

- 4.1 Extension of Vesting Tentative Subdivision Map (VTSM) #1287 ("Terrazzo"), for 70 lots, located at the northeast corner of Horizons Avenue and Lehigh Drive.

Associate Planner NELSON reviewed the request for an extension of the tentative subdivision map. For more information, refer to the Memo to the Site Plan Committee dated March 28, 2019.

Site Plan Review Committee Minutes

March 28, 2019

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Committee Member CARDOSO questioned the access for Lots 49 and 50 and whether the Fire Department had provided comments on the extension. Mr. CARDOSO explained that his concern is that the easement for access to these lots is only 20 feet wide and the Fire Department Standard is now 22 feet wide.

Planning Manager ESPINOSA explained that at the time the subdivision was approved, the Fire Department standard for access was 20 feet and the Fire Department approved the original subdivision design. Ms. ESPINOSA also noted that the alleys within the City are 20 feet wide and the Fire Department is able to access areas served by these alleys.

There was a brief discussion among the Committee Members regarding the access issue and the design of Lots 49 and 50. It was determined that staff should get input from the Fire Department prior to approving the requested extension of this subdivision map.

M/S CARDOSO-ENGLAND, and carried by the following vote to continue the request for an extension to Vesting Tentative Subdivision Map #1287 to the Site Plan Committee meeting of April 18, 2019 to allow the Fire Department to comment on the access to Lots 49 and 50:

AYES: Committee Members Cardoso, England, and Chairperson McBride

NOES: None

ABSENT: None

5. **INFORMATION ITEMS**

5.1 Calendar of Meetings/Events

There was no discussion regarding the calendar of meetings/events.

6. **ADJOURNMENT**

There being no further business, Chairperson MCBRIDE adjourned the meeting at 1:55 p.m.

Site Plan Review Committee Minutes

March 28, 2019

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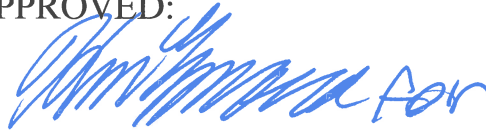
Respectfully submitted,



Kim Espinosa, Secretary

Merced City Site Plan Review Committee

APPROVED:



Scott McBride, Chairperson/
Director of Development Services,
Merced City Site Plan Review Committee



CITY OF MERCED

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

ADMINISTRATIVE REPORT

Agenda Item H.3.

Meeting Date: 5/20/2019

Report Prepared by: Taylor Hensley, Secretary I, Planning Division

SUBJECT: Information Only-Bicycle Advisory Commission Meeting Minutes of February 26, 2019

RECOMMENDATION

For information only.

ATTACHMENTS

1. Minutes

CITY OF MERCED
BICYCLE ADVISORY COMMISSION

MINUTES

Council Chambers
678 W 18TH STREET
MERCED, CALIFORNIA

TUESDAY
February 26, 2019

Chairperson HOTHEM called the meeting of the Bicycle Advisory Commission to order at 3:02 PM.

(B) ROLL CALL

Present: Tom Hothem (Chairperson)
*Jules Comeyne (arrived at 3:04 PM)
Greg Friedman (Vice-Chairperson)
Justin Hicks
*Isai Palma (arrived at 3:06 PM)
Ann Thurston

Absent: (Two vacancies, two Ex-Officio)

Staff Present: Michael Hren, Principal Planner
Taylor Hensley, Planning Secretary I

Others Present: Lisa Kayser-Grant

(C) APPROVE MINUTES OF DECEMBER 11, 2018:

M/S HICKS/FRIEDMAN, AND DULY CARRIED BY UNANIMOUS VOICE VOTE, TO APPROVE THE MINUTES OF DECEMBER 11, 2018, AS SUBMITTED.

(D) ORAL COMMUNICATIONS

Principal Planner HREN introduced Planning Secretary HENSLEY to the Commission. Mr. HREN stated that there have been three resignations in the Engineering Department in the past month, including the City Engineer. Mr. HREN also noted that the City Attorney's office requested an agenda item for the April meeting to provide Brown Act training.

BICYCLE ADVISORY COMMISSION REQUESTS, INFORMATION ITEMS, AND SUBCOMMITTEE REPORTS

(E) PROJECT UPDATES

Mr. HREN provided an update on M Street signage. The Commission determined that the item would be tabled until a new City Engineer was in place.

Mr. HREN provided an update on the Childs Avenue Corridor Multi-Use Path project. The Cycle IV Active Transportation Program did not fund the project. Commissioner PALMA asked what other options were available to fund this project. Mr. HREN suggested that the Commission could make a recommendation to City Council or attend a City Council meeting to request additional funding sources be committed. The Commission discussed the project and future funding strategies for it.

Chairperson HOTHEM opened public comment at 3:23 PM.

Ms. KAYSER-GRANT agrees that the Commission should wait until new a City Engineer is in place before continuing to address M Street signage. She also questioned the selection methodology of the Childs Avenue Multi-Use Path grant application. Mr. HREN noted that the Childs Avenue project was a direct response to community feedback at last year's Town Hall meetings, at which concerns for children walking to and from school were loudly voiced. Ms. KAYSER-GRANT clarified that her concern was with the selection of the project for an Active Transportation Grant funding opportunity when the project had such a large infrastructure funding need.

Chairperson HOTHEM closed public comment at 3:28 PM.

(F) COMMISSION VACANCIES AND FUTURE SCOPE

Chairperson HOTHEM introduced the item and noted that a need for better communication is present. He suggested that the inclusion of additional active transportation subjects, such as pedestrian issues, on the Commission's agenda could alleviate the void by bringing more groups to the table.

Mr. HREN discussed the possibilities of evolving the Bicycle Advisory Commission to include pedestrian issues and generally becoming more inclusive of all active transportation issues.

Mr. HREN provided an update on the status of existing applications to be a Commissioner, noting that there is currently one application for an Ex-Officio position. He also requested that Commissioners recruit additional persons who would like to be involved in the Commission.

The Commission discussed the scope, size, naming, and other details of the Commission in the future. Commissioner HICKS noted that Complete Streets should remain a primary focus of the Commission, not becoming a grant approval-focused group.

Mr. HREN updated the Commission on the relationship between the Commission and the Traffic Committee, and that the future City Engineer would be the appropriate person to discuss a member of the Commission sitting as an Ex-Officio member of the Traffic Committee. Mr. HREN suggested that, in the interim, a member of the Commission regularly attend the Traffic Committee to strengthen that relationship.

The Commission discussed the connection between itself and the Traffic Committee.

Chairperson HOTHEM opened public comment at 4:04 PM.

Ms. KAYSER-GRANT discussed her research on other cities' bicycle-related efforts. She recommended remaining a Commission rather than becoming a Committee. She also discussed the history of the Active Transportation Plan in Merced. She recommended moving to a monthly meeting rather than bimonthly. She also noted that naming the Commission "Complete Streets Commission" would not necessarily take into account bicycle facilities away from streets such as showers, lockers, etc. She recommended that cyclists make up at least half of the Commission's composition.

Chairperson HOTHEM closed public comment at 4:21 PM.

(G) OTHER BUSINESS

Commissioner PALMA asked to get an update about Measure V at a future meeting.

Commissioner HICKS updated the Commission about upcoming events relating to Bike to Work and School Month. The Commission requested staff to prepare a proclamation declaring May as Bike Month and Thursday, May 2, 2019 Bike to Work and School Day.

M/S HICKS/HOTHEM, AND DULY CARRIED BY UNANIMOUS VOICE VOTE, TO DIRECT STAFF TO PREPARE A PROCLAMATION FOR BIKE MONTH AND BIKE TO WORK AND SCHOOL DAY FOR 2019.

(H) ADJOURN TO THE NEXT REGULARLY SCHEDULED MEETING OF TUESDAY, APRIL 23, 2019, AT 3:00 P.M. IN THE COUNCIL CHAMBERS.

M/S FRIEDMAN/PALMA, AND DULY CARRIED BY UNANIMOUS VOICE VOTE, CHAIRPERSON HOTHEM ADJOURNED THE MEETING AT 4:39 P.M. TO THE REGULARLY SCHEDULED BICYCLE ADVISORY COMMISSION MEETING ON TUESDAY, APRIL 23, 2019, AT 3:00 P.M. IN THE CITY COUNCIL CHAMBERS, 678 W. 18TH STREET, MERCED, CALIFORNIA.

BY:

APPROVED:



MICHAEL HREN, AICP
PRINCIPAL PLANNER/
COMMISSION SECRETARY



TOM HOTHEM, CHAIRPERSON
BICYCLE ADVISORY COMMISSION



CITY OF MERCED

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

ADMINISTRATIVE REPORT

Agenda Item H.4.

Meeting Date: 5/20/2019

SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of April 15, 2019

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 April 15, 2019.

ALTERNATIVES

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

ATTACHMENTS

1. Minutes of April 15, 2019



CITY OF MERCED

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

Minutes

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

Monday, April 15, 2019

6:00 PM

A. CLOSED SESSION ROLL CALL

Present: 7 - Mayor Pro Tempore Anthony Martinez, Mayor Mike Murphy, Council Member Kevin Blake, Council Member Jill McLeod, Council Member Matthew Serratto, Council Member Delray Shelton, and Council Member Fernando Echevarria

Absent: 0

B. CLOSED SESSION

Mayor MURPHY called the Closed Session to order at 5:01 PM.

Clerk's Note: Council Member SERRATTO arrived at 5:02 PM.

B.1. **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION; McKinnon, et. al. v. City of Merced; Case No. 1:18-CV-01124-LJO-SAB; AUTHORITY: Government Code Section 54956.9(d)(1)

B.2. **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION; Englert, et. al. v. City of Merced; Case No. 1:18-CV-01239-LJO-EPG; AUTHORITY: Government Code Section 54956.9(d)(1)

Clerk's Note: Council adjourned from Closed Session at 5:38 PM.

C. CALL TO ORDER

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

C.1. Invocation - Lamar Henderson, All Dads Matter

The invocation was delivered by Lamar HENDERSON from All Dads Matter.

C.2. Pledge of Allegiance to the Flag

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

D. ROLL CALL

Present: 7 - Mayor Pro Tempore Anthony Martinez, Mayor Mike Murphy, Council Member Kevin Blake, Council Member Jill McLeod, Council Member Matthew Serratto, Council Member Delray Shelton, and Council Member Fernando Echevarria

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. CEREMONIAL MATTERS

F.1. SUBJECT: Recognition of El Capitan High School Cheer Squad

REPORT IN BRIEF

A certificate will be received by the 2019 USA National Champions, El Capitan High School Cheer Squad.

Mayor Pro Tempore MARTINEZ presented the Certificate of Recognition to the El Capitan High School Cheer Squad.

F.2. SUBJECT: Recognition of Merced United Youth Boys Soccer Club

REPORT IN BRIEF

A certificate will be received by the Merced United Boys FC.

Council Member SERRATTO presented the Certificate of Recognition to the Merced United Boys soccer team.

F.3. SUBJECT: Proclamation - Arbor Day

REPORT IN BRIEF

Received by Director of Public Works Ken Elwin

Mayor MURPHY presented the Arbor Day Proclamation to Director of Public Works Ken ELWIN.

F.4. SUBJECT: Proclamation - Bike Month

REPORT IN BRIEF

Received by a BAC Commissioner

Mayor MURPHY presented the Bike Month Proclamation to Director of Development Services Scott MCBRIDE.

G. SPECIAL PRESENTATIONS

G.1. Merced County Continuum of Care - Homeless Services in Merced County

Board Chair of the Merced County Continuum of Care Leslie ABASTA-CUMMINGS gave a slide show presentation on Homeless Services in Merced County.

Council and Ms. ABASTA-CUMMINGS discussed the services and challenges facing the homeless issue.

H. WRITTEN PETITIONS AND COMMUNICATIONS

There were none.

I. ORAL COMMUNICATIONS

Jorge GARIBAY, Merced - spoke on an issue he is having at the park across from his house.

Ramon LOMELI, Merced - spoke on the Merced United Soccer Club.

J. CONSENT CALENDAR

Items J.5. Approval of a Three-Year Agreement with CDW Government, LLC, for a Microsoft Enterprise Agreement Which Includes the Purchase of Software Licenses, Upgrades and Technical Support Beginning April 29, 2019, for an Annual Cost of \$162,054.90; Authorization to Waive the Competitive Bidding Requirements Based on a Cooperative Purchase Through the County of Riverside, J.8. Approval of City-Owned Real Property Use Request #19-03 by the Greater Merced Chamber of Commerce for the Use of Bob Hart Square Park to Host their Annual Fundraising Event, "Burgers and Brews" Which Includes the Serving of Alcohol, on Saturday, May 18, 2019, from 3:00 p.m. to 9:00 p.m., and J.11. Second Reading - Adoption of Ordinance No. 2500 Approving Site Utilization Plan Revision #6 to Planned Development (P-D) #46; were pulled for separate consideration.

Approval of the Consent Agenda

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

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

No: 0

Absent: 0

J.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.

J.2. **SUBJECT:** Information Only - Planning Commission Meeting Minutes of February 20, 2019

RECOMMENDATION

For information only.

This Consent Item was approved.

J.3. **SUBJECT:** Information Only - Merced Regional Airport Authority Meeting Minutes of December 18, 2018 and January 24, 2019.

RECOMMENDATION

For information only.

This Consent Item was approved.

J.4. **SUBJECT:** Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of March 4, 2019

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 March 4, 2019.

This Consent Item was approved.

J.6.

SUBJECT: Approval of Street Closure Request #19-06 by the Merced County Sheriff's Department for Merced County Fair (35th District Agricultural Association/Merced County Fair) to Close Traffic on G Street, Between W. Childs Avenue and 11th Street, During the Merced County Fair on June 5 and 6, 2019, from 3:00 p.m. to 11:00 p.m.; and on June 7, 8, and 9, 2019, from 5:00 p.m. to 12:00 a.m.

REPORT IN BRIEF

Considers approving a request by the Merced County Sheriff's Department for Merced County Fair (35th District Agricultural Association/Merced County Fair) for the closure and use of City streets on June 5 through June 9, 2019, to control traffic for the Merced County Fair. The request seeks approval to close G Street, between W. Childs Avenue, on June 5 and 6, 2019, from 3:00 p.m. to 11:00 p.m. and on June 7, 8, and 9, 2019, from 5:00 p.m. to 12:00 a.m.

RECOMMENDATION

City Council - Adopt a motion approving the street closure of G Street, between W. Childs Avenue and W. 11th Street, from 3:00 p.m. to 11:00 p.m. from Wednesday, June 5, 2019, through Thursday, June 6, 2019; and from 5:00 p.m. to 12:00 a.m. from Friday, June 7, 2019, through Sunday, June 9, 2019, for the Merced County Fair, subject to the details and conditions outlined in the administrative staff report.

This Consent Item was approved.

J.7.

SUBJECT: Approval of City-Owned Real Property Use Request #19-04 by The Regents of the University of California, Merced (UC Merced) for the Use of Bob Hart Square Park to Host the Class of 2019 Graduation Reception, Which Includes Serving Alcohol on Friday, May 3, 2019, from 12:00 p.m. to 11:00 p.m.

REPORT IN BRIEF

Considers approving a request by UC Merced allowing the exclusive use of Bob Hart Square Park on Friday, May 3, 2019, from 12:00 p.m. to 11:00 p.m. (event time 7:00 p.m. to 10:30 p.m.), for the Graduating Class of 2019's graduation reception, which includes the serving of alcohol.

RECOMMENDATION

City Council - Adopt a motion approving the exclusive use of Bob Hart Square Park on Friday, May 3, 2019, from 12:00 p.m. to 11:00 p.m., for a graduation reception (including the serving of alcohol); subject to the conditions outlined in the administrative report.

This Consent Item was approved.

J.9.

SUBJECT: Approval of Supplemental Budget Appropriation From the Unreserved, Unappropriated Fund Balance of the General Fund to Fund 666-Worker's Compensation in the Amount of \$120,000 Due to Increased Activity in Worker's Compensation Claims in Fiscal Year 2018-19

REPORT IN BRIEF

Considers approving a supplemental budget appropriation from the Unreserved, Unappropriated Fund Balance of the General Fund to Fund 666-Worker's Compensation by \$120,000. This adjustment is necessary due to higher than projected worker's compensation claims activity than what was originally budgeted in fiscal year 2018-2019.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a supplemental appropriation from the unreserved, unappropriated fund balance of the General Fund in the amount of \$120,000, transferring to Fund 666-Worker's Compensation Fund, and appropriating the same in Fund 666; and,

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

This Consent Item was approved.

J.10.

SUBJECT: Adoption of Resolution Setting a Public Meeting and

Public Hearing Regarding Maintenance Districts Engineer's
Reports and Budgets - Fiscal Year 2019/2020

REPORT IN BRIEF

Considers setting a public meeting for Monday, June 3, 2019, to address the proposed Engineer's Reports and Budgets and a formal public hearing for Monday, June 17, 2019, before a determination is made on the level of assessment to approve.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2019-14**, a Resolution of the City Council of the City of Merced, California, approving Engineer's Reports on Maintenance Districts and setting a public meeting and a public hearing thereon.

This Consent Item was approved.

J.5.

SUBJECT: Approval of a Three-Year Agreement with CDW Government, LLC, for a Microsoft Enterprise Agreement Which Includes the Purchase of Software Licenses, Upgrades and Technical Support Beginning April 29, 2019, for an Annual Cost of \$162,054.90; Authorization to Waive the Competitive Bidding Requirement Based on a Cooperative Purchase Through the County of Riverside

REPORT IN BRIEF

Considers the approval of a three-year agreement with CDW Government, LLC, for the purchase of Microsoft Software licenses and upgrades, as well as technical support for an annual cost of \$162,054.90. Also considers waiving the competitive bidding requirement set forth in Merced Municipal Code section 3.04.210 based on a cooperative purchasing agreement through the County of Riverside.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bid requirements as stated in Section 3.04.210 of the Merced Municipal Code; and,

B. Approving a three-year agreement with CDW- Government LLC, for Microsoft Enterprise Agreement "EA" software licensing, upgrades, and technical support for the City's personal computers and servers;

and,

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

Mayor Pro Tempore MARTINEZ pulled this item to ask for a report.

Information Technology Manager J.R. WRIGHT discussed the three-year software agreement with Microsoft Enterprise.

Mayor Pro Tempore MARTINEZ and Mr. WRIGHT discussed other options the City could use.

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

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

No: 0

Absent: 0

J.8.

SUBJECT: Approval of City-Owned Real Property Use Request #19-03 by the Greater Merced Chamber of Commerce for the Use of Bob Hart Square Park to Host their Annual Fundraising Event, "Burgers and Brews" Which Includes the Serving of Alcohol, on Saturday, May 18, 2019, from 3:00 p.m. to 9:00 p.m.

REPORT IN BRIEF

Considers approving a request by the Greater Merced Chamber of Commerce to allow the exclusive use of Bob Hart Square Park on Saturday, May 18, 2019, from 3:00 p.m. to 9:00 p.m. for their "Burgers and Brews" fundraiser event, to include the serving of alcohol.

RECOMMENDATION

City Council - Adopt a motion approving the exclusive use of Bob Hart Square Park on Saturday, May 18, 2019, from 3:00 p.m. to 9:00 p.m. for a "Burgers and Brews" gourmet burger and local microbrewery beer sampling event, allowing the serving of alcohol; subject to the conditions outlined in the administrative report.

Mayor Pro Tempore MARTINEZ pulled this item to allow the President of the Greater Merced Chamber of Commerce Manuel ALVARADO to discuss the second annual Burgers and Brew event.

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

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

No: 0

Absent: 0

J.11.

SUBJECT: Second Reading - Adoption of Ordinance No. 2500 Approving Site Utilization Plan Revision #6 to Planned Development (P-D) #46

REPORT IN BRIEF

Adoption of previously introduced Ordinance 2500 approving Site Utilization Plan revision #6 to Planned Development (P-D) #46.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance 2500**, an Ordinance of the City Council of the City of Merced, California, approving Site Utilization Plan Revision #6 to Planned Development (P-D) #46 changing the land use designation from "Business Park" (BP) to "High-Medium Density Residential" (HMD) for 10.73 acres of land, generally located on the west side of San Augustine Avenue at Pacific Drive.

Council Member ECHEVARRIA pulled this item to state his concern for the amount of apartments in one area of the City and traffic congestion in the San Augustine Avenue area.

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

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

No: 1 - Council Member Echevarria

Absent: 0

K. PUBLIC HEARINGS

K.1.

SUBJECT: Public Hearing - Review and Consideration of the Prioritization of CDBG and HOME Project Funding Applications Received and Consideration of Projects for Inclusion in the 2019 HUD Annual Action Plan

REPORT IN BRIEF

Conducts a Public hearing for the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Program to allow the public an opportunity to comment on the proposed project selections for Fiscal Year 2019-2020 and requests that the City Council consider prioritizing and provide modifications, if any, to proposed projects for inclusion in the City's Department of Housing and Urban Development (HUD) 2019 Annual Action Plan.

RECOMMENDATION

City Council - Adopt a motion providing prioritization and modifications, if any, to the project selections based on the applications received and directing staff to fund them in order of priority as funding becomes available from the U.S. Department of Housing and Urban Development (HUD) after holding the required Public Hearing.

Housing Supervisor Mark HAMILTON gave a slide show presentation on the 2019 HUD Annual Action Plan.

Council and Mr. HAMILTON discussed programming funding, advertising the Public Hearing, and the first time home buyer program. They also discussed home maintenance education classes and the selection process.

Mayor MURPHY opened the Public Hearing at 7:37 PM.

Habitat for Humanity Board Member Lyle ALLEN, Merced - spoke on the Habitat for Humanity of Merced County.

Don SPIVA, Merced - asked for the definition of the CDBG Block Grant.

Mr. Hamilton explained a CDBG Block Grant and how the funding is spent.

Mayor MURPHY closed the Public Hearing at 7:49 PM.

Council discussed prioritizing the project selections for funding from the U.S. Department of Housing and Urban Development.

A motion was made by Council Member Blake, seconded by Council Member McLeod, to have staff return with additional information and funding options. The motion carried by the following vote:

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

No: 1 - Council Member Echevarria

Absent: 0

L. REPORTS

L.1. **SUBJECT:** Report - Adoption of Resolution Approving the Fiscal Year 2019/20 Project List for the Road Repair Accountability Act (SB 1) and Council Prioritization of SB1 and Measure V Local Street Projects for the Fiscal Year 2019/20

REPORT IN BRIEF

Requests the City Council to approve the list of projects proposed to be funded with Road Maintenance and Rehabilitation Account (RMRA) funds pursuant to SB1 for FY 2019/2020, and requests City Council prioritization of Fiscal Year (FY) 2019/2020 SB1 and Measure V local projects.

RECOMMENDATION

City Council - Adopt a motion selecting Projects for the FY 2019-2020 Project List (SB1) and Prioritizing FY 2019-2020 Projects and approving **Resolution 2019-13**, A Resolution of the City Council of the City of Merced, California, Approving the "FY 2019-2020 Project List" for the Road Repair and Accountability Act (SB1), Local Streets and Roads Funding for Fiscal Year 2019-2020".

Director of Public Works Ken ELWIN gave a slide show presentation on the Road Repair Accountability Act (SB1) FY 19/20 Project List and Measure V - Proposed Project List.

Council and Mr. ELWIN discussed the funding of roads in District 2, allocation for sidewalk repairs, alternatives to sidewalk patching, scrub sealing on El Portal and 26th Street, and leveraging other funding for street repairs. They also spoke on the funding for the Childs Avenue to Parsons Avenue and Campus Parkway project, grants available for projects, and arterial road repairs.

Council and staff continued discussing funding for the Childs Avenue project.

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 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0

M. BUSINESS

M.1. SUBJECT: Council Discussion and Direction Regarding the Formation of a Citizens Advisory Charter Review Committee

REPORT IN BRIEF

Considers the composition of an advisory committee to review the City of Merced Charter for possible updates to be placed on the March 2020 Primary Election and the process of recruiting and accepting applications for the committee.

RECOMMENDATION

City Council - Adopt a motion:

- A. Establishing an intent to form an Citizens Advisory Charter Review Committee specifying the number of members and makeup of the committee (i.e. selected by district or at large); and,
- B. Declaring the vacancies and directing staff to commence the standard process for filling the committee by noticing the vacancies and recruiting qualified applicants (qualified electors of the City) for a period of 30 days after the posted notice; and,
- C. Directing staff to bring the qualified applications to the May 20, 2019, regular City Council meeting for possible appointment.

Assistant City Clerk John TRESIDDER briefly discussed the next steps for the Citizens Advisory Charter Review Committee.

Council and Mr. TRESIDDER discussed next steps and the process to move forward with the Citizens Advisory Charter Review Committee.

A motion was made by Council Member Blake, seconded by Council Member Serratto, to create a committee with six members by district and three at-large members. The motion carried by the following vote:

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

No: 0

Absent: 0

A motion was made by Council Member Blake, seconded by Mayor Pro Tempore Martinez, to appoint Mayor Murphy and Mayor Pro Tempore Martinez as ex-officio members to the Citizens Advisory Charter review Committee. The motion carried by the following vote:

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

No: 0

Absent: 0

M.2.

SUBJECT: Downtown Sub-Committee Report to the City Council

REPORT IN BRIEF

Sub-Committee to provide a report on recent efforts to evaluate other valley cities downtown strategies.

RECOMMENDATION

Provide direction for the development of a Downtown strategy.

Assistant City Manager Stephanie DIETZ gave a slide show presentation reorting the Downtown Sub-Committee's recent efforts to evaluate other valley cities downtown strategies.

The Downtown Sub-Committee discussed their experiences and findings from visiting the City of Modesto, City of Turlock, and City of Visalia's downtown and made recommendations.

Kevin HAMMON, Merced - spoke on downtown partnerships and funding.

Manuel ALVARADO, Merced - spoke on making Merced's downtown unique and developing a downtown coalition.

A motion was made by Council Member Blake, seconded by Council Member McLeod, to adopt staff's recommended next steps and to have staff bring a variety of options for Council coinsideration. The motion carried by the following vote:

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

No: 0

Absent: 0

M.3. Request to Add Item to Future Agenda

Mayor Pro Tempore MARTINEZ requested to add an item to update Council on the Merced Soccer Academy's Nonprofit Status.

Mayor MURPHY requested to add an item on adding a sister City from Thailand for the May 20th Meeting.

M.4. City Council Comments

Council Member BLAKE spoke on the 15th anniversary of Police Officer Stephan Grey's passing.

Council Member ECHEVARRIA reported on attending a meeting concerning South Merced and met with the Seattle Sounders Soccer Club.

Council Member SHELTON reported on attending the Lao New Year event.

Mayor Pro Tempore MARTINEZ reported on attending the Youth 2 Youth event, the Lao New Year event, and reading a book to children at the library.

Council Member MCLEOD reported on reading to children at the library.

Council Member SERRATTO spoke on an article he read about a neighborhood improvement committee in the League of California Cities magazine.

Mayor MURPHY reported on touring the El Capitan Hotel and Tioga Hotel construction project, attending a meeting at the Boys and Girls Club, the Measure V meeting, the Ada Givens Elementary School's presentation on Civil Rights, meeting with Judge PROETTI on the homeless court, the Fire Fighter of the Year award, the One Voice meeting, and the Lao New Year event. He spoke about an upcoming check in with constituents in District 6.

N. ADJOURNMENT

Clerk's Note: The Regular Meeting adjourned at 10:22 PM.

A motion was made by Mayor Murphy, seconded by Council Member Blake, to adjourn the Regular Meeting in honor of Joe Cortez. The motion carried by the following vote:

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

No: 0

Absent: 0



ADMINISTRATIVE REPORT

Agenda Item H.5.

Meeting Date: 5/20/2019

Report Prepared by: Mark Hamilton, Housing Program Supervisor, Development Services Department

SUBJECT: Adoption of Resolutions By The City Council Acting In Its Capacity as the Housing Successor Agency Authorizing the Retention of 26 West 18th Street, a Housing Asset Owned By the Former Redevelopment Agency of the City of Merced, Validating the Deposit of Funds Into the Housing Asset Fund From the Sale Of 454 West 18th Street, Which Was A Housing Asset Owned By the Former Redevelopment Agency of the City of Merced and Validating the Deposits of Funds Into the Housing Asset Fund From the Sale of 951 West 7th Street Which Was a Housing Asset Owned By the Former Redevelopment Agency of the City of Merced

REPORT IN BRIEF

Considers adopting Resolutions of the City Council, acting in its capacity as the Housing Successor Agency to approve the Retention of 26 West 18th Street, a Housing Asset Owned by the Former Redevelopment Agency of the City of Merced and validating the deposit of funds into the Housing Asset Fund from the sale of 454 West 18th Street and 951 West 7th Street, both of which were Housing Assets Owned by the Former Redevelopment Agency of the City of Merced.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2019-17** , A Resolution of the City Council of the City of Merced, California, Acting in its capacity as the Housing Successor Agency Authorizing its Retention of a Housing Asset (26 West 18th Street) Owned by the Former Redevelopment Agency of the City of Merced; and,
- B. Adopting **Resolution 2019-18** , A Resolution of the City Council of the City of Merced, California, Acting in its capacity as the Housing Successor Agency validating the deposit of funds from the sale of a Housing Asset (454 West 8th Street) owned by the Former Redevelopment Agency of the City of Merced into the Housing Asset Fund; and,
- C. Adopting **Resolution 2019-19** , A Resolution of the City Council of the City of Merced, California, acting in its capacity as the Housing Successor Agency validating the deposit of funds from the sale of a Housing Asset (951 West 7th Street) owned by the Former Redevelopment Agency of the City of Merced into the Housing Asset Fund.

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, with modifications; or,
- 3. Deny the request completely; or,

4. Refer to staff for reconsideration of specific items as requested by Council; or,
5. Continue to a future City Council meeting (date and time to be specified in the motion).

AUTHORITY

Merced Municipal Code Section 200; California Community Redevelopment Law (Health and Safety Code, Part 1.85 - Dissolution of Redevelopment Agencies and Designation of Successor Agencies)

CITY COUNCIL PRIORITIES

Not Applicable.

DISCUSSION

The City of Merced Housing Division is requesting City Council approval to correct discrepancies between State and City housing asset lists of properties owned by the former Redevelopment Agency. This report reviews the process involved in the dissolution of those properties and the discrepancies that need to be corrected.

Background

Prior to 2011, the City had established the Redevelopment Agency of the City of Merced, a public body, corporate and politic, to carry out and exercise the purposes and powers granted to community redevelopment agencies, in accordance with California Community Redevelopment Law (Health and Safety Code ("H&S Code") section 33000 et seq.).

Assembly Bill X1-26 and other subsequent legislation, collectively known as the "Dissolution Act", dissolved all redevelopment agencies as of February 1, 2012, and set out procedures for their wind-down.

Dissolution of Commercial Assets Explained

Accordingly, H&S Code Section 34173 established that a city or other local entity that formed the redevelopment agency could elect to serve as a successor agency, to be transferred the authorities, rights, powers, duties, and obligations for the commercial assets and functions formerly held by the dissolved redevelopment agency. It further established that if no local agency elects to serve as the successor agency for those commercial assets, a public body called a "Designated Local Authority" (DLA), with its members appointed by the State Governor, would be formed to receive those authorities, rights, powers, duties, and obligations and serve as the governing board of authority for such.

As such, the City Council took official action declining to become the former Redevelopment Agency's Successor Agency, and the City of Merced DLA was formed as a result of that action, thereby assuming the former Redevelopment Agency's commercial functions and obligations.

Dissolution of Housing Assets Explained

Similarly, H&S Code Section 34176(a) established that a city or other local entity that created the

redevelopment agency could elect to retain the housing assets and functions previously performed by the Redevelopment Agency, thereby becoming the "Housing Successor." In the case of the housing assets, unlike the commercial assets discussed above, the City did make that election, and all the rights, powers, duties, obligations, and housing assets of the former agency were transferred to the City as the new Housing Successor.

During its time of operation, the Redevelopment Agency acquired assets for low- and moderate-income housing purposes, including those identified on Exhibit A (Housing Assets) of this report. In March 2011, prior to its dissolution, the Redevelopment Agency conveyed Housing and other assets to the City of Merced Public Financing and Economic Development Authority (PFEDA), which subsequently transferred the properties identified as housing assets to the City in April 2012.

H&S Code Section 34176(a)(2) further required the City to submit a list of the former Redevelopment Agency's housing assets to the California Department of Finance (DOF), which had the right to review and object to any asset included on the Housing Assets Transfer List. After an initial objection and subsequent meet and confer session, the Department of Finance issued a revised letter in February 2013 indicating it no longer objected to the transfer of the Housing Assets.

The transfer of properties from the Redevelopment Agency to the City was still subject to review by the State Controller's Office, and after that review, the Controller's Office issued a final Asset Transfer Report in July 2015, which acknowledged the prior transfer of certain housing assets to PFEDA and the City.

The Designated Local Authority, the successor agency over commercial assets, was required to undergo specified due diligence reviews of the assets and accounts, one of which examined all housing assets transferred from the former Redevelopment Agency to the City and was submitted to the California Department of Finance for review, in accordance with H&S Code Section 34179.6(c).

As part of the Dissolution Act, an oversight board was formed to oversee the actions of the DLA and direct them to transfer the housing assets to the City (as Housing Successor). The Oversight Board approved the conveyance of the Housing Assets to the Housing Successor in November 2014, ratified the prior actions taken, and submitted the new action to the Department of Finance for its review. However, the DOF did not approve the Oversight Board resolution, indicating that there was insufficient documentation that the housing assets met the required criteria, and returned the matter back to the Oversight Board for reconsideration.

In response, City staff assembled supporting documentation to demonstrate that the Housing Assets meet the criteria for a "housing asset" and submitted this documentation to the Oversight Board for reconsideration and approval. H&S Code Section 34176(e)(1) defines "housing asset" to include "any real property, interest in, or restriction on the use of real property, whether improved or not ... that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds."

In January of 2017, the City Council of Merced approved Resolution No. 2017-02 authorizing the retention by the Housing Successor of most of the housing assets listed in Exhibit A. Later the same month, the Oversight Board approved the transfer of those same housing assets to the City of

Merced.

Correcting Housing Asset List Discrepancies

Three properties that qualify as housing assets and that were included in the original Housing Assets Transfer List were inadvertently excluded from the list of transferred properties in 2017.

One of those properties is a housing asset located at 26 W. 18th Street (APN: 031-163-005). The other two are located at 454 W. 8th Street (APN: 032-161-002) and 951 W. 7th Street (APN: 032-133-015). The City, acting as the Housing Successor Agency sold 454 West 8th Street and 951 West 7th Street prior to 2017, and proceeds from those sales were deposited into the Low- and Moderate-Income Housing Asset Fund.

The information contained in Exhibit B demonstrates that these properties were purchased using low- and moderate-income housing, reflecting that they were intended to be used for low- and moderate-income housing purposes.

Based on this information, staff requests the City Council, acting in its capacity as the Housing Successor Agency, adopt three resolutions, as follows:

- **Resolution 2019-17** would,
 - (a) determine that 26 W. 18th Street meets the criteria for housing assets as defined in H&S Code Section 34176(e),
 - (b) authorize the retention by the Housing Successor Agency of this Housing Asset, and
 - (c) authorize staff to submit the supporting documentation to the Oversight Board for consideration and approval; and,
- **Resolutions 2019-18 and 2019-19** would,
 - (a) determine that 454 W. 8th Street and 951 W. 7th Street meet the criteria for housing assets as defined in H&S Code Section 34176(e),
 - (b) validate the deposit of funds by the Housing Successor Agency, from the sale of these two Housing Assets into the Housing Asset Fund, and
 - (c) authorize staff to submit the supporting documentation to the Oversight Board for consideration and approval.

ATTACHMENTS

1. Exhibit A: List of Housing Assets
2. Location Map - 26 W. 18th Street
3. Location Map - 454 W. 8th Street
4. Location Map - 951 W. 7th Street
5. Exhibits B1-B3: Supporting Documentation that Housing Assets Meet the Criteria of Health & Safety Code Section 34176
6. Resolution 2019-17
7. Resolution 2019-18
8. Resolution 2019-19

9. City of Merced Executed Resolution 2017-02
10. California Department of Finance Letter - February 25, 2013
11. Oversight Board Resolution 2017-04 - Approving Transfer of Housing Assets to City
12. Draft Oversight Board Resolution for 26 W 18th Street
13. Draft Oversight Board Resolution for 454 W 8th Street
14. Draft Oversight Board Resolution for 951 W 7th Street

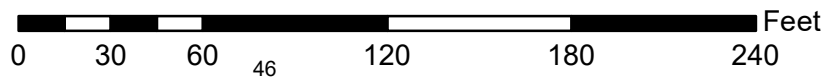
**EXHIBIT A
LIST OF HOUSING ASSETS**

APN	Address	Existing Use	Status
031-161-001	1744 I Street	Vacant Land	Transferred in 2017
031-074-010	1815 I Street	Vacant Land	Transferred in 2017
031-074-009	1823 I Street	Vacant Land	Transferred in 2017
031-082-002	150 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-008	202 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-011	205 W. 18 th Street	Vacant Land	Transferred in 2017
031-074-012	211 W. 18 th Street	Vacant Land	Transferred in 2017
031-084-011	49 W. 18 th Street	Vacant Land	Transferred in 2017
059-256-004	73 S. R Street	Vacant Land	Transferred in 2017
031-163-005	26 W. 18 th Street	Vacant Land	Excluded from 2017 Transfer
032-161-002	454 W. 8 th Street	Single Family Home	Sold in 2015
032-133-015	951 W. 7 th Street	Single Family Home	Sold in 2012

26 W. 18th Street



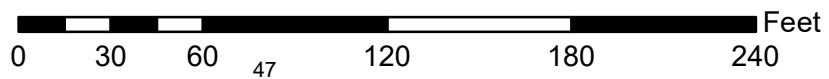
Disclaimer: This document was prepared for general inquiries only. The City of Merced makes no warranty, representation, or guarantee regarding the accuracy of this map. The City of Merced is not responsible for errors or omissions that might occur. Official information regarding specific parcels should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



454 W. 8th Street



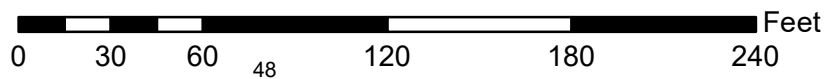
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951 W. 7th Street



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Fiscal Year 2012

Account Balance Inquiry

16:06:02

Account number . . . : 854-2001-677.65-00

Inactive

Fund . . . : 854 RDA Gateways Housing-CPFd

Project Req'd

Department . . . : 20 Economic Development

Division . . . : 01 Redevelopment

Activity basic . . . : 67 Economic Develop

Sub activity . . . : 7 Capital Outlay

Element . . . : 65 Capital Imp. Projects

Object . . . : 00

Original budget . . . : 0

Revised budget . . . : 0 07/13/2011

Actual expenditures - current . : .00

Actual expenditures - ytd . . . : .00

Unposted expenditures . . . : .00

Encumbered amount . . . : .00

Unposted encumbrances . . . : .00

Pre-encumbrance amount . . . : .00

Total expenditures & encumbrances: .00 0.0 %

Unencumbered balance . . . : .00 0.0 %

F5=Encumbrances	F7=Project data	F8=Misc inquiry	F9=Misc update
F10=Detail trans	F11=Acct activity list	F12=Cancel	F24=More keys

CITY OF MERCED
Accounts Payable Transaction2/13/19
16:10:44

Group number : 5577 PI RECEIPTS
Accounting period : 09/2011 mm/yyyy
Posting date : 03/28/2011 mm/dd/yyyy

Transaction date : 03/22/2011 mm/dd/yyyy
Invoice number : 10-01637-DLS
Account number : 854-2001-677.65-00 Capital Imp. Projects
Project number : 111041 Gateways Housing
Amount : 7,194.01
Liquidated amount : 7,194.01
Discount amount : .00
Retainage amount : .00
Net transaction amount . . : 7,194.01
Voucher number : PI3511
PO number : 100498
Vendor number : 1210 TRANSCOUNTY TITLE CO
Description 1 : PROP PURCH 26 W 18TH ST
Description 2 :
Transaction type code . . :

F3=Exit F12=Cancel F15=Group Inquiry

F24=More keys

CITY OF MERCED
Accounts Payable Transaction4/01/19
14:43:02

Group number : 886 PI RECEIPTS
Accounting period : 02/2011 mm/yyyy
Posting date : 08/13/2010 mm/dd/yyyy

Transaction date : 08/09/2010 mm/dd/yyyy
Invoice number : APN#032-133-015
Account number : 854-2001-677.65-00 Capital Imp. Projects
Project number : 109027 Land Acquisition
Amount : 13,786.79
Liquidated amount : 13,786.79
Discount amount : .00
Retainage amount : .00
Net transaction amount . . : 13,786.79
Voucher number : PI2213
PO number : 092161
Vendor number : 229 MERCED CO TAX COLLECTOR
Description 1 : 951 W 7TH - PURCHASE
Description 2 :
Transaction type code . . :
F3=Exit F12=Cancel F15=Group Inquiry F24=More keys

CITY OF MERCED
Accounts Payable Transaction4/01/19
14:42:52

Group number : 886 PI RECEIPTS
Accounting period : 02/2011 mm/yyyy
Posting date : 08/13/2010 mm/dd/yyyy

Transaction date : 08/09/2010 mm/dd/yyyy
Invoice number : APN#032-161-002
Account number : 854-2001-677.65-00 Capital Imp. Projects
Project number : 109027 Land Acquisition
Amount : 6,587.04
Liquidated amount : 6,587.04
Discount amount : .00
Retainage amount : .00
Net transaction amount . . : 6,587.04
Voucher number : PI2212
PO number : 092160
Vendor number : 229 MERCED CO TAX COLLECTOR
Description 1 : 454 W 8TH ST
Description 2 :
Transaction type code . . :
F3=Exit F12=Cancel F15=Group Inquiry F24=More keys

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA, ACTING
IN ITS CAPACITY AS THE HOUSING
SUCCESSOR AGENCY AUTHORIZING ITS
RETENTION OF A HOUSING ASSET (26 WEST
18TH STREET) OWNED BY THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF
MERCED**

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) ("H&S Code"), the City Council of the City of Merced ("City") previously established the Redevelopment Agency of the City of Merced, a public body, corporate and politic ("Redevelopment Agency") to carry out the purposes of and exercise the powers granted to community redevelopment agencies in accordance with the H&S Code; and

WHEREAS, Assembly Bill X1 26, enacted in June 2011, and as modified by the Supreme Court of the State of California in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484, enacted in June 2012, and other subsequently adopted legislation (collectively, the "Dissolution Act") dissolved all redevelopment agencies on February 1, 2012, and set out procedures for their wind-down; and

WHEREAS, in accordance with the Dissolution Act, the City Council took official action declining to become the former Redevelopment Agency's successor agency pursuant to H&S Code Section 34173(d)(1), and as a result, the City of Merced Designated Local Authority ("DLA") was formed in accordance with H&S Code Section 34173(d)(3)(A) and assumed the former Redevelopment Agency's non-housing functions and obligations; and

WHEREAS, pursuant to H&S Code Section 34176(a), the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency, and under H&S Code Section 34176, all rights, powers, duties, obligations and housing assets were transferred to the City, as the housing successor ("Housing Successor"); and

WHEREAS, an oversight board ("Oversight Board") was formed for the DLA in accordance with H&S Code Section 34179, to oversee the actions of the DLA, and pursuant to H&S Code Section 34181(c), direct the DLA, as the successor agency, to transfer housing assets to the Housing Successor pursuant to H&S Code Section 34176; and

WHEREAS, the assets identified in the attached Exhibit A ("Housing Assets"), were acquired by the former Redevelopment Agency for low- and moderate-income housing purposes and thus constitute housing assets (as defined under H&S Code Section 34176(e)(1)) of the former Redevelopment Agency; and

WHEREAS, pursuant to the authority granted in Resolution No. RDA 698, and Resolution No. PFA 2011-4, both adopted on January 31, 2011, the Housing Assets identified in Exhibit A were transferred to the Merced Public Finance and Economic Development Agency ("PFEDA") in March 2011, and were subsequently transferred by PFEDA to the City in April 2012, and

WHEREAS, H&S Code Section 34176(a)(2) required the Housing Successor to submit a list of the former Redevelopment Agency's housing assets ("Housing Assets Transfer List") to the California Department of Finance ("DOF"), which had the right to review and object to any asset included on the Housing Assets Transfer List; and

WHEREAS, H&S Code Section 34176(a)(2) further provides that if a transferred asset is deemed not to be a housing asset as defined in subdivision (e), it shall be returned to the successor agency; and

WHEREAS, the City, as the Housing Successor, compiled and submitted a Housing Assets Transfer List to DOF on August 1, 2012, and by letter dated February 25, 2013, DOF indicated it did not object to the transfer of the Housing Assets, noting that the properties were still subject to review by the State Controller's Office; and

WHEREAS, H&S Code Section 34179.5 required the DLA, as the successor agency, to undergo specified due diligence reviews (each a "DDR") of the assets and accounts of the former Redevelopment Agency, one of which examined all housing assets transferred from the former Redevelopment Agency to the City ("Housing DDR"), which was submitted to DOF for review in accordance with H&S Code Section 34179.6(c); and

WHEREAS, in accordance with H&S Code Section 34167.5, the State Controller's Office ("SCO") undertook a review of all asset transfers which occurred after January 1, 2011, from the former Redevelopment Agency to the City or any other government agency, and in July 2015, the SCO issued a final Asset Transfer Report which acknowledged the prior transfer of certain housing assets to PFEDA and the City, but noted that some of these assets may be subject to the provisions of H&S Code Section 34181; and

WHEREAS, H&S Code Section 34181(f) provides that all actions taken pursuant to Section 34181(c), regarding the transfer of housing assets to the Housing Successor, shall be approved by resolution of the Oversight Board at a public meeting after at least 10 days' notice to the public, and such actions shall be subject to review by DOF pursuant to Section 34179; and

WHEREAS, to comply with H&S Code Section 34181(f), the Oversight Board, by Resolution No. 2014-12 adopted on November 6, 2014, approved the conveyance of the Housing Assets to the Housing Successor and ratified the prior actions taken; and

WHEREAS, pursuant to H&S Code Section 34179(h), the Oversight Board action under Resolution No. 2014-12 was submitted to DOF for its review; and

WHEREAS, by letter dated February 23, 2015, DOF did not approve said Resolution No. 2014-12, indicating that insufficient documentation was provided to demonstrate the Housing Assets meet the criteria set forth in H&S Code Section 34176, and returned the action to the Oversight Board for reconsideration; and

WHEREAS, H&S Code Section 34176(e)(1) defines "housing asset" to include, among other things, "any real property, interest in, or restriction on the use of real property, whether improved or not [...] that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds;" and

WHEREAS, City staff assembled documentation to demonstrate that the Housing Assets identified in Exhibit A meet the criteria for housing assets as defined in H&S Code Section 34176, and the City submitted this documentation to the Oversight Board for consideration and approval; and

WHEREAS, on January 17, 2017, the City Council of Merced approved Resolution No. 2017-02 authorizing the retention by the City, as Housing

Successor, of certain housing assets owned by the former Redevelopment Agency of the City of Merced and previously conveyed to the City, including most of the properties in Exhibit A, as identified therein; and

WHEREAS, on January 26, 2017, the Oversight Board approved Resolution No. 2017-04 approving the transfer of those housing assets to the City of Merced; and

WHEREAS, one housing asset known as 26 W. 18th Street (Assessor's Parcel Number: 031-163-005) was excluded from the 2017 transfer; and

WHEREAS, City staff assembled documentation to demonstrate that 26 W. 18th Street meets the criteria for housing assets as defined in H&S Code Section 34176, and the City desires to submit this documentation to the Oversight Board for consideration and approval to allow the City, as Housing Successor, to retain this property.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct, and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Housing Asset. The City Council hereby determines that the Housing Asset known as 26 W. 18th Street is a "housing asset" that meets the criteria defined in Health and Safety Code Section 34176. This determination as to the Housing Asset is based on the supporting documentation referenced in and attached to the Administrative Report, dated May 20, 2019, which information is incorporated herein by reference.

SECTION 3. Approval of Retention of Housing Assets. The City Council hereby approves and authorizes the retention by the Housing Successor of the Housing Asset known as 26 W. 18th Street, which Housing Asset was previously conveyed to the City, as noted in the Recitals above.

SECTION 4. Authorization to Implement Resolution. The City Council hereby authorizes and directs the City Manager, in cooperation with the DLA and Oversight Board staff, to submit this matter, including all the information

and documentation contained in the Administrative Report referenced in Section 2, above, and any other information or documentation requested by the Oversight Board and DOF, to the Oversight Board and DOF for approval, and to take such other actions and execute such other documents as are necessary or convenient to effectuate the retention of 26 W. 18th Street by the City, as contemplated in this Resolution.

SECTION 5. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

SECTION 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2019, 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 5-10-19
City Attorney Date

**EXHIBIT A
LIST OF HOUSING ASSETS**

APN	Address	Existing Use	Status
031-161-001	1744 I Street	Vacant Land	Transferred in 2017
031-074-010	1815 I Street	Vacant Land	Transferred in 2017
031-074-009	1823 I Street	Vacant Land	Transferred in 2017
031-082-002	150 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-008	202 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-011	205 W. 18 th Street	Vacant Land	Transferred in 2017
031-074-012	211 W. 18 th Street	Vacant Land	Transferred in 2017
031-084-011	49 W. 18 th Street	Vacant Land	Transferred in 2017
059-256-004	73 S. R Street	Vacant Land	Transferred in 2017
031-163-005	26 W. 18 th Street	Vacant Land	Excluded from 2017 Transfer
032-161-002	454 W. 8 th Street	Single Family Home	Sold in 2015
032-133-015	951 W. 7 th Street	Single Family Home	Sold in 2012

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA, ACTING
IN ITS CAPACITY AS THE HOUSING
SUCCESSOR AGENCY VALIDATING THE
DEPOSIT OF FUNDS FROM THE SALE OF A
HOUSING ASSET (454 WEST 8TH STREET)
OWNED BY THE FORMER REDEVELOPMENT
AGENCY OF THE CITY OF MERCED INTO THE
HOUSING ASSET FUND**

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) ("H&S Code"), the City Council of the City of Merced ("City") previously established the Redevelopment Agency of the City of Merced, a public body, corporate and politic ("Redevelopment Agency") to carry out the purposes of and exercise the powers granted to community redevelopment agencies in accordance with the H&S Code; and

WHEREAS, Assembly Bill X1 26, enacted in June 2011, and as modified by the Supreme Court of the State of California in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484, enacted in June 2012, and other subsequently adopted legislation (collectively, the "Dissolution Act") dissolved all redevelopment agencies on February 1, 2012, and set out procedures for their wind-down; and

WHEREAS, in accordance with the Dissolution Act, the City Council took official action declining to become the former Redevelopment Agency's successor agency pursuant to H&S Code Section 34173(d)(1), and as a result, the City of Merced Designated Local Authority ("DLA") was formed in accordance with H&S Code Section 34173(d)(3)(A) and assumed the former Redevelopment Agency's non-housing functions and obligations; and

WHEREAS, pursuant to H&S Code Section 34176(a), the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency, and under H&S Code Section 34176, all rights, powers, duties, obligations and housing assets were transferred to the City, as the housing successor ("Housing Successor"); and

WHEREAS, an oversight board ("Oversight Board") was formed for the DLA in accordance with H&S Code Section 34179, to oversee the actions of the DLA, and pursuant to H&S Code Section 34181(c), direct the DLA, as the successor agency, to transfer housing assets to the Housing Successor pursuant to H&S Code Section 34176; and

WHEREAS, the assets identified in the attached Exhibit A ("Housing Assets"), were acquired by the former Redevelopment Agency for low- and moderate-income housing purposes and thus constitute housing assets (as defined under H&S Code Section 34176(e)(1)) of the former Redevelopment Agency; and

WHEREAS, pursuant to the authority granted in Resolution No. RDA 698, and Resolution No. PFA 2011-4, both adopted on January 31, 2011, the Housing Assets identified in Exhibit A were transferred to the Merced Public Finance and Economic Development Agency ("PFEDA") in March 2011, and were subsequently transferred by PFEDA to the City in April 2012, and

WHEREAS, H&S Code Section 34176(a)(2) required the Housing Successor to submit a list of the former Redevelopment Agency's housing assets ("Housing Assets Transfer List") to the California Department of Finance ("DOF"), which had the right to review and object to any asset included on the Housing Assets Transfer List; and

WHEREAS, H&S Code Section 34176(a)(2) further provides that if a transferred asset is deemed not to be a housing asset as defined in subdivision (e), it shall be returned to the successor agency; and

WHEREAS, the City, as the Housing Successor, compiled and submitted a Housing Assets Transfer List to DOF on August 1, 2012, and by letter dated February 25, 2013, DOF indicated it did not object to the transfer of the Housing Assets, noting that the properties were still subject to review by the State Controller's Office; and

WHEREAS, H&S Code Section 34179.5 required the DLA, as the successor agency, to undergo specified due diligence reviews (each a "DDR") of the assets and accounts of the former Redevelopment Agency, one of which examined all housing assets transferred from the former Redevelopment Agency to the City ("Housing DDR"), which was submitted to DOF for review in accordance with CRL Section 34179.6(c); and

WHEREAS, in accordance with H&S Code Section 34167.5, the State Controller's Office ("SCO") undertook a review of all asset transfers which occurred after January 1, 2011, from the former Redevelopment Agency to the City or any other government agency, and in July 2015, the SCO issued a final Asset Transfer Report which acknowledged the prior transfer of certain housing assets to PFEDA and the City, but noted that some of these assets may be subject to the provisions of H&S Code Section 34181; and

WHEREAS, H&S Code Section 34181(f) provides that all actions taken pursuant to Section 34181(c), regarding the transfer of housing assets to the Housing Successor, shall be approved by resolution of the Oversight Board at a public meeting after at least 10 days' notice to the public, and such actions shall be subject to review by DOF pursuant to Section 34179; and

WHEREAS, to comply with H&S Code Section 34181(f), the Oversight Board, by Resolution No. 2014-12 adopted on November 6, 2014, approved the conveyance of the Housing Assets to the Housing Successor and ratified the prior actions taken; and

WHEREAS, pursuant to H&S Code Section 34179(h), the Oversight Board action under Resolution No. 2014-12 was submitted to DOF for its review; and

WHEREAS, by letter dated February 23, 2015, DOF did not approve said Resolution No. 2014-12, indicating that insufficient documentation was provided to demonstrate the Housing Assets meet the criteria set forth in H&S Code Section 34176, and returned the action to the Oversight Board for reconsideration; and

WHEREAS, H&S Code Section 34176(e)(1) defines "housing asset" to include, among other things, "any real property, interest in, or restriction on the use of real property, whether improved or not [...] that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds;" and

WHEREAS, City staff assembled documentation to demonstrate that the Housing Assets identified in Exhibit A meet the criteria for housing assets as defined in H&S Code Section 34176, and the City submitted this documentation to the Oversight Board for consideration and approval; and

WHEREAS, on January 17, 2017, the City Council of Merced approved Resolution No. 2017-02 authorizing the retention by the City, as Housing Successor, of certain housing assets owned by the former Redevelopment Agency of the City of Merced and previously conveyed to the City, including most of the properties in Exhibit A, as identified therein; and

WHEREAS, on January 26, 2017, the Oversight Board approved Resolution No. 2017-04 approving the transfer of those housing assets to the City of Merced; and

WHEREAS, one housing asset known as 454 W. 8th Street (Assessor's Parcel Number: 032-161-002) was sold by the Housing Successor in 2015, with sale proceeds deposited into the Low- and Moderate-Income Housing Asset Fund ("Housing Asset Fund"), and excluded from the 2017 transfer; and

WHEREAS, City staff assembled documentation to demonstrate that 454 W. 8th Street met the criteria for housing assets as defined in H&S Code Section 34176, and the City desires to submit this documentation to the Oversight Board for consideration and approval to validate the deposit of sale proceeds from the sale of 454 W. 8th Street into the Housing Asset Fund.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct, and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Housing Asset. The City Council hereby determines that the Housing Asset known as 454 W. 8th Street is a "housing asset" that met the criteria defined in Health and Safety Code Section 34176 when it was owned by the Housing Successor. This determination as to the Housing Asset is based on the supporting documentation referenced in and attached to the Administrative Report, dated May 20, 2019, which information is incorporated herein by reference.

SECTION 3. Validation of Deposit of Funds. The City Council hereby validates and affirms the deposit of funds by the City from the sale of 454 W. 8th Street into the Housing Asset Fund as noted in the Recitals above.

SECTION 4. Authorization to Implement Resolution. The City Council hereby authorizes and directs the City Manager, in cooperation with the DLA and Oversight Board staff, to submit this matter, including all the information and documentation contained in the Administrative Report referenced in Section 2, above, and any other information or documentation requested by the Oversight Board and DOF, to the Oversight Board and DOF for approval, and to take such other actions and execute such other documents as are necessary or convenient to effectuate the retention of the Housing Assets by the City, as contemplated in this Resolution.

SECTION 5. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

SECTION 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2019, 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 5-10-19
City Attorney Date

**EXHIBIT A
LIST OF HOUSING ASSETS**

APN	Address	Existing Use	Status
031-161-001	1744 I Street	Vacant Land	Transferred in 2017
031-074-010	1815 I Street	Vacant Land	Transferred in 2017
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059-256-004	73 S. R Street	Vacant Land	Transferred in 2017
031-163-005	26 W. 18 th Street	Vacant Land	Excluded from 2017 Transfer
032-161-002	454 W. 8 th Street	Single Family Home	Sold in 2015
032-133-015	951 W. 7 th Street	Single Family Home	Sold in 2012

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE CITY COUNCIL FO
THE CITY OF MERCED, CALIFORNIA, ACTING
IN ITS CAPACITY AS THE HOUSING
SUCCESSOR AGENCY VALIDATING THE
DEPOSIT OF FUNDS FROM THE SALE OF A
HOUSING ASSET (951 WEST 7TH STREET)
OWNED BY THE FORMER REDEVELOPMENT
AGENCY OF THE CITY OF MERCED INTO THE
HOUSING ASSET FUND**

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) ("H&S Code"), the City Council of the City of Merced ("City") previously established the Redevelopment Agency of the City of Merced, a public body, corporate and politic ("Redevelopment Agency") to carry out the purposes of and exercise the powers granted to community redevelopment agencies in accordance with the H&S Code; and

WHEREAS, Assembly Bill X1 26, enacted in June 2011, and as modified by the Supreme Court of the State of California in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484, enacted in June 2012, and other subsequently adopted legislation (collectively, the "Dissolution Act") dissolved all redevelopment agencies on February 1, 2012, and set out procedures for their wind-down; and

WHEREAS, in accordance with the Dissolution Act, the City Council took official action declining to become the former Redevelopment Agency's successor agency pursuant to H&S Code Section 34173(d)(l), and as a result, the City of Merced Designated Local Authority ("DLA") was formed in accordance with H&S Code Section 34173(d)(3)(A) and assumed the former Redevelopment Agency's non-housing functions and obligations; and

WHEREAS, pursuant to H&S Code Section 34176(a), the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency, and under H&S Code Section 34176, all rights, powers, duties, obligations and housing assets were transferred to the City, as the housing successor ("Housing Successor"); and

WHEREAS, an oversight board ("Oversight Board") was formed for the DLA in accordance with H&S Code Section 34179, to oversee the actions of the DLA, and pursuant to H&S Code Section 34181(c), direct the DLA, as the successor agency, to transfer housing assets to the Housing Successor pursuant to H&S Code Section 34176; and

WHEREAS, the assets identified in the attached Exhibit A ("Housing Assets"), were acquired by the former Redevelopment Agency for low- and moderate-income housing purposes and thus constitute housing assets (as defined under H&S Code Section 34176(e)(1)) of the former Redevelopment Agency; and

WHEREAS, pursuant to the authority granted in Resolution No. RDA 698, and Resolution No. PFA 2011-4, both adopted on January 31, 2011, the Housing Assets identified in Exhibit A were transferred to the Merced Public Finance and Economic Development Agency ("PFEDA") in March 2011, and were subsequently transferred by PFEDA to the City in April 2012, and

WHEREAS, H&S Code Section 34176(a)(2) required the Housing Successor to submit a list of the former Redevelopment Agency's housing assets ("Housing Assets Transfer List") to the California Department of Finance ("DOF"), which had the right to review and object to any asset included on the Housing Assets Transfer List; and

WHEREAS, H&S Code Section 34176(a)(2) further provides that if a transferred asset is deemed not to be a housing asset as defined in subdivision (e), it shall be returned to the successor agency; and

WHEREAS, the City, as the Housing Successor, compiled and submitted a Housing Assets Transfer List to DOF on August 1, 2012, and by letter dated February 25, 2013, DOF indicated it did not object to the transfer of the Housing Assets, noting that the properties were still subject to review by the State Controller's Office; and

WHEREAS, H&S Code Section 34179.5 required the DLA, as the successor agency, to undergo specified due diligence reviews (each a "DDR") of the assets and accounts of the former Redevelopment Agency, one of which examined all housing assets transferred from the former Redevelopment Agency to the City ("Housing DDR"), which was submitted to DOF for review in accordance with H&S Code Section 34179.6(c); and

WHEREAS, in accordance with H&S Code Section 34167.5, the State Controller's Office ("SCO") undertook a review of all asset transfers which occurred after January 1, 2011, from the former Redevelopment Agency to the City or any other government agency, and in July 2015, the SCO issued a final Asset Transfer Report which acknowledged the prior transfer of certain housing assets to PFEDA and the City, but noted that some of these assets may be subject to the provisions of H&S Code Section 34181; and

WHEREAS, H&S Code Section 34181(f) provides that all actions taken pursuant to Section 34181(c), regarding the transfer of housing assets to the Housing Successor, shall be approved by resolution of the Oversight Board at a public meeting after at least 10 days' notice to the public, and such actions shall be subject to review by DOF pursuant to Section 34179; and

WHEREAS, to comply with H&S Code Section 34181(f), the Oversight Board, by Resolution No. 2014-12 adopted on November 6, 2014, approved the conveyance of the Housing Assets to the Housing Successor and ratified the prior actions taken; and

WHEREAS, pursuant to H&S Code Section 34179(h), the Oversight Board action under Resolution No. 2014-12 was submitted to DOF for its review; and

WHEREAS, by letter dated February 23, 2015, DOF did not approve said Resolution No. 2014-12, indicating that insufficient documentation was provided to demonstrate the Housing Assets meet the criteria set forth in H&S Code Section 34176, and returned the action to the Oversight Board for reconsideration; and

WHEREAS, H&S Code Section 34176(e)(1) defines "housing asset" to include, among other things, "any real property, interest in, or restriction on the use of real property, whether improved or not [...] that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds;" and

WHEREAS, City staff assembled documentation to demonstrate that the Housing Assets identified in Exhibit A meet the criteria for housing assets as defined in H&S Code Section 34176, and the City submitted this documentation to the Oversight Board for consideration and approval; and

WHEREAS, on January 17, 2017, the City Council of Merced approved Resolution No. 2017-02 authorizing the retention by the City, as Housing Successor, of certain housing assets owned by the former Redevelopment Agency of the City of Merced and previously conveyed to the City, including most of the properties in Exhibit A, as identified therein; and

WHEREAS, on January 26, 2017, the Oversight Board approved Resolution No. 2017-04 approving the transfer of those housing assets to the City of Merced; and

WHEREAS, one housing asset known as 951 W. 7th Street (Assessor's Parcel Number: 032-133-015) was sold by the Housing Successor in 2012, with sale proceeds deposited into the Low- and Moderate-Income Housing Asset Fund ("Housing Asset Fund"), and excluded from the 2017 transfer; and

WHEREAS, City staff assembled documentation to demonstrate that 951 W. 7th Street met the criteria for housing assets as defined in H&S Code Section 34176, and the City desires to submit this documentation to the Oversight Board for consideration and approval to validate the deposit of sale proceeds from the sale of 454 W. 8th Street into the Housing Asset Fund.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct, and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Housing Asset. The City Council hereby determines that the Housing Asset known as 951 W. 7th Street is a "housing asset" that met the criteria defined in Health and Safety Code Section 34176 when it was owned by the Housing Successor. This determination as to the Housing Asset is based on the supporting documentation referenced in and attached to the Administrative Report, dated May 20, 2019, which information is incorporated herein by reference.

SECTION 3. Validation of Deposit of Funds. The City Council hereby validates and affirms the deposit of funds by the City from the sale of 951 W. 7th Street into the Housing Asset Fund as noted in the Recitals above.

SECTION 4. Authorization to Implement Resolution. The City Council hereby authorizes and directs the City Manager, in cooperation with the DLA and Oversight Board staff, to submit this matter, including all the information and documentation contained in the Administrative Report referenced in Section 2, above, and any other information or documentation requested by the Oversight Board and DOF, to the Oversight Board and DOF for approval, and to take such other actions and execute such other documents as are necessary or convenient to effectuate the retention of the Housing Assets by the City, as contemplated in this Resolution.

SECTION 5. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

SECTION 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2019, 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 Imine 5-10-19
City Attorney Date

**EXHIBIT A
LIST OF HOUSING ASSETS**

APN	Address	Existing Use	Status
031-161-001	1744 I Street	Vacant Land	Transferred in 2017
031-074-010	1815 I Street	Vacant Land	Transferred in 2017
031-074-009	1823 I Street	Vacant Land	Transferred in 2017
031-082-002	150 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-008	202 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-011	205 W. 18 th Street	Vacant Land	Transferred in 2017
031-074-012	211 W. 18 th Street	Vacant Land	Transferred in 2017
031-084-011	49 W. 18 th Street	Vacant Land	Transferred in 2017
059-256-004	73 S. R Street	Vacant Land	Transferred in 2017
031-163-005	26 W. 18 th Street	Vacant Land	Excluded from 2017 Transfer
032-161-002	454 W. 8 th Street	Single Family Home	Sold in 2015
032-133-015	951 W. 7 th Street	Single Family Home	Sold in 2012

RESOLUTION NO. 2017-__02__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED
AUTHORIZING THE RETENTION BY THE CITY, AS HOUSING
SUCCESSOR, OF CERTAIN HOUSING ASSETS OWNED BY THE
FORMER REDEVELOPMENT AGENCY OF THE CITY OF MERCED
AND PREVIOUSLY CONVEYED TO THE CITY**

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 3300 et seq.) (“CRL”), the City Council of the City of Merced (“City”) previously established the Redevelopment Agency of the City of Merced, a public body, corporate and politic (“Redevelopment Agency”) to carry out the purposes of and exercise the powers granted to community redevelopment agencies in accordance with the CRL; and

WHEREAS, Assembly Bill 1X 26, enacted in June 2011, and as modified by the Supreme Court of the State of California in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484, enacted in June 2012, and other subsequently adopted legislation (collectively, the “Dissolution Act”) dissolved all redevelopment agencies on February 1, 2012, and set out procedures for their wind-down; and

WHEREAS, in accordance with the Dissolution Act, the City Council took official action declining to become the former Redevelopment Agency’s successor agency pursuant to CRL Section 34173(d)(1), and as a result, the City of Merced Designated Local Authority (“DLA”) was formed in accordance with CRL Section 34173(d)(3)(A) and assumed the former Redevelopment Agency’s non-housing functions and obligations; and

WHEREAS, pursuant to CRL Section 34176(a), the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency, and under CRL Section 34176, all rights, powers, duties, obligations and housing assets were transferred to the City, as the housing successor (“Housing Successor”); and

WHEREAS, an oversight board (“Oversight Board”) was formed for the DLA in accordance with CRL Section 34179, to oversee the actions of the DLA, and pursuant to CRL Section 34181(c), direct the DLA, as the successor agency, to transfer housing assets to the Housing Successor pursuant to CRL Section 34176; and

WHEREAS, the assets and obligations identified on the attached Exhibit A (“Housing Assets”), were acquired by the former Redevelopment Agency for low- and moderate-income housing purposes and thus constitute housing assets (as defined under CRL Section 34176(e)(1)) of the former Redevelopment Agency; and

WHEREAS, pursuant to the authority granted in Resolution No. RDA 698, and Resolution No. PFA 2011-4, both adopted on January 31, 2011, the Housing Assets identified in

Exhibit A were transferred to the Merced Public Finance and Economic Development Agency ("PFEDA") in March 2011, and were subsequently transferred by PFEDA to the City in April 2012, and

WHEREAS, CRL Section 34176(a)(2) required the Housing Successor to submit a list of the former Redevelopment Agency's housing assets ("Housing Assets Transfer List") to the California Department of Finance ("DOF"), which had the right to review and object to any asset included on the Housing Assets Transfer List; and

WHEREAS, CRL Section 34176(a)(2) further provides that if a transferred asset is deemed not to be a housing asset as defined in subdivision (e), it shall be returned to the successor agency; and

WHEREAS, the City, as the Housing Successor, compiled and submitted a Housing Assets Transfer List to DOF on August 1, 2012, and by letter dated February 25, 2013, DOF indicated it did not object to the transfer of the Housing Assets, noting that the properties were still subject to review by the State Controller's Office; and

WHEREAS, CRL Section 34179.5 required the DLA, as the successor agency, to undergo specified due diligence reviews (each a "DDR") of the assets and accounts of the former Redevelopment Agency, one of which examined all housing assets transferred from the former Redevelopment Agency to the City ("Housing DDR"), which was submitted to DOF for review in accordance with CRL Section 34179.6(c); and

WHEREAS, in accordance with CRL Section 34167(g), the State Controller's Office ("SCO") undertook a review of all asset transfers which occurred after January 1, 2011, from the former Redevelopment Agency to the City or any other government agency, and in July 2015, the SCO issued a final Asset Transfer Report which acknowledged the prior transfer of certain housing assets to PFEDA and the City, but noted that some of these assets may be subject to the provisions of CRL Section 34181; and

WHEREAS, CRL Section 34181(f) provides that all actions taken pursuant to Section 34181(c), regarding the transfer of housing assets to the Housing Successor, shall be approved by resolution of the Oversight Board at a public meeting after at least 10 days' notice to the public, and such actions shall be subject to review by DOF pursuant to Section 34179; and

WHEREAS, to comply with CRL Section 34181(f), the Oversight Board, by Resolution No. 2014-12 adopted on November 6, 2014, approved the conveyance of the Housing Assets to the Housing Successor and ratified the prior actions taken; and

WHEREAS, pursuant to CRL Section 34179(h), the Oversight Board action under Resolution No. 2014-12 was submitted to DOF for its review; and

WHEREAS, by letter dated February 23, 2015, DOF did not approve said Resolution No. 2014-12, indicating that insufficient documentation was provided to demonstrate the Housing

Assets meet the criteria set forth in CRL Section 34176, and returned the action to the Oversight Board for reconsideration; and

WHEREAS, Health and Safety Code Section 34176(e)(1) defines “housing asset” to include, among other things, “any real property, interest in, or restriction on the use of real property, whether improved or not ... that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds;” and

WHEREAS, City staff has assembled documentation to demonstrate that the Housing Assets identified in Exhibit A meet the criteria for housing assets as defined in CRL Section 34176, and the City desires to submit this documentation to the Oversight Board for consideration and approval;

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

Section 1. Incorporation of Recitals. The foregoing recitals are true and correct, and are incorporated herein and made an operative part of this Resolution.

Section 2. Housing Assets. The City Council hereby determines that the Housing Assets listed in the attached Exhibit A are “housing assets” that meet the criteria defined in Health and Safety Code Section 34176. This determination as to each of the Housing Assets is based on the supporting documentation referenced in and attached to the Administrative Report, dated January 10, 2017, which information is incorporated herein by reference.

Section 3. Approval of Retention of Housing Assets. The City Council hereby approves and authorizes the retention by the City of the Housing Assets listed in Exhibit A, attached hereto and incorporated herein by reference, which Housing Assets were previously conveyed to the City, as noted in the Recitals above.

Section 4. Authorization to Implement Resolution. The City Council hereby authorizes and directs the City Manager, in cooperation with the DLA and Oversight Board staff, to submit this matter, including all the information and documentation contained in the Administrative Report referenced in Section 2, above, and any other information or documentation requested by the Oversight Board and DOF, to the Oversight Board and DOF for approval, and to take such other actions and execute such other documents as are necessary or convenient to effectuate the retention of the Housing Assets by the City, as contemplated in this Resolution.

Section 5. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

Section 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the 17 day of January, 2017, by the following vote:

AYES: 6 Council Members: BELLUOMINI, BLAKE, MARTINEZ, MCLEOD,
PEDROZO, SERRATTO

NOES: 0 Council Members:NONE


ABSENT: 1 Council Members: MURPHY

ABSTAIN: 0 Council Members:NONE

APPROVED:


Mayor Pro Tempore

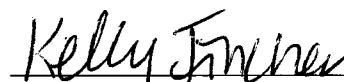
ATTEST:
STEVE CARRIGAN, CITY CLERK

By: 
Assistant/Deputy City Clerk

(SEAL)



APPROVED AS TO FORM:

 1/10/17
City Attorney Date

**EXHIBIT A
LIST OF HOUSING ASSETS**

APN	Address	Existing Use
031-161-001	1744 I Street	Vacant Land
031-074-010	1815 I Street	Vacant Land
031-074-009	1823 I Street	Vacant Land
031-082-002	150 W. 19th Street	Vacant Land
031-074-008	202 W. 19th Street	Vacant Land
031-074-011	205 W. 18th Street	Vacant Land
031-074-012	211 W. 18th Street	Vacant Land
031-084-011	49 W. 18th Street	Vacant Land
059-256-004	73 S. R Street	Vacant Land



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

February 25, 2013

Mr. John Bramble, City Manager
City of Merced
678 West 18th Street
Merced, CA 95340

Dear Mr. Bramble:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Merced as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on August 1, 2012, for the period February 1, 2012 through August 1, 2012. Finance issued its determination related to those transferred assets on August 31, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The Meet and Confer session was held on February 2, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed.

- Exhibit A – All properties listed were transferred prior to February 1, 2012. Finance no longer objects to the transfer of these assets. Finance objected to the transfer of these assets as HSC section 34176 (a) (2) states the list shall include assets transferred between February 1, 2012 and the date upon which the list is created. Although the properties are housing assets, they are still subject to review by the State Controller's Office since the properties were transferred prior to February 1, 2012.
- Exhibit C, Item 2 – Low-Mod Encumbrance. The encumbrance which existed to fund a \$3 million construction loan as stated in a Disposition and Development Agreement dated March 7, 2011 between the former Redevelopment Agency (RDA) of the City of Merced and the developer was retired by issuance of the Deed Restriction Covenant and Loan Agreement dated September 8, 2011 between the developer and the City of Merced Public Financing and Economic Development Authority (Authority). The Agency did not object to the determination and agreed to remove the item from the Form.
- Exhibit D, Items 3, 4, and 5 – Loans Receivable. The Authority executed the Deed Restriction Covenant and Loan Agreement dated September 8, 2011 with the developer to retire the encumbrance noted above for the Woodbridge Apartments, along with two

Mr. Bramble
February 25, 2013
Page 2

participation notes. However, the former RDA was not a party to these loan agreements. The Agency did not object to the determination and agreed to remove the items.

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Elaine Post, Development Manager, City of Merced Housing Division
Ms. Lisa Cardella-Presto, Auditor-Controller, Merced County
California State Controller's Office

RESOLUTION NO. 2017-04

A RESOLUTION OF THE OVERSIGHT BOARD TO THE MERCED DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF MERCED, APPROVING THE TRANSFER OF HOUSING ASSETS TO THE CITY OF MERCED

WHEREAS, the Oversight Board to the Merced Designated Local Authority, as Successor Agency to the Redevelopment Agency of the City of Merced, (the "Oversight Board") is charged with overseeing the implementation of recognized enforceable obligations and winding down of the affairs of the former Redevelopment Agency of the City of Merced (the "Agency") in accordance with the California Health and Safety Code; and

WHEREAS, on January 31, 2011, the Agency adopted Resolution No. RDA 698, which authorized the transfer of specific assets, liabilities, indemnification obligations and guarantees to the City of Merced Public Financing and Economic Development Authority ("PFEDA"); and

WHEREAS, on January 12, 2012, the City Council of the City of Merced exercised its right under AB1X26 and adopted Resolution No. 2012-6 electing that the City of Merced not be the successor agency of the Agency for non-housing purposes; and

WHEREAS, pursuant to AB1X 26, as modified by the California Supreme decision in California Redevelopment Association v. Matosantos, all redevelopment agencies in the State of California were dissolved effective February 1, 2012 (as amended to date, the "Dissolution Law"); and

WHEREAS, the Merced Designated Local Authority, as Successor Agency to the Redevelopment Agency of the City of Merced ("DLA") subsequently became the successor agency to the Agency for non-housing purposes; and

WHEREAS, pursuant to Health and Safety Code ("HSC") Section 34176(a), the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency, and under HSC Section 34176, all rights, powers, duties, obligations and housing assets were transferred to the City, as the housing successor ("Housing Successor"); and

WHEREAS, the Oversight Board was formed for the DLA in accordance with HSC Section 34179, to oversee the actions of the DLA, and pursuant to HSC Section 34181(c), direct the DLA, as the successor agency, to transfer housing assets to the Housing Successor pursuant to HSC Section 34176; and

WHEREAS, the assets and obligations identified on the attached Exhibit A ("Housing Assets"), were acquired by the former Redevelopment Agency for low- and

moderate-income housing purposes and thus constitute housing assets (as defined under HSC Section 34176(e)(1)) of the former Redevelopment Agency; and

WHEREAS, pursuant to the authority granted in Resolution No. RDA 698, and Resolution No. PFA 2011-4, both adopted on January 31, 2011, the Housing Assets identified in Exhibit A were transferred to PFEDA in March 2011, and were subsequently transferred by PFEDA to the City in April 2012; and

WHEREAS, HSC Section 34176(a)(2) required the Housing Successor to submit a list of the former Redevelopment Agency's housing assets ("Housing Assets Transfer List") to the California Department of Finance ("DOF"), which had the right to review and object to any asset included on the Housing Assets Transfer List; and

WHEREAS, HSC Section 34176(a)(2) further provides that if a transferred asset is deemed not to be a housing asset as defined in subdivision (e), it shall be returned to the successor agency; and

WHEREAS, the City, as the Housing Successor, compiled and submitted a Housing Assets Transfer List to DOF on August 1, 2012, and by letter dated February 25, 2013, DOF indicated it did not object to the transfer of the Housing Assets, noting that the properties were still subject to review by the State Controller's Office; and

WHEREAS, HSC Section 34179.5 required the DLA, as the successor agency, to undergo specified due diligence reviews (each a "DDR") of the assets and accounts of the former Redevelopment Agency, one of which examined all housing assets transferred from the former Redevelopment Agency to the City ("Housing DDR"), which was submitted to DOF for review in accordance with HSC Section 34179.6(c); and

WHEREAS, in accordance with HSC Section 34167(g), the State Controller's Office ("SCO") undertook a review of all asset transfers which occurred after January 1, 2011, from the former Redevelopment Agency to the City or any other government agency, and in July 2015, the SCO issued a final Asset Transfer Report which acknowledged the prior transfer of certain housing assets to PFEDA and the City, but noted that some of these assets may be subject to the provisions of HSC Section 34181; and

WHEREAS, HSC Section 34181(f) provides that all actions taken pursuant to Section 34181(c), regarding the transfer of housing assets to the Housing Successor, shall be approved by resolution of the Oversight Board at a public meeting after at least 10 days' notice to the public, and such actions shall be subject to review by DOF pursuant to Section 34179; and

WHEREAS, to comply with HSC Section 34181(f), the Oversight Board, by Resolution No. 2014-12 adopted on November 6, 2014, approved the conveyance of the Housing Assets to the Housing Successor and ratified the prior actions taken; and

WHEREAS, pursuant to HSC Section 34179(h), the Oversight Board action under Resolution No. 2014-12 was submitted to DOF for its review; and

WHEREAS, by letter dated February 23, 2015, DOF did not approve said Resolution No. 2014-12, indicating that insufficient documentation was provided to demonstrate the Housing Assets meet the criteria set forth in HSC Section 34176, and returned the action to the Oversight Board for reconsideration; and

WHEREAS, Health and Safety Code Section 34176(e)(1) defines "housing asset" to include, among other things, "any real property, interest in, or restriction on the use of real property, whether improved or not ... that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds;" and

WHEREAS, City staff has assembled documentation to demonstrate that the Housing Assets identified in Exhibit A meet the criteria for housing assets as defined in HSC Section 34176, DLA staff has reviewed such documentation and DLA staff desires to submit this documentation to the Oversight Board for consideration and approval;

WHEREAS, on January 17, 2017, the City adopted Resolution 2017-02, which authorizes the City as Housing Successor to retain title to the Housing Assets as housing assets, in accordance with the Dissolution Law; and

WHEREAS, the exhibits to the resolutions adopted by the City of Merced providing evidence of qualification of such properties as Housing Assets are too large to attach here; and

WHEREAS, below is a link that can be used to access the agenda from the January 17, 2017 City Council meeting by scrolling down to the bottom, finding the January 17, 2017 meeting, and accessing the agenda by clicking on the full agenda packet link to the right of the screen (the transfers were items H.11, H.12, and H.13 and by clicking on the links those agenda items, the full agenda packet will download); and

<https://cityofmerced.legistar.com/Calendar.aspx>

WHEREAS, Health & Safety Code Section 34181(a) requires the Oversight Board to direct the DLA as Successor Agency to transfer housing assets to the City of Merced as Housing Successor; and

WHEREAS, the requirements of Health & Safety Code Section 34181(f) have been satisfied, in that the Oversight Board is holding a public meeting to consider the transfer of the Housing Assets from the DLA to the City, ten (10) days public notice of said meeting was provided, and members of the public will be given an opportunity to comment on the transfer of the Housing Assets; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE MERCED DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF MERCED, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board hereby approves the transfer of the ownership of the Housing Assets as housing assets to the City of Merced as Housing Successor.

SECTION 3. In lieu of accepted title to the Housing Assets from the City and executing transfers thereof to the City of Merced as Housing Successor, the Oversight Board hereby directs the City of Merced as Housing Successor to retain the Housing Assets.

SECTION 4. The Chair of the DLA, Michael Amabile, or his designee, is hereby authorized (i) to transfer or direct the transfer or retention of the Housing Assets to the City of Merced as Housing Successor provided that this Oversight Board action has been approved or deemed approved by the Department of Finance, and (ii) to take such other actions and execute such documents as may be necessary in furtherance of the foregoing in accordance with applicable law.

SECTION 5. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 6. This Resolution shall take effect from and after the date of its passage and adoption in accordance with, and subject to, all applicable requirements of the Health & Safety Code.

////

PASSED, APPROVED AND ADOPTED at a regular meeting of the Oversight Board to the Merced Designated Local Authority, as Successor Agency to the Redevelopment Agency of the City of Merced, held this 26th day of January, 2017, by the following vote:

AYES: *Ramirez, Urquidez, Johnston, Quintero*

NOES: *NONE*

ABSENT: *Cox, Inman*

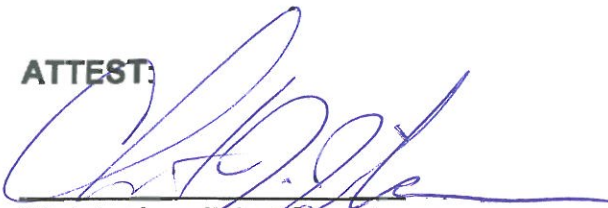
ABSTAIN: *NONE*



Adam Cox, Chair

Oversight Board to the Merced Designated
Local Authority, as Successor Agency to
the Redevelopment Agency of the City of
Merced

ATTEST:



Christopher Jicha, Secretary

**EXHIBIT A
LIST OF HOUSING ASSETS**

APN	Address	Existing Use
031-161-001	1744 I Street	Vacant Land
031-074-010	1815 I Street	Vacant Land
031-074-009	1823 I Street	Vacant Land
031-082-002	150 W. 19th Street	Vacant Land
031-074-008	202 W. 19th Street	Vacant Land
031-074-011	205 W. 18th Street	Vacant Land
031-074-012	211 W. 18th Street	Vacant Land
031-084-011	49 W. 18th Street	Vacant Land
059-256-004	73 S. R Street	Vacant Land

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD OF THE
COUNTY OF MERCED APPROVING THE TRANSFER OF A HOUSING
ASSET (26 WEST 18TH STREET) OWNED BY THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF MERCED TO THE CITY
OF MERCED AS HOUSING SUCCESSOR IN ACCORDANCE WITH
HEALTH & SAFETY CODE SECTION 34176**

WHEREAS, on June 29, 2011, the Legislature of the State of California (the "State") adopted Assembly Bill x1 26 ("AB 26"), which amended provisions of the State's Community Redevelopment Law (Health & Safety Code sections 33000 et seq.); and

WHEREAS, pursuant to AB 26 and the State Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matasantos, et al.*, which upheld AB 26 (together with AB 1484, as amended to date, the "Dissolution Law"), the former Redevelopment Agency of the City of Merced ("Redevelopment Agency") was dissolved on February 1, 2012; and

WHEREAS, in accordance with the Dissolution Law, the City Council of the City of Merced ("City") took official action declining to become the former Redevelopment Agency's successor agency pursuant to HSC Section 34173(d)(l), and as a result, the City of Merced Designated Local Authority ("DLA") was formed in accordance with HSC Section 34173(d)(3)(A) and assumed the former Redevelopment Agency's non-housing functions and obligations; and

WHEREAS, pursuant to HSC Section 34176(a), the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency, and under HSC Section 34176, all rights, powers, duties, obligations and housing assets were transferred to the City as the housing successor ("Housing Successor"); and

WHEREAS, the Oversight Board to the DLA was in existence in accordance with the Dissolution Law until June 30, 2018. Effective July 1, 2018, the Countywide Oversight Board of the County of Merced ("Oversight Board") has been established in accordance with Health & Safety Code section 34179(j) to approve certain DLA actions pursuant to Health & Safety Code Section 34180 and to direct successor agencies in certain other actions pursuant to Health & Safety Code section 34181; and

WHEREAS, the real property assets identified in the attached Exhibit A ("Housing Assets"), were acquired by the former Redevelopment Agency for low- and moderate-income housing purposes and thus constitute housing assets as defined under HSC Section 34176(e)(l) of the former Redevelopment Agency; and

WHEREAS, pursuant to the authority granted in Resolution No. RDA 698, and Resolution No. PFA 2011-4, both adopted on January 31, 2011, the Housing Assets identified in Exhibit A were transferred to the Merced Public Finance and Economic Development Agency ("PFEDA") in March 2011, and were subsequently transferred by PFEDA to the City in April 2012; and

WHEREAS, HSC Section 34176(a)(2) required the Housing Successor to submit a list of the former Redevelopment Agency's housing assets ("Housing Assets Transfer List") to the California Department of Finance ("DOF"), which had the right to review and object to any asset included on the Housing Assets Transfer List; and

WHEREAS, HSC Section 34176(a)(2) further provides that if a transferred asset is deemed not to be a housing asset as defined in subdivision (e), it shall be returned to the successor agency; and

WHEREAS, the City, as the Housing Successor, compiled and submitted a Housing Assets Transfer List to DOF on August 1, 2012, and by letter dated February 25, 2013, DOF indicated it did not object to the transfer of the Housing Assets, noting that the properties were still subject to review by the State Controller's Office; and

WHEREAS, HSC Section 34179.5 required the DLA, as the successor agency, to undergo specified due diligence reviews (each a "DDR") of the assets and accounts of the former Redevelopment Agency, one of which examined all housing assets transferred from the former Redevelopment Agency to the City ("Housing DDR"), which was submitted to DOF for review in accordance with HSC Section 34179.6(c); and

WHEREAS, in accordance with HSC Section 34167.5, the State Controller's Office ("SCO") undertook a review of all asset transfers which occurred after January 1, 2011, from the former Redevelopment Agency to the City or any other government agency, and in July 2015, the SCO issued a final Asset Transfer Report which acknowledged the prior transfer of certain housing assets to PFEDA and the City, but noted that some of these assets may be subject to the provisions of HSC Section 34181; and

WHEREAS, HSC Section 34181(f) provides that all actions taken pursuant to Section 34181(c), regarding the transfer of housing assets to the Housing Successor, shall be approved by resolution of the Oversight Board at a public meeting after at least 10 days' notice to the public, and such actions shall be subject to review by DOF pursuant to Section 34179; and

WHEREAS, to comply with HSC Section 34181(f), the Oversight Board, by Resolution No. 2014-12 adopted on November 6, 2014, approved the conveyance of the Housing Assets to the Housing Successor and ratified the prior actions taken; and

WHEREAS, pursuant to HSC Section 34179(h), the Oversight Board action under Resolution No. 2014-12 was submitted to DOF for its review; and

WHEREAS, by letter dated February 23, 2015, DOF did not approve said Resolution No. 2014-12, indicating that insufficient documentation was provided to demonstrate the Housing Assets meet the criteria set forth in HSC Section 34176, and returned the action to the Oversight Board for reconsideration; and

WHEREAS, HSC Section 34176(e)(l) defines "housing asset" to include, among other things, "any real property, interest in, or restriction on the use of real property, whether improved or not ... that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds;" and

WHEREAS, City staff assembled documentation to demonstrate that nine of the Housing Assets identified in Exhibit A meet the criteria for housing assets as defined in HSC Section 34176, and the City submitted this documentation to the Oversight Board for consideration and approval; and

WHEREAS, on January 17, 2017, the City Council of Merced approved Resolution No. 2017-02 authorizing the retention by the City, as Housing Successor, of certain housing assets owned by the former Redevelopment Agency of the City of Merced and previously conveyed to the City, including most of the properties in Exhibit A, as identified therein; and

WHEREAS, on January 26, 2017, the Oversight Board approved Resolution No. 2017-04 approving the transfer of those housing assets to the City of Merced; and

WHEREAS, one housing asset known as 26 W. 18th Street (Assessor's Parcel Number: 031-163-005) was excluded from the 2017 transfer; and

WHEREAS, City staff assembled documentation to demonstrate that 26 W. 18th Street meets the criteria for housing assets as defined in HSC Section 34176; and

WHEREAS, on May 20, 2019, by Resolution No. 2019-17 (attached as Exhibit B), the City approved the retention of 26 W. 18th Street by the City as Housing Successor; and

WHEREAS, the City has requested that the Oversight Board approve the transfer of 26 W. 18th Street as a housing asset to the City as Housing Successor; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE COUNTYWIDE OVERSIGHT BOARD OF THE COUNTY OF MERCED DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board hereby approves the transfer of 26 W. 18th Street as a housing asset to the City of Merced as Housing Successor to the Former Redevelopment Agency of the City of Merced in accordance with Health and Safety Code Section 34176.

SECTION 3. The City is further authorized to enter into such agreements or other documents as may be required to implement the foregoing and to take such other actions on behalf of the City as Housing Successor to implement the foregoing as may be necessary in accordance with applicable law.

SECTION 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 5. The City is hereby directed to submit a signed copy of this Resolution, including all attachments and related staff reports to the Department of Finance in accordance with the Dissolution Law. The City is further directed to promptly provide the Oversight Board Chair, Oversight Board counsel, and Oversight Board staff with copies of all correspondence to and from the Department of Finance with respect to this Oversight Board Resolution.

SECTION 6. This Resolution shall take effect from and after the date of its passage and adoption in accordance with, and subject to, all applicable requirements of the Dissolution Law.

[continued on next page]

PASSED, APPROVED AND ADOPTED at a regular meeting of the Countywide Oversight Board of the County of Merced, held this 23rd day of May, 2019.

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Joe Ramirez, Chairperson
Countywide Oversight Board of the
County of Merced

ATTEST:

Mark Persico, Secretary
Countywide Oversight Board of the County of Merced

Attachments:

Exhibit A – Real Property Housing Assets of the Former Redevelopment Agency
Exhibit B – Merced City Council Resolution 2019-17

EXHIBIT A

**REAL PROPERTY HOUSING ASSETS OF THE
FORMER REDEVELOPMENT AGENCY TO THE CITY OF MERCED**

APN	Address	Existing Use	Status
031-161-001	1744 I Street	Vacant Land	Transferred in 2017
031-074-010	1815 I Street	Vacant Land	Transferred in 2017
031-074-009	1823 I Street	Vacant Land	Transferred in 2017
031-082-002	150 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-008	202 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-011	205 W. 18 th Street	Vacant Land	Transferred in 2017
031-074-012	211 W. 18 th Street	Vacant Land	Transferred in 2017
031-084-011	49 W. 18 th Street	Vacant Land	Transferred in 2017
059-256-004	73 S. R Street	Vacant Land	Transferred in 2017
031-163-005	26 W. 18 th Street	Vacant Land	Excluded from 2017 Transfer
032-161-002	454 W. 8 th Street	Single Family Home	Sold in 2015
032-133-015	951 W. 7 th Street	Single Family Home	Sold in 2012

EXHIBIT B

MERCED CITY COUNCIL RESOLUTION 2019-17

[ATTACHED]

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD OF THE
COUNTY OF MERCED VALIDATING THE DEPOSIT OF FUNDS FROM
THE SALE OF A HOUSING ASSET (454 WEST 8TH STREET) OWNED
BY THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF
MERCED INTO THE CITY OF MERCED'S LOW AND MODERATE
INCOME HOUSING ASSET FUND PURSUANT TO HEALTH AND
SAFETY CODE SECTIONS 34176 AND 34176.1**

WHEREAS, on June 29, 2011, the Legislature of the State of California (the "State") adopted Assembly Bill x1 26 ("AB 26"), which amended provisions of the State's Community Redevelopment Law (Health & Safety Code sections 33000 et seq.); and

WHEREAS, pursuant to AB 26 and the State Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matasantos, et al.*, which upheld AB 26 (together with AB 1484, as amended to date, the "Dissolution Law"), the former Redevelopment Agency of the City of Merced ("Redevelopment Agency") was dissolved on February 1, 2012; and

WHEREAS, in accordance with the Dissolution Law, the City Council of the City of Merced ("City") took official action declining to become the former Redevelopment Agency's successor agency pursuant to HSC Section 34173(d)(l), and as a result, the City of Merced Designated Local Authority ("DLA") was formed in accordance with HSC Section 34173(d)(3)(A) and assumed the former Redevelopment Agency's non-housing functions and obligations; and

WHEREAS, pursuant to HSC Section 34176(a), the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency, and under HSC Section 34176, all rights, powers, duties, obligations and housing assets were transferred to the City as the housing successor ("Housing Successor"); and

WHEREAS, the Oversight Board to the DLA was in existence in accordance with the Dissolution Law until June 30, 2018. Effective July 1, 2018, the Countywide Oversight Board of the County of Merced ("Oversight Board") has been established in accordance with Health & Safety Code section 34179(j) to approve certain DLA actions pursuant to Health & Safety Code Section 34180 and to direct successor agencies in certain other actions pursuant to Health & Safety Code section 34181; and

WHEREAS, the real property assets identified in the attached Exhibit A ("Housing Assets"), were acquired by the former Redevelopment Agency for low- and moderate-income housing purposes and thus constitute housing assets as defined under HSC Section 34176(e)(l) of the former Redevelopment Agency; and

WHEREAS, pursuant to the authority granted in Resolution No. RDA 698, and Resolution No. PFA 2011-4, both adopted on January 31, 2011, the Housing Assets identified in Exhibit A were transferred to the Merced Public Finance and Economic Development Agency ("PFEDA") in March 2011, and were subsequently transferred by PFEDA to the City in April 2012; and

WHEREAS, HSC Section 34176(a)(2) required the Housing Successor to submit a list of the former Redevelopment Agency's housing assets ("Housing Assets Transfer List") to the California Department of Finance ("DOF"), which had the right to review and object to any asset included on the Housing Assets Transfer List; and

WHEREAS, HSC Section 34176(a)(2) further provides that if a transferred asset is deemed not to be a housing asset as defined in subdivision (e), it shall be returned to the successor agency; and

WHEREAS, the City, as the Housing Successor, compiled and submitted a Housing Assets Transfer List to DOF on August 1, 2012, and by letter dated February 25, 2013, DOF indicated it did not object to the transfer of the Housing Assets, noting that the properties were still subject to review by the State Controller's Office; and

WHEREAS, HSC Section 34179.5 required the DLA, as the successor agency, to undergo specified due diligence reviews (each a "DDR") of the assets and accounts of the former Redevelopment Agency, one of which examined all housing assets transferred from the former Redevelopment Agency to the City ("Housing DDR"), which was submitted to DOF for review in accordance with HSC Section 34179.6(c); and

WHEREAS, in accordance with HSC Section 34167.5, the State Controller's Office ("SCO") undertook a review of all asset transfers which occurred after January 1, 2011, from the former Redevelopment Agency to the City or any other government agency, and in July 2015, the SCO issued a final Asset Transfer Report which acknowledged the prior transfer of certain housing assets to PFEDA and the City, but noted that some of these assets may be subject to the provisions of HSC Section 34181; and

WHEREAS, HSC Section 34181(f) provides that all actions taken pursuant to Section 34181(c), regarding the transfer of housing assets to the Housing Successor, shall be approved by resolution of the Oversight Board at a public meeting after at least 10 days' notice to the public, and such actions shall be subject to review by DOF pursuant to Section 34179; and

WHEREAS, to comply with HSC Section 34181(f), the Oversight Board, by Resolution No. 2014-12 adopted on November 6, 2014, approved the conveyance of the Housing Assets to the Housing Successor and ratified the prior actions taken; and

WHEREAS, pursuant to HSC Section 34179(h), the Oversight Board action under Resolution No. 2014-12 was submitted to DOF for its review; and

WHEREAS, by letter dated February 23, 2015, DOF did not approve said Resolution No. 2014-12, indicating that insufficient documentation was provided to demonstrate the Housing Assets meet the criteria set forth in HSC Section 34176, and returned the action to the Oversight Board for reconsideration; and

WHEREAS, HSC Section 34176(e)(l) defines "housing asset" to include, among other things, "any real property, interest in, or restriction on the use of real property, whether improved or not ... that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds;" and

WHEREAS, City staff assembled documentation to demonstrate that nine of the Housing Assets identified in Exhibit A meet the criteria for housing assets as defined in HSC Section 34176, and the City submitted this documentation to the Oversight Board for consideration and approval; and

WHEREAS, on January 17, 2017, the City Council of Merced approved Resolution No. 2017-02 authorizing the retention by the City, as Housing Successor, of certain housing assets owned by the former Redevelopment Agency of the City of Merced and previously conveyed to the City, including most of the properties in Exhibit A, as identified therein; and

WHEREAS, on January 26, 2017, the Oversight Board approved Resolution No. 2017-04 approving the transfer of those housing assets to the City of Merced; and

WHEREAS, one housing asset known as 454 W. 8th Street (Assessor's Parcel Number: 032-161-002) was sold by the Housing Successor in 2015, with sale proceeds deposited into the Low- and Moderate-Income Housing Asset Fund ("Housing Asset Fund"), and excluded from the 2017 transfer; and

WHEREAS, City staff assembled documentation to demonstrate that 454 W. 8th Street met the criteria for housing assets as defined in HSC Section 34176; and

WHEREAS, on May 20, 2019, by Resolution No. 2019-18 (attached as Exhibit B), the City determined that 454 W. 8th Street qualified as a housing asset and validated the deposit of funds by the City from the sale of such property into the Housing Asset Fund; and

WHEREAS, the City has requested that the Oversight Board find that 454 W. 8th Street qualified as a housing asset and validate the deposit of sales proceeds from the sale of such property into the City's Housing Asset Fund; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE COUNTYWIDE OVERSIGHT BOARD OF THE COUNTY OF MERCED DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board hereby finds that 454 W. 8th Street qualified as a housing asset and validates the deposit of sales proceeds from the sale of such property into the City's Housing Asset Fund in accordance with Health and Safety Code Sections 34176 and 34176.1.

SECTION 3. The City is further authorized to enter into such agreements or other documents as may be required to implement the foregoing and to take such other actions on behalf of the City as Housing Successor to implement the foregoing as may be necessary in accordance with applicable law.

SECTION 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 5. The City is hereby directed to submit a signed copy of this Resolution, including all attachments and related staff reports to the Department of Finance in accordance with the Dissolution Law. The City is further directed to promptly provide the Oversight Board Chair, Oversight Board counsel, and Oversight Board staff with copies of all correspondence to and from the Department of Finance with respect to this Oversight Board Resolution.

SECTION 6. This Resolution shall take effect from and after the date of its passage and adoption in accordance with, and subject to, all applicable requirements of the Dissolution Law.

[continued on next page]

PASSED, APPROVED AND ADOPTED at a regular meeting of the Countywide Oversight Board of the County of Merced, held this 23rd day of May, 2019.

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Joe Ramirez, Chairperson
Countywide Oversight Board of the
County of Merced

ATTEST:

Mark Persico, Secretary
Countywide Oversight Board of the County of Merced

Attachments:

Exhibit A – Real Property Housing Assets of the Former Redevelopment Agency
Exhibit B – Merced City Council Resolution 2019-18

EXHIBIT A

REAL PROPERTY HOUSING ASSETS OF THE
FORMER REDEVELOPMENT AGENCY TO THE CITY OF MERCED

APN	Address	Existing Use	Status
031-161-001	1744 I Street	Vacant Land	Transferred in 2017
031-074-010	1815 I Street	Vacant Land	Transferred in 2017
031-074-009	1823 I Street	Vacant Land	Transferred in 2017
031-082-002	150 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-008	202 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-011	205 W. 18 th Street	Vacant Land	Transferred in 2017
031-074-012	211 W. 18 th Street	Vacant Land	Transferred in 2017
031-084-011	49 W. 18 th Street	Vacant Land	Transferred in 2017
059-256-004	73 S. R Street	Vacant Land	Transferred in 2017
031-163-005	26 W. 18 th Street	Vacant Land	Excluded from 2017 Transfer
032-161-002	454 W. 8 th Street	Single Family Home	Sold in 2015
032-133-015	951 W. 7 th Street	Single Family Home	Sold in 2012

EXHIBIT B

MERCED CITY COUNCIL RESOLUTION 2019-18

[ATTACHED]

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD OF THE
COUNTY OF MERCED VALIDATING THE DEPOSIT OF FUNDS FROM
THE SALE OF A HOUSING ASSET (951 WEST 7TH STREET) OWNED
BY THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF
MERCED INTO THE CITY OF MERCED'S LOW AND MODERATE
INCOME HOUSING ASSET FUND PURSUANT TO HEALTH AND
SAFETY CODE SECTIONS 34176 AND 34176.1**

WHEREAS, on June 29, 2011, the Legislature of the State of California (the "State") adopted Assembly Bill x1 26 ("AB 26"), which amended provisions of the State's Community Redevelopment Law (Health & Safety Code sections 33000 et seq.); and

WHEREAS, pursuant to AB 26 and the State Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matasantos, et al.*, which upheld AB 26 (together with AB 1484, as amended to date, the "Dissolution Law"), the former Redevelopment Agency of the City of Merced ("Redevelopment Agency") was dissolved on February 1, 2012; and

WHEREAS, in accordance with the Dissolution Law, the City Council of the City of Merced ("City") took official action declining to become the former Redevelopment Agency's successor agency pursuant to HSC Section 34173(d)(l), and as a result, the City of Merced Designated Local Authority ("DLA") was formed in accordance with HSC Section 34173(d)(3)(A) and assumed the former Redevelopment Agency's non-housing functions and obligations; and

WHEREAS, pursuant to HSC Section 34176(a), the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency, and under HSC Section 34176, all rights, powers, duties, obligations and housing assets were transferred to the City as the housing successor ("Housing Successor"); and

WHEREAS, the Oversight Board to the DLA was in existence in accordance with the Dissolution Law until June 30, 2018. Effective July 1, 2018, the Countywide Oversight Board of the County of Merced ("Oversight Board") has been established in accordance with Health & Safety Code section 34179(j) to approve certain DLA actions pursuant to Health & Safety Code Section 34180 and to direct successor agencies in certain other actions pursuant to Health & Safety Code section 34181; and

WHEREAS, the real property assets identified in the attached Exhibit A ("Housing Assets"), were acquired by the former Redevelopment Agency for low- and moderate-income housing purposes and thus constitute housing assets as defined under HSC Section 34176(e)(l) of the former Redevelopment Agency; and

WHEREAS, pursuant to the authority granted in Resolution No. RDA 698, and Resolution No. PFA 2011-4, both adopted on January 31, 2011, the Housing Assets identified in Exhibit A were transferred to the Merced Public Finance and Economic Development Agency ("PFEDA") in March 2011, and were subsequently transferred by PFEDA to the City in April 2012; and

WHEREAS, HSC Section 34176(a)(2) required the Housing Successor to submit a list of the former Redevelopment Agency's housing assets ("Housing Assets Transfer List") to the California Department of Finance ("DOF"), which had the right to review and object to any asset included on the Housing Assets Transfer List; and

WHEREAS, HSC Section 34176(a)(2) further provides that if a transferred asset is deemed not to be a housing asset as defined in subdivision (e), it shall be returned to the successor agency; and

WHEREAS, the City, as the Housing Successor, compiled and submitted a Housing Assets Transfer List to DOF on August 1, 2012, and by letter dated February 25, 2013, DOF indicated it did not object to the transfer of the Housing Assets, noting that the properties were still subject to review by the State Controller's Office; and

WHEREAS, HSC Section 34179.5 required the DLA, as the successor agency, to undergo specified due diligence reviews (each a "DDR") of the assets and accounts of the former Redevelopment Agency, one of which examined all housing assets transferred from the former Redevelopment Agency to the City ("Housing DDR"), which was submitted to DOF for review in accordance with HSC Section 34179.6(c); and

WHEREAS, in accordance with HSC Section 34167.5, the State Controller's Office ("SCO") undertook a review of all asset transfers which occurred after January 1, 2011, from the former Redevelopment Agency to the City or any other government agency, and in July 2015, the SCO issued a final Asset Transfer Report which acknowledged the prior transfer of certain housing assets to PFEDA and the City, but noted that some of these assets may be subject to the provisions of HSC Section 34181; and

WHEREAS, HSC Section 34181(f) provides that all actions taken pursuant to Section 34181(c), regarding the transfer of housing assets to the Housing Successor, shall be approved by resolution of the Oversight Board at a public meeting after at least 10 days' notice to the public, and such actions shall be subject to review by DOF pursuant to Section 34179; and

WHEREAS, to comply with HSC Section 34181(f), the Oversight Board, by Resolution No. 2014-12 adopted on November 6, 2014, approved the conveyance of the Housing Assets to the Housing Successor and ratified the prior actions taken; and

WHEREAS, pursuant to HSC Section 34179(h), the Oversight Board action under Resolution No. 2014-12 was submitted to DOF for its review; and

WHEREAS, by letter dated February 23, 2015, DOF did not approve said Resolution No. 2014-12, indicating that insufficient documentation was provided to demonstrate the Housing Assets meet the criteria set forth in HSC Section 34176, and returned the action to the Oversight Board for reconsideration; and

WHEREAS, HSC Section 34176(e)(l) defines "housing asset" to include, among other things, "any real property, interest in, or restriction on the use of real property, whether improved or not ... that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds;" and

WHEREAS, City staff assembled documentation to demonstrate that nine of the Housing Assets identified in Exhibit A meet the criteria for housing assets as defined in HSC Section 34176, and the City submitted this documentation to the Oversight Board for consideration and approval; and

WHEREAS, on January 17, 2017, the City Council of Merced approved Resolution No. 2017-02 authorizing the retention by the City, as Housing Successor, of certain housing assets owned by the former Redevelopment Agency of the City of Merced and previously conveyed to the City, including most of the properties in Exhibit A, as identified therein; and

WHEREAS, on January 26, 2017, the Oversight Board approved Resolution No. 2017-04 approving the transfer of those housing assets to the City of Merced; and

WHEREAS, one housing asset known as 951 W. 7th Street (Assessor's Parcel Number: 032-133-015) was sold by the Housing Successor in 2012, with sale proceeds deposited into the Low- and Moderate-Income Housing Asset Fund ("Housing Asset Fund"), and excluded from the 2017 transfer; and

WHEREAS, City staff assembled documentation to demonstrate that 951 W. 7th Street met the criteria for housing assets as defined in HSC Section 34176; and

WHEREAS, on May 20, 2019, by Resolution No. 2019-19 (attached as Exhibit B), the City determined that 951 W. 7th Street qualified as a housing asset and validated the deposit of funds by the City from the sale of such property into the Housing Asset Fund; and

WHEREAS, the City has requested that the Oversight Board find that 951 W. 7th Street qualified as a housing asset and validate the deposit of sales proceeds from the sale of such property into the City's Housing Asset Fund; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE COUNTYWIDE OVERSIGHT BOARD OF THE COUNTY OF MERCED DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board hereby finds that 951 W. 7th Street qualified as a housing asset and validates the deposit of sales proceeds from the sale of such property into the City's Housing Asset Fund in accordance with Health and Safety Code Sections 34176 and 34176.1.

SECTION 3. The City is further authorized to enter into such agreements or other documents as may be required to implement the foregoing and to take such other actions on behalf of the City as Housing Successor to implement the foregoing as may be necessary in accordance with applicable law.

SECTION 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 5. The City is hereby directed to submit a signed copy of this Resolution, including all attachments and related staff reports to the Department of Finance in accordance with the Dissolution Law. The City is further directed to promptly provide the Oversight Board Chair, Oversight Board counsel, and Oversight Board staff with copies of all correspondence to and from the Department of Finance with respect to this Oversight Board Resolution.

SECTION 6. This Resolution shall take effect from and after the date of its passage and adoption in accordance with, and subject to, all applicable requirements of the Dissolution Law.

[continued on next page]

PASSED, APPROVED AND ADOPTED at a regular meeting of the Countywide Oversight Board of the County of Merced, held this 23rd day of May, 2019.

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Joe Ramirez, Chairperson
Countywide Oversight Board of the
County of Merced

ATTEST:

Mark Persico, Secretary
Countywide Oversight Board of the County of Merced

Attachments:

Exhibit A – Real Property Housing Assets of the Former Redevelopment Agency
Exhibit B – Merced City Council Resolution 2019-19

EXHIBIT A

REAL PROPERTY HOUSING ASSETS OF THE
FORMER REDEVELOPMENT AGENCY TO THE CITY OF MERCED

APN	Address	Existing Use	Status
031-161-001	1744 I Street	Vacant Land	Transferred in 2017
031-074-010	1815 I Street	Vacant Land	Transferred in 2017
031-074-009	1823 I Street	Vacant Land	Transferred in 2017
031-082-002	150 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-008	202 W. 19 th Street	Vacant Land	Transferred in 2017
031-074-011	205 W. 18 th Street	Vacant Land	Transferred in 2017
031-074-012	211 W. 18 th Street	Vacant Land	Transferred in 2017
031-084-011	49 W. 18 th Street	Vacant Land	Transferred in 2017
059-256-004	73 S. R Street	Vacant Land	Transferred in 2017
031-163-005	26 W. 18 th Street	Vacant Land	Excluded from 2017 Transfer
032-161-002	454 W. 8 th Street	Single Family Home	Sold in 2015
032-133-015	951 W. 7 th Street	Single Family Home	Sold in 2012

EXHIBIT B

MERCED CITY COUNCIL RESOLUTION 2019-19

[ATTACHED]



ADMINISTRATIVE REPORT

Agenda Item H.6.

Meeting Date: 5/20/2019

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

SUBJECT: Approval of a Finding of Public Convenience or Necessity to Allow Beer and Wine Sales for Off-Site Consumption for Exxon Mobil/Mobil Mart Located at 782 Carol Avenue (Land Use Determination #19-01)

REPORT IN BRIEF

This report provides options for the City Council to consider in making a Finding of Public Convenience or Necessity (PCN), as required by the Department of Alcoholic Beverage Control (ABC) to allow the sale of beer and wine for off-site consumption for Exxon Mobil/Mobil Mart located at 782 Carol Avenue.

RECOMMENDATION

City Council - Adopt a motion approving the Finding of Public Convenience or Necessity to allow the issuance of a Type 20 Alcohol License (allows the sale of beer and wine for off-site consumption) for Exxon Mobil/Mobil Mart located at 782 Carol Avenue.

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 item to a future City Council meeting (date and time to be specified in City Council motion).

AUTHORITY

Business and Professions Code Section 23958 and 23958.4

CITY COUNCIL PRIORITIES

Not applicable.

DISCUSSION

State law mandates that ABC deny the issuance of a license to sell alcohol if the Census Tract in which the license will be issued is considered to have an “undue concentration” of existing alcohol licenses. The exception to this rule is that ABC may issue the license if the local jurisdiction makes a finding of “Public Convenience or Necessity” in support of the issuance of an additional license. However, the phrase “public convenience or necessity” is not defined in either the Alcoholic Beverage

Control Act or in ABC's Implementing Regulations, nor are specific guidelines provided. This determination must be made within 90 days of the date the local jurisdiction is notified of an application. See Attachment 1 - "Provisions for Undue Concentration" for more information regarding "undue concentration."

Prior case law indicates that the Legislature's intent for making a finding of public convenience or necessity was to apply different criteria than those used to determine "undue concentration." Therefore "public convenience or necessity" means something other than the number and location of the licensed alcohol premises which are already covered by the factors used to determine undue concentration. As shown at Attachment 8, the subject site is located within a Census Tract (17.00) that is considered over-concentrated with alcohol licenses for off-site consumption (Types 20 and 21). Census Tract 17.00 is allowed 5 off sale alcohol licenses, there are currently 10 active licenses within this census tract, and with the approval of this request, there would be 11. Factors that may be used to determine a Finding of "public convenience or necessity" are found at Attachment 2. Staff, including the Police Department, have reviewed this request and are recommending approval.

The City Council may also deny the Finding of Public Convenience or Necessity, but should make one or more specific findings to support the denial. Such findings might be based on the fact that there are too many existing businesses within the area already serving alcohol, the number of crimes in the area, the proximity to residential uses, the type of business or operation, or other factors the City Council determines would make the issuance of an ABC license detrimental to the community. Guidance for making these findings can be taken from the "Provisions of Undue Concentration" found at Attachment 1.

Exxon Mobil/Mobil Mart

Exxon Mobil/Mobil Mart will be located within a new 4,900-square-foot building. Attachments 5 and 7 show the proposed site plan and elevations. The floor plan at Attachment 6 shows the building layout with space dedicated for snacks (on racks and shelves), a food court, restrooms, office, cashier, and a beer cave located at the northeast corner of the building. The conditional use permit for this site (CUP #1213) limits the sale of alcohol to 2 cooler spaces or 20-square-feet (typical for a convenience market).

Sensitive Uses

The proximity of a business to residential uses, schools, churches, hospitals, or other "sensitive uses" may also be cause for ABC to deny the issuance of a license. The nearest residential zone is located to the north adjacent to the subject site. The nearest school (Golden Valley High School) is located approximately 750 feet east of the subject site. The nearest park (Joe Herb Community Park) is located approximately 1,000 feet away from the subject site at the northeast corner of N. Parsons Avenue and Merced Avenue. The map at Attachment 11 shows the locations of these uses.

Information of Fact

In order for the City Council to make their decision regarding a Finding of Public Convenience or Necessity, staff is providing information of fact for the City Council to consider. Based on the

information provided in Attachment 12, staff is recommending approval of this request. Approval of this request would authorize the Director of Development Services (or Planning Manager) to notify ABC of this determination.

According to the Merced Police Department, this general area had a high concentration of incidents between 6/1/2015 to 6/1/2016 (Attachment 9), during the time that the Conditional Use Permit for this site was processed. Within this time period, there were a total of 607 incidents within 500 feet of the subject site (Attachment 10). Typically, particular attention is given to incidents involving public drunkenness, the illegal sale of narcotics, disturbing the peace, and disorderly conduct are reviewed when considering the issuance of an alcohol license. Below is a breakdown of similar types of calls within 500 feet of the site between 6/1/2015 to 6/1/2016:

- Disturbances/Assaults - 96 incidents
- Public Intoxication - 4 incidents
- Narcotics - 3 incidents
- Municipal Code Violations - 27 incidents

The total call volume City-wide for the same time period was 63,024 calls. The calls within 500 feet of the subject site equate approximately 0.96% of the total call volume within the City of Merced for that time period. Updated statistics were not available at the time this report was prepared, but the Police Department verbally indicated that the above statistics were in line with current calls for service. As previously mentioned, the number of incidents within the surrounding area is considered high by Merced Police Department standards. However, the Police Department supports this request for a Finding of Public Convenience or Necessity.

Applicant's Reason to Support Public Convenience or Necessity

The applicant, Exxon Mobil/Mobil Mart, has provided information regarding reasons for supporting a Finding of Public Convenience or Necessity. They cite several reasons to support the issuance of a Type 20 License including the convenience of purchasing alcohol while shopping for other items found at Mobil Market, and their dedication to being a good neighbor by keeping their site clean and providing security cameras onsite to help reduce criminal activity. More detailed information supporting this request can be found in the letter at Attachment 12.

Council Action:

Option #1

After considering all the facts provided and the factors that may be considered for determining public convenience or necessity, if the City Council finds the public convenience or necessity would be served by the issuance of an off-sale license to sell beer and wine, the City Council should authorize the Director of Development Services, or designee, to draft a letter of support to ABC for the issuance of a Type 20 License.

Option #2

If the City Council determines public convenience or necessity would not be served by the issuance of a Type 20 license (off-sale beer and wine) at this location, the City Council should direct the Director of Development Services, or designee, to draft a letter opposing the issuance of this license. Specific reasons/findings for denial would need to be cited in the City Council motion.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Provisions of Undue Concentration
2. Factors in Determining Public Convenience or Necessity
3. Location Map
4. ABC License Type and Privileges
5. Site Plan
6. Floor Plan
7. Elevations
8. ABC Census 17 Tract Map
9. City-Wide Crime Map
10. Incident Map Near Subject Site (within 500-foot Radius)
11. Sensitive Uses Map
12. Letter from Applicant
13. Conditions of Approval (CUP #1213)

Provisions for “Undue Concentration”

According to Section 23958.4, if an undue concentration of establishments selling or serving alcoholic beverages is found, the Alcoholic Beverage Control (ABC) is required to deny a license. Undue concentration applies to all types of alcohol licenses, i.e., both for on-site consumption of alcohol (“on-sale”) and off site sales for consumption off premises (“off-sale”) and includes all alcoholic beverages, not just beer and wine.

Under this provision, “undue concentration” occurs when:

- (1) The applicant premises are located in a crime reporting district that has a 20 percent greater number of reported crimes than the average number of reported crimes as determined from all crime reporting districts within the jurisdiction of the local law enforcement agency.
- (2) As to “on-sale” retail license applications, the ratio of on-sale retail licenses to population in the census tract or census division in which the applicant premises are located exceeds the ratio of on-sale retail licenses to population in the county in which the applicant premises are located.
- (3) As to “off-sale” retail license applications, the ratio of off-sale retail licenses to population in the census tract or census division in which the applicant’s premises are located exceeds the ratio of off-sale retail licenses to population in the county in which the applicant premises are located.

Factors in Determining Public Convenience or Necessity

Because the law does not clearly identify criteria to be used in determining public convenience or necessity, a number of factors may be considered. The following is a list of factors that may be considered. It is important to note, however, that this is not an all-inclusive list due to the fact that law makers and courts have not more clearly identified factors to consider.

1. The character of the particular premises.
2. The aesthetics and ambiance of the proposed business.
3. The attractiveness of the proposed business.
4. The manner in which the business is to be conducted, i.e., special or unique features, such as the type of games, food, or other service provided.
5. The type of guests who are likely to be patrons.
6. The predicted mode of operation.
7. The ability of the proposed business to serve a niche in the population not filled by other licensees in the same area, such as, catering to a particular clientele, economic or social grouping.
8. Convenience of purchasing alcoholic beverages in conjunction with specialty food sales, or services.

Other criteria that may be used could include: 1) whether the proposed use for which the alcoholic beverage license is sought would result in a detriment or nuisance to the public health, safety, or welfare for those residing or working in the surrounding community, including nuisances relating to noise, littering, loitering, and crime; 2) whether the proposed use for which the alcoholic beverage license is sought places significant burdens on the delivery of public safety-related services, such as those pertaining to crime and fire protection.



This is an aerial photograph of a commercial district. The map shows a network of roads, including a major intersection in the lower-left. Several businesses are identified with white labels: 'Single Family Homes' at the top, 'Subject Site for Exxon Mobile/Mobile Mart' in a yellow callout pointing to a vacant lot, 'McDonald's' on the left, 'Starbucks' in the center, 'Burger King' at the bottom center, 'Motel 6' on the right, and 'Thoroughfare Commercial Zone' on the far right. A black arrow at the bottom right points towards the top of the image.

Single Family Homes

Subject Site for Exxon Mobile/
Mobile Mart

Thoroughfare
Commercial Zone

McDonald's

Starbucks

Motel 6

Burger King

COMMON ABC LICENSE TYPES AND THEIR BASIC PRIVILEGES

LICENSE TYPE	DESCRIPTION
01	BEER MANUFACTURER - (Large Brewery) Authorizes the sale of beer to any person holding a license authorizing the sale of beer, and to consumers for consumption on or off the manufacturer's licensed premises. Without any additional licenses, may sell beer and wine, regardless of source, to consumers for consumption at a bona fide public eating place on the manufacturer's licensed premises or at a bona fide eating place contiguous to the manufacturer's licensed premises. May conduct beer tastings under specified conditions (Section 23357.3). Minors are allowed on the premises.
02	WINEGROWER - (Winery) Authorizes the sale of wine and brandy to any person holding a license authorizing the sale of wine and brandy, and to consumers for consumption off the premises where sold. Authorizes the sale of all wines and brandies, regardless of source, to consumers for consumption on the premises in a bona fide eating place that is located on the licensed premises or on premises owned by the licensee that are contiguous to the licensed premises and operated by and for the licensee. May possess wine and brandy for use in the preparation of food and beverage to be consumed at the bona fide eating place. May conduct winetastings under prescribed conditions (Section 23356.1; Rule 53). Minors are allowed on the premises.
20	OFF SALE BEER & WINE - (Package Store) Authorizes the sale of beer and wine for consumption off the premises where sold. Minors are allowed on the premises.
21	OFF SALE GENERAL - (Package Store) Authorizes the sale of beer, wine and distilled spirits for consumption off the premises where sold. Minors are allowed on the premises.
23	SMALL BEER MANUFACTURER - (Brew Pub or Micro-brewery) Authorizes the same privileges and restrictions as a Type 01. A brewpub is typically a very small brewery with a restaurant. A micro-brewery is a small-scale brewery operation that typically is dedicated solely to the production of specialty beers, although some do have a restaurant or pub on their manufacturing plant.
40	ON SALE BEER - (Bar, Tavern) Authorizes the sale of beer for consumption on or off the premises where sold. No wine or distilled spirits may be on the premises. Full meals are not required; however, sandwiches or snacks must be available. Minors are allowed on the premises.
41	ON SALE BEER & WINE - EATING PLACE - (Restaurant) Authorizes the sale of beer and wine for consumption on or off the premises where sold. Distilled spirits may not be on the premises (except brandy, rum, or liqueurs for use solely for cooking purposes). Must operate and maintain the licensed premises as a bona fide eating place. Must maintain suitable kitchen facilities, and must make actual and substantial sales of meals for consumption on the premises. Minors are allowed on the premises.
42	ON SALE BEER & WINE - PUBLIC PREMISES - (Bar, Tavern) Authorizes the sale of beer and wine for consumption on or off the premises where sold. No distilled spirits may be on the premises. Minors are not allowed to enter and remain (see Section 25663.5 for exception, musicians). Food service is not required.
47	ON SALE GENERAL - EATING PLACE - (Restaurant) Authorizes the sale of beer, wine and distilled spirits for consumption on the licenses premises. Authorizes the sale of beer and wine for consumption off the licenses premises. Must operate and maintain the licensed premises as a bona fide eating place. Must maintain suitable kitchen facilities, and must make actual and substantial sales of meals for consumption on the premises. Minors are allowed on the premises.
48	ON SALE GENERAL - PUBLIC PREMISES - (Bar, Night Club) Authorizes the sale of beer, wine and distilled spirits for consumption on the premises where sold. Authorizes the sale of beer and wine for consumption off the premises where sold. Minors are not allowed to enter and remain (see Section 25663.5 for exception, musicians). Food service is not required.
49	ON SALE GENERAL - SEASONAL - Authorizes the same privileges and restrictions as provided for a Type 47 license except it is issued for a specific season. Inclusive dates of operation are listed on the license certificate.



LICENSE TYPE	DESCRIPTION
51	CLUB - Authorizes the sale of beer, wine and distilled spirits, to members and guests only, for consumption on the premises where sold. No off-sale privileges. Food service is not required. Minors are allowed on the premises.
52	VETERAN'S CLUB - Authorizes the sale of beer, wine and distilled spirits, to members and guests only, for consumption on the premises where sold. Authorizes the sale of beer and wine, to members and guest only, for consumption off the licensed premises. Food service is not required. Minors are allowed on the premises.
57	SPECIAL ON SALE GENERAL - Generally issued to certain organizations who cannot qualify for club licenses. Authorizes the sale of beer, wine and distilled spirits, to members and guests only, for consumption on the premises where sold. Authorizes the sale of beer and wine, to members and guests only, for consumption off the licensed premises. Food service is not required. Minors are allowed on the premises.
59	ON SALE BEER AND WINE – SEASONAL - Authorizes the same privileges as a Type 41. Issued for a specific season. Inclusive dates of operation are listed on the license certificate.
60	ON SALE BEER – SEASONAL - Authorizes the sale of beer only for consumption on or off the premises where sold. Issued for a specific season. Inclusive dates of operation are listed on the license certificate. Wine or distilled spirits may not be on the premises. Minors are allowed on the premises.
61	ON SALE BEER – PUBLIC PREMISES - (Bar, Tavern) Authorizes the sale of beer only for consumption on or off the licensed premises. Wine or distilled spirits may not be on the premises. Minors are not allowed to enter and remain (warning signs required). Food service is not required.
67	BED AND BREAKFAST INN - Authorizes the sale of wine purchased from a licensed winegrower or wine wholesaler only to registered guests of the establishment for consumption on the premises. No beer or distilled spirits may be on the premises. Wine shall not be given away to guests, but the price of the wine shall be included in the price of the overnight transient occupancy accommodation. Removal of wine from the grounds is not permitted. Minors are allowed on the premises.
70	ON SALE GENERAL – RESTRICTIVE SERVICE - Authorizes the sale or furnishing of beer, wine and distilled spirits for consumption on the premises to the establishment's overnight transient occupancy guests or their invitees. This license is normally issued to "suite-type" hotels and motels, which exercise the license privileges for guests' "complimentary" happy hour. Minors are allowed on the premises.
75	ON SALE GENERAL – BREWPUB - (Restaurant) Authorizes the sale of beer, wine and distilled spirits for consumption on a bona fide eating place plus a limited amount of brewing of beer. This license does not authorize the sale of alcoholic beverages for consumption off the premises where sold. Minors are allowed on the premises.
80	BED AND BREAKFAST INN – GENERAL - Authorizes the sale of beer, wine and distilled spirits purchased from a licensed wholesaler or winegrower only to registered guests of the establishment for consumption on the premises. Alcoholic beverages shall not be given away to guests, but the price of the alcoholic beverage shall be included in the price of the overnight transient occupancy accommodation. Removal of alcoholic beverages from the grounds is not permitted. Minors are allowed on the premises.
86	INSTRUCTIONAL TASTING LICENSE —Issued to the holder of and premises of a Type 20 or Type 21 licensee, authorizes the tasting of alcoholic beverages as authorized to be sold from the off-sale premises, on a limited basis. Requires physical separation from the off-sale premises while tasting is taking place and generally requires the participation of a specifically-authorized manufacturer or wholesaler licensee.



SPECIAL EVENTS

The Department also issues licenses and authorizations for the retail sale of beer, wine and distilled spirits on a temporary basis for special events. The most common are listed below. Other less common ones are found in Business and Professions Code Section 24045.2, et seq.

SPECIAL DAILY BEER AND/OR WINE LICENSE - (Form ABC-221) Authorizes the sale of beer and/or wine for consumption on the premises where sold. No off-sale privileges. Minors are allowed on the premises. May be revoked summarily by the Department if, in the opinion of the Department and/or the local law enforcement agency, it is necessary to protect the safety, welfare, health, peace and morals of the people of the State. In some instances, the local ABC office may require the applicant to obtain prior written approval of the local law enforcement agency. Issued to non-profit organizations. (Rule 59, California Code of Regulations)

DAILY ON SALE GENERAL LICENSE - (Form ABC-221) Authorizes the sale of beer, wine and distilled spirits for consumption on the premises where sold. No off-sale privileges. Minors are allowed on the premises. May be revoked summarily by the Department if, in the opinion of the Department and/or the local law enforcement agency, it is necessary to protect the safety, welfare, health, peace and morals of the people of the State. In some instances, the local ABC office may require the applicant to obtain prior written approval of the local law enforcement agency. Issued to political parties or affiliates supporting a candidate for public office or a ballot measure or charitable, civic, fraternal or religious organizations. (Section 24045.1 and Rule 59.5 California Code of Regulations)

CATERING AUTHORIZATION - (Form ABC-218) Authorizes Type 47, 48, 51, 52, 57, 75 and 78 licensees (and catering businesses that qualify under Section 24045.12) to sell beer, wine and distilled spirits for consumption at conventions, sporting events, trade exhibits, picnics, social gatherings, or similar events. Type 47, 48 and 57 licensees may cater alcoholic beverages at any ABC-approved location in the State. Type 51 and 52 licensees may only cater alcoholic beverages at their licensed premises. All licensees wishing to cater alcoholic beverages must obtain prior written authorization from the Department for each event. At all approved events, the licensee may exercise only those privileges authorized by the licensee's license and shall comply with all provisions of the ABC Act pertaining to the conduct of on-sale premises and violation of those provisions may be grounds for suspension or revocation of the licensee's license or permit, or both, as though the violation occurred on the licensed premises. (Section 23399 and Rule 60.5 California Code of Regulations)

EVENT AUTHORIZATION - (Form ABC-218) Authorizes Type 41, 42, 47, 48, 49, 57, 75 and 78 licensees to sell beer, wine and distilled spirits for consumption on property adjacent to the licensed premises and owned or under the control of the licensee. This property shall be secured and controlled by the licensee and not visible to the general public. *The licensee shall obtain prior approval of the local law enforcement agency.* At all approved events, the licensee may exercise only those privileges authorized by the licensee's license and shall comply with all provisions of the ABC Act pertaining to the conduct of on-sale premises (including any license conditions) and violations of those provisions may be grounds for suspension or revocation of the licensee's license or permit, or both, as though the violation occurred on the licensed premises. (Section 23399)

WINE SALES EVENT PERMIT - (Form ABC-239) Authorizes Type 02 licensees to sell bottled wine produced by the winegrower for consumption off the premises where sold and only at fairs, festivals or cultural events sponsored by designated tax exempt organizations. The licensee must notify the city and/or county where the event is being held and obtain approval from ABC for each event (Form ABC-222). The licensee must also comply with all restrictions listed in Business and Professions Code Section 23399.6.

Note:

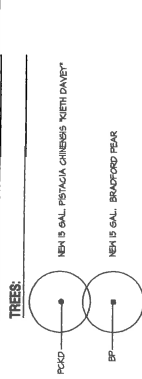
1. "Minor" means any person under 21 years of age.
2. Consult Section 25663(b) regarding age of employees in off-sale premises; consult Sections 25663(a) and 25663.5 regarding age of employees in on-sale premises.
3. In certain situations, ABC may place reasonable conditions upon a license, such as restrictions as to hours of sale, employment of designated persons, display of signs, restrictions on entertainment or dancing, etc. If a license has been conditioned, it will be endorsed as such on the face of the license. (Conditional licenses, Sections 23800-23805.)

4. Licensees whose license allows minors on the premises may have a “house policy” restricting minors from entering certain areas of the premises or prohibiting minors in the premises during certain hours.
5. This handout contains only abbreviated information. Contact your local ABC office for full information before doing anything which may jeopardize your license. Also available from the ABC: Quick Summary of Selected ABC Laws (form ABC-608); Alcoholic Beverage Control Act (complete laws); Rules & Regulations; and P-90 (describes privileges of non-retail licenses).

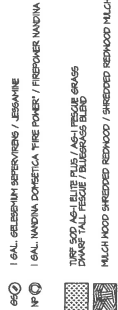


LANDSCAPING:
 ALL LANDSCAPING IS EXISTING AT STREET FRONTAGE AND REAR AND IS WATER. STREET TREES ARE BEING MOVED TO THE SHADING AND CITY STREET TREE REQUIREMENTS DURING CONSTRUCTION.

PLANTING LEGEND:



SHRUBS AND GROUNDCOVERS:

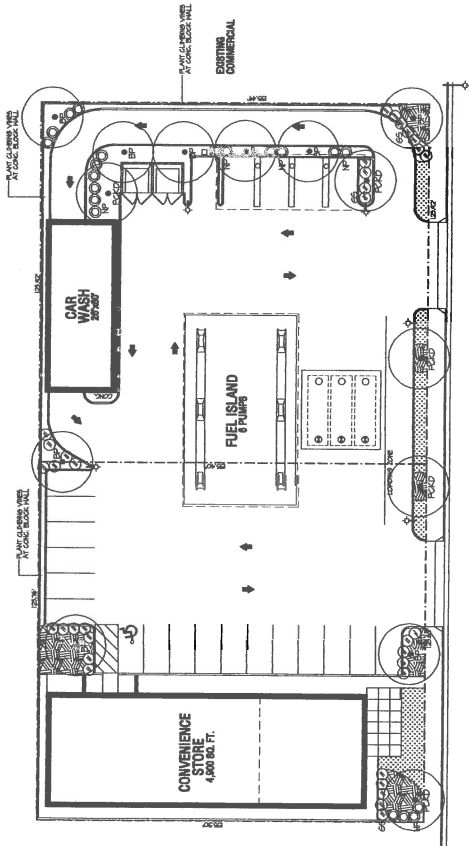


LANDSCAPE NOTES:

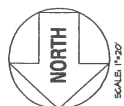
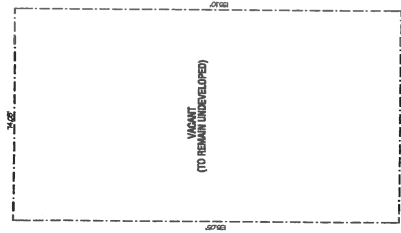
1. PROVIDE REED BARRIERS - NON-NOTCH FILTER FABRIC, TYPICAL OR EQUAL PLACED AND PINED UNDER ALL MULCH AREAS
2. SOIL THE PROPOSED TO THE INSTALLATION OF PLANT MATERIALS AREAS THAT HAVE BEEN COMPACTED IN CONSTRUCTION AT A RATE OF AT LEAST 3" TO 4" PER 1000 SQ. FT. NO AMENDMENTS NECESSARY
3. LOCATION OF ALL UTILITIES SHOULD BE VERIFIED PRIOR TO PLANTING
4. TREES SHALL NOT BE PLANTED WITHIN 10'-0" OF ANY WATER OR SEWER LINE OR WITHIN 4'-0" OF ANY BUILDING FOUNDATION
5. ALL SHRUB BEDS TO RECEIVE MULCH SPECIFIED TO A DEPTH OF 3" IN LANDSCAPE BEDS, COBBLE TO COMPLETELY COVER FABRIC (TYPICAL)
6. FERTILIZER FOR INSTALLATION AND ANY SITE MAINTENANCE TO BE "BOLSTER" PRODUCT FROM SUSPENSE

LANDSCAPE IRRIGATION:

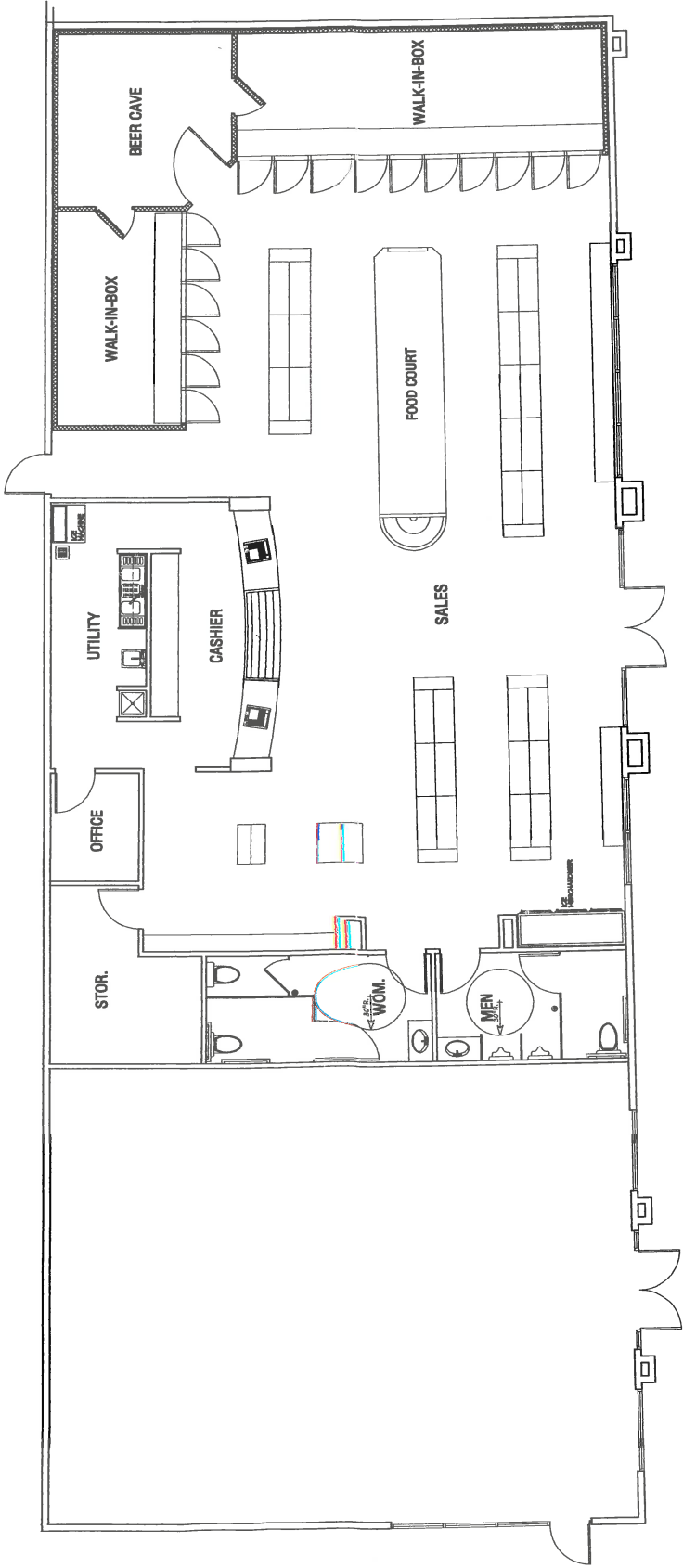
IRRIGATION SYSTEM TO BE PROVIDED BY LANDSCAPE CONTRACTOR. IRRIGATION SYSTEM IS TO BE DESIGNED AND INSTALLED TO BE WATER EFFICIENT AS POSSIBLE. IT SHALL INCLUDE WATER CONSERVING DRAIN IRRIGATION ON ALL SHRUB BEDS.



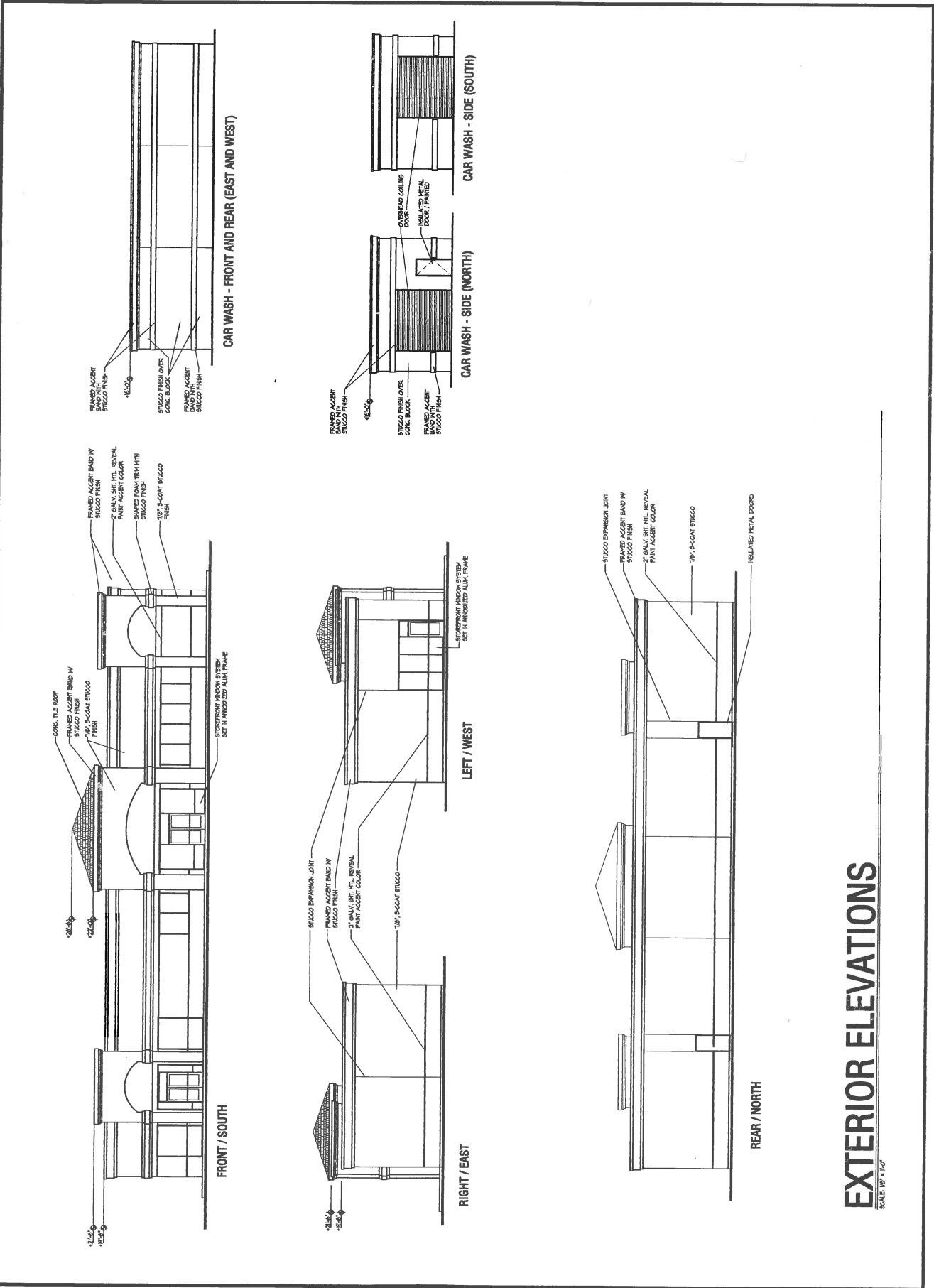
CAROL AVENUE 80' R.O.W.

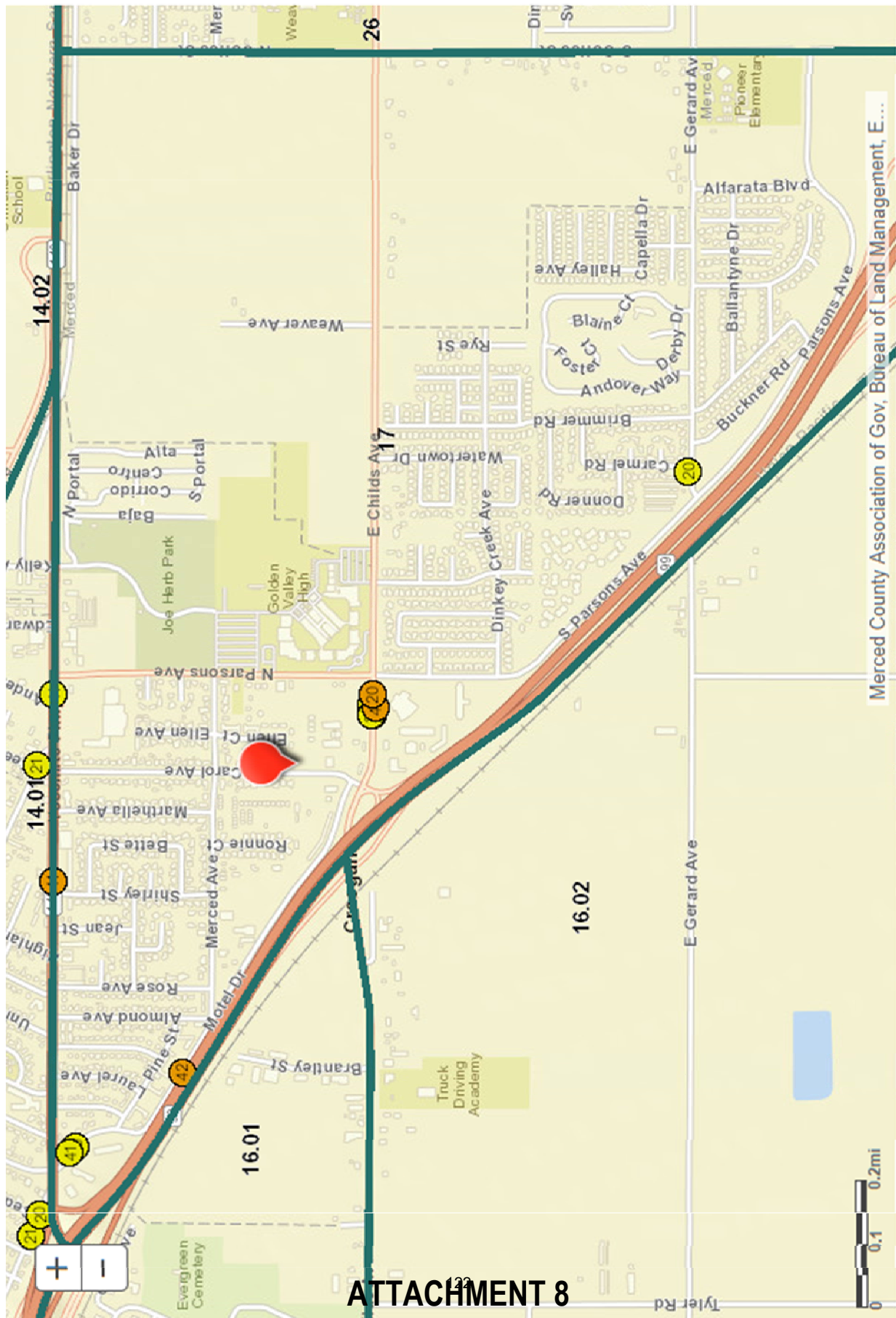


CONCEPTUAL LANDSCAPE PLAN



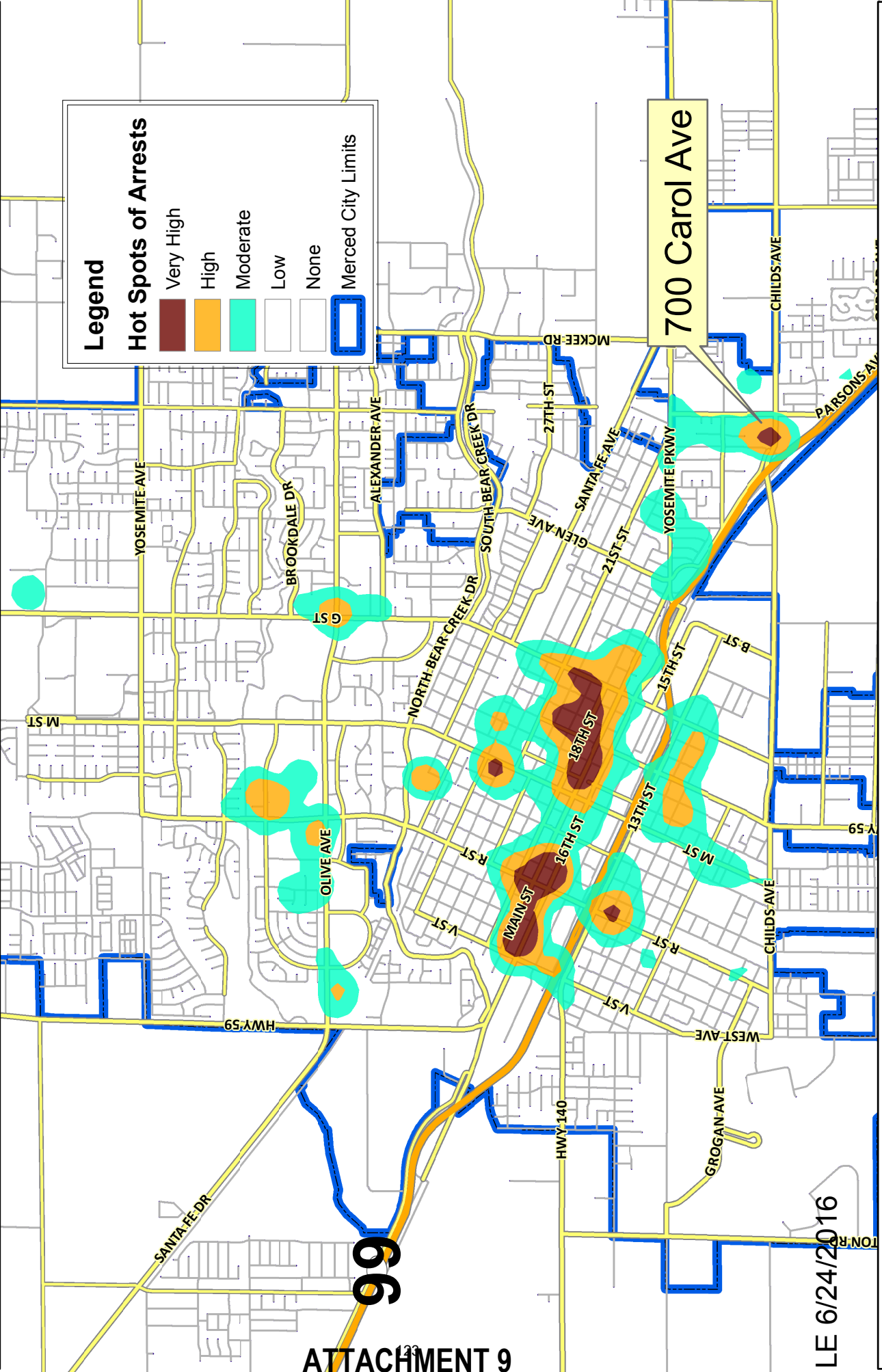
NORTH
 SCALE: 1/4" = 1'-0"
FLOOR PLAN





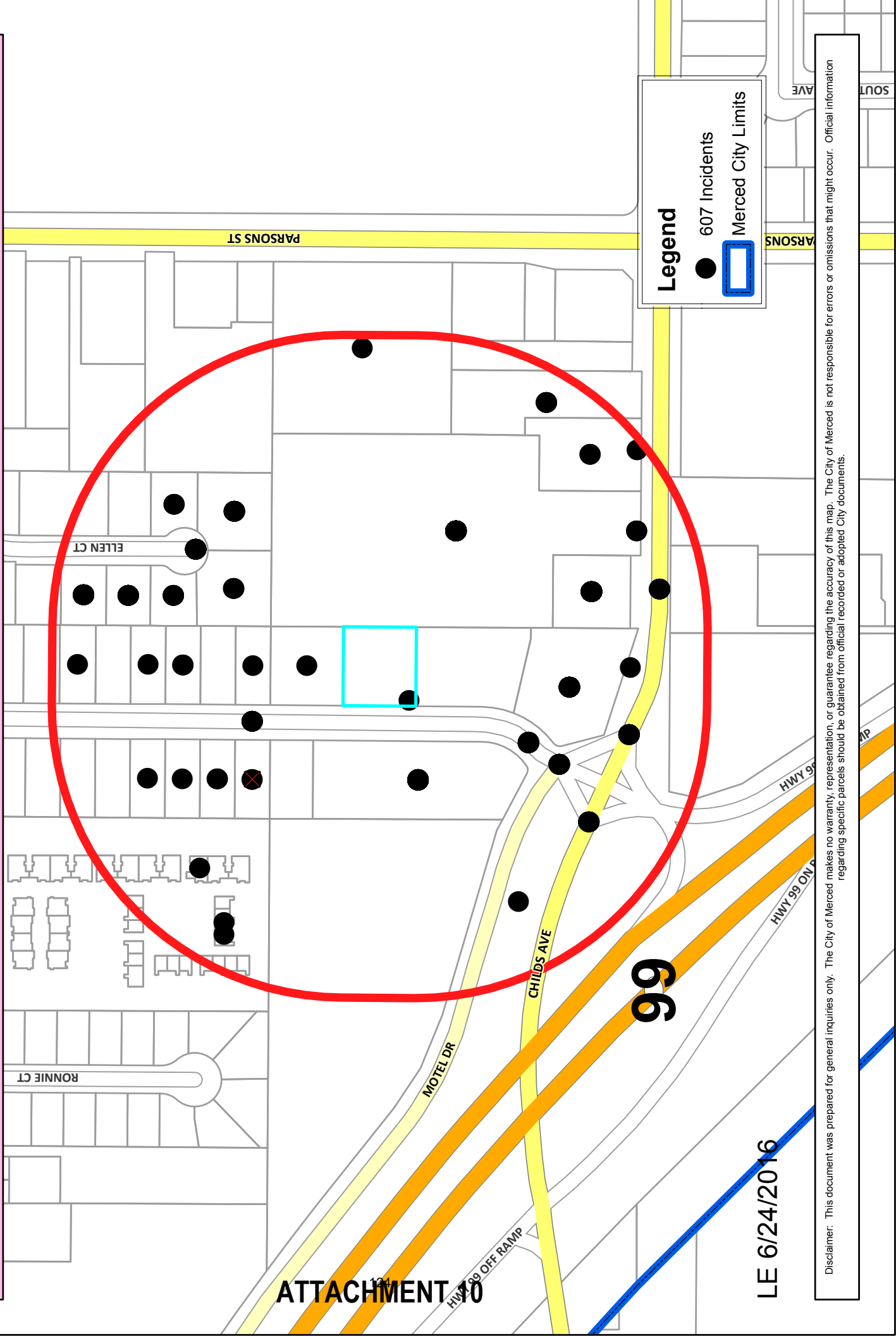
Hot Spots of Police Arrests Citywide

6/1/2015 - 6/24/2016



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.

Police Incidents around 700 Carol Ave 6/1/2015 - 6/24/2016



ATTACHMENT 10

LE 6/24/2016

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.



Single Family Homes

Joe Herb Community Park

Subject Site for Exxon Mobile/
Mobile Mart

Golden Valley High School

**Hehar & Sons Inc.; DBA Mobil Mart
Land Convenience Store**

February 1, 2019

City of Merced Planning Division
Development Application
678 S. 18th St.
Merced CA 95340

RE: Hehar & Sons Inc.; DBA Mobil Mart; Convenience Store

Please consider this letter our official request for a finding of Public Convenience or Necessity required by the Department of Alcoholic Beverage Control pursuant to 23958.4 of the Business and Professions Code. Please consider the following as justification of Public Convenience and Necessity, for the proposed Hehar & Sons Inc. Land Convenience Store with a planned location at 782 Carol Ave, Merced, CA 95341.

Statement of Public Convenience or Necessity

Hehar & Sons Inc. is committed to taking all feasible steps to address law enforcement concerns about the site. In addition, Hehar & Sons Inc has an extensive employee - training program and is a responsible retailer of alcoholic beverages. Hehar & Sons Inc. markets are designed to provide a safe environment for patrons and employees through the Mobil Mart; convenience store. To that end, the following design elements are incorporated into our security plan. The storefront includes a significant number of windows so that the interior of the store is visible from the exterior of the building. Additional security measures include; adequate lighting levels both on the interior and exterior of the store, employee supervision of the facility, closed circuit video monitoring system with cameras -located strategically throughout the property, and careful window signage and landscaping placement to avoid obstruction of visibility into and out of the facility. Along with the storefront; a franchise "Baja Fresh" will join with Hehar & Sons Inc.; to provide a healthy food choice inside the Mobil Mart; convenience store.

Public Convenience or Necessity

First, it is important to emphasize that Business & Professions Code §23958.4 require a positive finding of public convenience "or" necessity in order for an off-site ABC application to be approved. This is legally sufficient if Hehar & Sons Inc. shows either public convenience or public necessity. It is not legally necessary to show both.

Second. it is only necessary to show public convenience or necessity where there is an "undue concentration" of licensees in the census tract. The term "undue concentration" (also referred as "over concentration") is specifically defined in Business and Professions Code 923958.4 as simply a ratio of ***the number of licenses in a census tract*** compared to ***the average number of licenses in a county***, as a whole. It does not mean that a particular census tract necessarily has too many licenses for the needs or convenience of residents in that tract.

"Over Concentration" also does not mean that the state. or anyone else. Has previously looked at this census tract and determined that it has suffered any deleterious effects from the actual number of licenses existing; or that it will suffer if a new license is issued. It merely provides a guideline for making such a determination. in the form of determining whether in a particular situation, the ABC license would serve the public "convenience or necessity".

Thus, the fact that the census tract in which the Hehar & Sons Inc. site is located is statutorily "over concentrated" does not mean that the selling of alcoholic beverages at a small convenience store will have adverse impacts. Rather. It simply means that either public convenience with food options or public necessity will be served by the sale of alcoholic beverages at .he site in conjunction with the sales of other items carried.

BASIS FOR SUPPORTING OFFSITE ALCOHOLIC BEVERAGES SALES AS AN INTEGRAL PART OF THE PROPOSED PROJECT

1. The Convenience of Hehar & Sons Inc.; Store/Food Concept

For the last 13 years; Hehar & Sons Inc., has been delivering convenience and value to our customers from our current location in Modesto, CA. We are committed to helping shoppers save time and money every day and to make, shopping for everyday needs simple and hassle free by offering a clear fully edited assortment of the quality private and nationally branded items that are frequently overlooked or forgotten, such as non-alcoholic beverages, snacks, prepared foods, cigarettes and e-cig items, and seasonal items in a convenient neighborhood setting.

At Hehar & Sons Inc., our goal is to provide our customers with an expedient and centrally located market. Our customer's reliance on Hehar & Sons Inc. will vary from using the store for regular purchases to the occasional "oops, I forgot", purchase and do not want the hassle of driving to and finding parking at a big box store for a single item. This can vary from a convenient item; or a fresh food item from the Restaurant chain inside the Convenient Mobil Mart; (Baja Fresh).

We believe that our value and convenience proposition attracts customers from a, wide range of income brackets and life stages. Hehar & Sons Inc.; Mobil Mart with Baja Fresh in Merced will feature an expanded food and non-alcoholic beverage offering including snacks and prepared food items as well as a larger footprint than our Modesto store.

Although alcoholic beverages comprise only a small percent of the store shelf-space, it is nevertheless necessary in order to provide Mobil Mart/ Baja Fresh customers with a varied range of products. Thus, alcoholic beverages are a key element of the Mobil Mart concept. By providing an assortment of products, including alcoholic beverages. Readily available to the Mobil Mart/ Baja Fresh consumer, the public convenience of the area is certainly served.

Without it, customers may be obliged to travel to a range of big box retail outlets in order to complete their shopping needs. Alcoholic beverages will comprise no more than approximately 10% of total sales floor space.

Furthermore, Mobil Mart/ Baja Fresh want to maximize the availability of a large diversity of food and sundry items at the site pursuant to its concept. Permitting the sale of beer and wine at the site will complete Mobil Mart/Baja Fresh's concept, enabling customers to purchase a variety of products at one convenient stop. Providing customers all of this at one location is what "public convenience or necessity" is really all about.

2. "Over Concentration" in primarily Commercial Census Tracts is consistent with Good Zoning Policy

According to the Department of Alcoholic Beverages Control, in Census Tract 3.01, the tract in which the Hehar & Sons Inc.; DBA Mobil Mart/ Baja Fresh will be located, there are currently twenty off-sale alcoholic beverage licenses and there may more allowed if ABC; is on board. The threshold for overconcentration established by the A.B.C., while a vulnerable, guideline is determined directly by population and does take into account zoning or general plan designation. As a result, the ABC established high license limits for largely residential census tracts and low thresholds for densely commercial tracts, while the General Plan encourages the concentration of commercial activity, opposed to an even dispersal among residential neighborhoods. As a result, almost all commercial areas are over concentrated"

3. Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh distinction among other Existing Off-Sale Licensed Retailers in the Census Tract

As noted, the Department of Alcoholic Beverages Control reported that there are 20 active off-

sale alcoholic beverage licenses in Census Tract 13.0 I. Hehar & Sons Inc. Land will be purchasing an existing Type 20 Off-Sale License in Merced County. This application will not increase the number of active licensees in the area.

Each licensed retail format serves a different consumer shopping need. The large supermarkets in the tract are all traditional full service supermarkets that shoppers tend to do their weekly grocery shopping. Mobil Mart is distinctly different from these retailers. The shopping trip to Mobil Mart is significantly different in term of parking, time and overall convenience from that of a large format supermarket. Customers of the large supermarkets must walk farther to park, enter the store, and wait in lines that are much longer than those at the Mobil Mart. Our customer, who, for example, simply desires to purchase a snack and cigarettes, could now purchase beer and wine at the same time and in the same transaction without making any other stop, without navigating through a large box store, or waiting in long lines next to customers purchasing a weeks' worth of groceries. This would clearly serve the public convenience.

Although there are small convenience and gas station type stores in the census tract, there are none at the end of Childs Ave., which serves a large residential area. We do not intend our focus to be on alcohol sales, but to merely have them available for convenience sake, as important but secondary product lines. Moreover, Mobil Mart/Baja Fresh land is well lit has great visibility into the store and is open traditional retail hours and is closed by 11: 00pm. While Liquor Stores and Gas Stations thrive on late night sales and often, have signs covering the windows.

In summary, consumer's shopping needs vary and their use of different retail store formats to fulfil those needs can be demonstrated by the diversity of retailers found in this retail-shopping district. Public convenience or necessity refers to the character and style of the licensed premises, not the mere availability of alcoholic beverages and whether the proposed premises will serve a community desire or need. Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh serves the public convenience by offering a carefully edited assortment of the quality private (local) and national branded items that are frequently purchased by customers in one convenient location.

4. A Good Neighbor:

Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh think it is important to be a good neighbor. That is why we will be keeping our stores, front parking lots, and landscaping at the best shape possible. Our deliveries will be scheduled accordingly, to minimize noise and disruption.

5. Security and Control:

Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh are committed to taking all feasible steps to address law enforcement concerns about the site. In addition, Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh recognize the seriousness of loitering, delinquency, crime, and underage drinking and will have an aggressive minor policy, which will prove to be successful. We comply with all education/certificate requirements for each county, city and district we are in, and conduct internal training and refresher training programs in addition to state required education. Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh are designed to provide a safe environment for patrons. and employees. To that end, the following design elements are incorporated into our security plan. Security measures include; adequate lighting levels both on the interior and exterior of the store, employee supervision of the facility, closed circuit video monitoring system with cameras located strategically throughout the property, careful window signage and landscaping placement to avoid obstruction of visibility into and out of the facility .

Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh understand the important of maintaining the appearance of a facility to both expand their customer base and preventing criminal activity. Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh maintenance program includes timely graffiti

and litter removal, repairs to structures and replacement of dead or diseased plant material, and strategic trash receptacle placement.

6. The site will not result in an adverse impact on public health, safety, or welfare:

Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh acquisition of this site will have a positive impact on public health, safety, and welfare. In fact, by providing a new, safe, and convenient location to make convenience purchase, public health, safety, and welfare will be advanced by this site. The addition of selling beer and wine will not change this.

7. Community Service and Investment:

Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh, we believe in promoting a spirit of involvement, and carry our mission to serve the communities we call home.

When you shop Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh, you join an effort to make our community and our world a better place. We are committed to conducting business in a way that promotes healthy families, thriving communities and a cleaner environment. At Hehar & Sons Inc. DBA Mobil Mart / Baja Fresh, corporate responsibilities are built into our mission to serve others. By providing safe products, supporting our communities and enforcing environmentally friendly practices, we proudly display the values that make our companies great. We wish to provide fresh food; with the modern look, as a brand new group up build; for the city of Merced. Hehar & Sons; will also generate income for the City of Merced, through beverages, lottery, gasoline, and food items; along with sundries. An investment of 3.5 million is in the process for the new future, to build and grow with the City of Merced; for the Mobil Mart/ Baja Fresh. Hehar & Sons Inc.; DBA Mobil Mart/Baja Fresh will make generous contributions to various programs through the City of Merced; once given permission to build and generate revenue.

8. Conclusion:

Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh have been a responsible retailer for over 13 years with one store currently in Stanislaus County. Permitting the sale of beer and wine at this site will not change this, but will allow our concept to grow at this site, providing customers the added convenience to make purchases of beer, wine, and food. Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh due to its location, character, manner, and method of operation, merchandise, and potential clientele; will serve the community of Merced. To that end, Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh respectfully request that are granted a finding of Public Convenience for location permitted at all levels for location 782 Carol Ave, Merced, CA.

Thank You for your time and consideration if you have any question or comments please feel free to call me at 209-985-9310

(Managing Member) Hehar & Sons Inc. DBA Mobil Mart/ Baja Fresh

CITY OF MERCED
Planning Commission

Resolution #3072

WHEREAS, the Merced City Planning Commission at its regular meeting of July 20, 2016, held a public hearing and considered **Conditional Use Permit #1213**, initiated by Kent Rodrigues, on behalf of Shamsheer S. Hehar, Jasbir Singh, and Lakhvir Singh, property owners. This application involves a request to construct a new car wash and gas station/convenience market (with beer and wine for off-site consumption), and for an increase in allowable signage area, from 200 square feet to 500 square feet, at 764, 782, and 801 Carol Avenue. The subject site is generally located on both the east and west sides of Carol Avenue, approximately 450 feet north of Childs Avenue, within a Thoroughfare Commercial (C-T) zone; also known as Assessor's Parcel Numbers 035-140-066, and -067; and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through K of Staff Report #16-15; 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 #16-21, and approve Conditional Use Permit #1213, 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 Baker, and carried by the following vote:

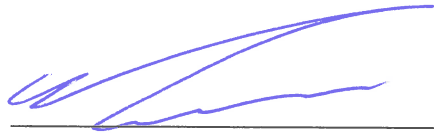
AYES: Commissioners Baker, Colby, Smith, and Vice-Chairperson Dylina
NOES: None
ABSENT: Commissioners McLeod, Padilla, and Smoot
ABSTAIN: None

PLANNING COMMISSION RESOLUTION #3072

Page 2

July 20, 2016

Adopted this 20th day of July 2016



Acting Chairperson, Planning Commission of
the City of Merced, California

ATTEST:



Secretary

Attachment:

Exhibit A – Conditions of Approval

n:\shared:\planning\PC Resolutions: CUP#1213 New Gas Station/Car Wash/Convenience Store

Conditions of Approval
Planning Commission Resolution #3072
Conditional Use Permit #1213

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (conceptual signage plan), Exhibit 3 (landscape plan), Exhibit 4 (floor plan), Exhibit F (elevations) -- Attachments B, C, D , E, and F except as modified by the conditions.
2. All conditions contained in Resolution #1249-Amended (“Standard Conditional Use Permit Conditions”—except for Condition #16 which has been superseded by Code) 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. All other applicable codes, ordinances, policies, etc., adopted by the City of Merced shall apply, including the Post Construction Standards for Storm Water that became effective July 1, 2015.
5. 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

EXHIBIT A
of Planning Commission Resolution #3072

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

6. 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.
7. Appropriate turning radii shall be provided within the parking areas to allow for Fire Department and refuse truck access.
8. The developer shall work with the City Engineer to determine the requirements for storm drainage on the site. The developer shall provide all necessary documentation for the City Engineer to evaluate the storm drain system. All storm drain systems shall be installed to meet City Standards and state regulations.
9. Bicycle racks shall be provided at a minimum ratio equal to 5% of the vehicular parking spaces. The style of rack shall be consistent with the recommendations of the City's most recently adopted Bike Plan.
10. Any missing or damaged improvements along the property frontage shall be installed/repaired to meet City Standards. Any improvements that don't meet current City Standards shall be replaced to meet all applicable standards.
11. The developer shall use proper dust control procedures during site development in accordance with San Joaquin Valley Air Pollution Control District rules.
12. The applicant shall work with the City's Refuse Department to determine the proper location for a trash enclosure and if a recycling container will be required to comply with AB 341. The container(s) shall be enclosed within a refuse enclosure built to City Standards.
13. The proposed freestanding freeway oriented sign shall be reviewed and approved with an Administrative Conditional Use Permit. Signage facing residential properties shall be non-illuminated.
14. All signs shall be located outside of the 10-foot visual corner at the driveway entrance on Carol Avenue and shall maintain a minimum 3-foot setback from all property lines.

15. The freestanding freeway oriented sign shall be located on the southern portion of the subject site (as shown on Attachment C) and shall comply with the standards outlined in Merced Municipal Code Section 17.36.810 – Freeway District.
16. The freestanding freeway oriented sign’s materials, colors, and design shall be compatible and consistent with the convenience market.
17. Sufficient lighting shall be provided throughout the site to provide a safe environment for employees and patrons of the business.
18. All parking lot and building lighting shall be shielded or oriented in a way that does not allow “spill-over” onto adjacent lots in compliance with the California Energy Code requirements. Any lighting on the building shall be oriented to shine downward and not spill-over onto adjacent parcels.
19. All mechanical equipment shall be screened from public view.
20. All landscaping in the public right-of-way shall comply with State Water Resources Control Board Resolution No. 2015-0032 “To Adopt an Emergency Regulation for Statewide Urban Water Conservation” and the City’s Water Conservation Ordinance (Merced Municipal Code Section 15.42). Xeriscape or artificial turf shall be used in place of natural sod or other living ground cover. If turf is proposed to be installed in park-strips or on-site, high quality artificial turf (approved by the City Engineer and Development Services Director) shall be installed. All irrigation provided to street trees, parking lot trees, or other landscaping shall be provided with a drip irrigation or micro-spray system.
21. All landscaping shall be kept healthy and maintained in good condition and any damaged or missing landscaping shall be replaced immediately.
22. Detailed landscape plans, including irrigation plans, shall be submitted at the building permit stage.
23. A six-foot-tall concrete block fence shall be constructed along the northern property line between the convenience market and the adjacent residential uses per MMC 20.58.450.A.2.
24. The premises shall remain clean and free of debris and graffiti at all times.
25. It is recommended that the exterior building walls be treated with an anti-

graffiti coating to make graffiti removal easier. In any case, graffiti removal shall take place within 24 hours of appearing and shall be painted over with a paint color that matches the existing color of the building wall.

26. A temporary banner permit shall be obtained prior to installing any temporary signs. Free-standing temporary signs (i.e., sandwich boards, A-frame signs, etc.) are prohibited.
27. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$85,000.00. Public improvements may include, but not be limited to, installing traffic calming measures, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State/Federal standards and regulations.
28. The parking lot layout shall comply with all applicable City Standards. Parking lot trees shall be provided at a ratio of one tree for every six parking spaces. These trees shall be installed per the City's Parking Lot Landscape Standards, shall be a minimum of 15-gallons, and be of a type that provides a 30-foot minimum canopy at maturity (trees shall be selected from the City's approved tree list).
29. Prior to the issuance of a building permit, a Lot Line Adjustment shall be approved modifying the existing property lines and ensuring no building or canopy is constructed on top of a property line.
30. The applicant shall work with the City's Fire Department to ensure that there is adequate space between the convenience market and the block wall to allow additional access for fire personnel and their equipment during an emergency. Doors on the north elevation shall swing-out in a clock-wise motion.
31. The applicant shall provide an acoustical analysis for the car wash during the building permit stage. This study must show compliance with the City's daytime and nighttime noise standards.
32. The car wash may not operate between the hours of 10:00 p.m. and 7:00 a.m. daily.
33. Should the applicant wish to develop a parking lot on the vacant lot west of Carol Avenue, they may do so with a building permit and a recorded parking agreement.

34. No beer or wine shall be displayed or stored outside of the cooler areas.
35. The proprietor and/or successors in interest and management shall be prohibited from advertising or promoting beer & wine and/or distilled spirits on the motor fuel islands and no self-illuminated advertising for beer or wine shall be located on the building or in the windows.
36. No sale of alcoholic beverages shall be made from a drive-in window.
37. No display or sale of beer or wine shall be made from an ice tub.
38. Employees on duty between the hours of 10 p.m. and 2 a.m. shall be at least 21 years of age to sell beer and wine.
39. The proprietor and/or successors in interest and management shall comply with all Municipal Codes relating to loitering, open container laws and other nuisance-related issues.
40. The area within the mini-market dedicated to the display and sale of alcoholic beverages (beer and wine) shall not be more than 2 cooler spaces (typical of those found in a grocery store or convenience market) or approximately 20 square feet.
41. A grease interceptor may be required. This will be determined at the building permit stage based on the type of food prepared and served and waste generated.
42. The City reserves the right to periodically review the area for potential problems. If problems (on-site or within the immediate area), including but not limited to, public drunkenness, the illegal sale or use of narcotics, drugs or alcohol, disturbing the peace and disorderly conduct result from the proposed land use, the conditional use permit may be subject to review and revocation by the City of Merced after a public hearing and in conformance with the procedures outlined in the Merced Municipal Code.
43. No single-serving containers shall be sold separately unless authorized by the City of Merced Police Department. All single-serving beer and wine containers shall be sold as part of a pack or carton.
44. Prior to obtaining a license from the Alcoholic Beverage Control to sell alcohol, the business (for the convenience market) shall obtain approval for a Finding of Public Convenience or Necessity from the Merced City Council.
45. This approval is subject to the business owner being in good standing

with all laws of the State of California, including the Alcohol Beverage Control (ABC), City of Merced, and other regulatory agencies.

n:\shared\planning\PC Resolutions\ CUP#1213 Exhibit A



ADMINISTRATIVE REPORT

Agenda Item H.7.

Meeting Date: 5/20/2019

Report Prepared by: Mike Conway, Assistant to the City Manager

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

REPORT IN BRIEF

Consider the approval of the First Amendment the Townsend Public Affairs, Inc. contract, extending the term of the agreement for an additional two years for Legislative Affairs Advocacy and Consulting Services for an annual Amount of \$60,000.

RECOMMENDATION

City Council - Adopt a motion approving the First Amendment to the Townsend Public Affairs, Inc., contract and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As provided for in the 2019-20 Adopted Budget.

DISCUSSION

During the FY 2017-18 Budget discussion, the City Council expressed the need for having legislative advocacy and consulting services. As a result, City staff issued an RFP soliciting bids for services that further advanced the Council's Goals and Priorities and the recently adopted Legislative Platform, (see attached document). At the end of the RFP process, the City contracted with Townsend Public Affairs, Inc. of Newport Beach, CA, for those services, signing a two-year contract ending June 30, 2019 for an annual amount of \$60,000.

Townsend Public Affairs, Inc. has offices in Sacramento, Washington, D.C., Fresno, Oakland, and Newport Beach. It provides legislative advocacy services and grant writing capabilities. Townsend Public Affairs, Inc. was familiar with the City of Merced, having provided advocacy services from 2007 through 2012, working on the "G" Street Underpass Project, Merced Theatre Renovation Project, COPS funding, Federal Aviation Administration issues and Black Rascal Creek flood assistance.

Since contracting with Townsend Public Affairs, City staff and the firm have worked closely on a number of issues. These include:

- **Water Tax Legislation-** In 2018, legislation was introduced to impose a tax on water users to pay for safe drinking water projects in severely disadvantaged communities (Senate Bill 623). While the City strongly supports the funding of these types of projects, we opposed the legislation due to a number of significant implementation and administrative concerns, as well as the fact that several funding opportunities currently exist for these projects. Townsend Public Affairs worked with the City and other stakeholders throughout the year to keep the bill from being approved by the Legislature and signed into law.
- **Federal Advocacy-** Townsend Public Affairs has worked with the City on federal advocacy efforts through in-person visits and legislative involvement. Meetings with the Mayor and City staff in Washington, D.C. have focused on homelessness, opportunity zones and economic development, and transportation, including high-speed rail. In addition, the City and Townsend Public Affairs have been active in federal legislation, particularly regarding changes to how local governments are required to accommodate wireless communication infrastructure requests.
- **High-Speed Rail-** In addition to efforts to advance the high-speed rail project during federal advocacy visits, the City and Townsend Public Affairs have worked with State officials on the project. These efforts have included assistance with meetings and visits with high-speed rail staff, as well as coordinating testimony for oversight hearings by the Legislature.
- **Affordable Housing Funding-** Townsend Public Affairs assisted City staff with developing the narrative and securing legislative letters of support for an application to the Affordable Housing and Sustainable Communities Grant Program from the California Department of Housing and Community Development. The proposed \$13.9 million grant would help develop the Childs and B Street TOD Affordable Housing project. Additional information on funding announcements are expected over the coming weeks.

In the last two years, Townsend Public Affairs, Inc. has proven to be a valuable partner to the City of Merced. Staff are requesting that the City Council approve the First Amendment to the Townsend Public Affairs, Inc. contract to allow for advocacy services to continue. The proposed amendment would end on June 30, 2021 and provide services through the next two state and federal legislative cycles. In addition, Townsend Public Affairs, Inc. would be available to provide year-round assistance with grant-writing and regulatory inquiries.

IMPACT ON CITY RESOURCES

There is \$60,000 appropriated in the 2019-20 budget for advocacy services and funding is contingent upon Council approval of 2019-20 budget. Funding for the subsequent year is subject to budget approval.

ATTACHMENTS

1. Contract with Townsend Public Affairs, Inc.
2. First Amendment to Contract with Townsend Public Affairs, Inc.
3. FY 2018/19 Adopted Legislative Platform

CONTRACT FOR CONSULTANT SERVICES

THIS CONTRACT FOR CONSULTANT SERVICES ("Contract") is made and entered into as of this **1st day of November 2017**, by and between the City of Merced ("Client"), and Townsend Public Affairs, Inc., a California corporation ("Consultant"). For valuable consideration, Client and Consultant agree:

1. Term.
This Contract is effective as of the date above. The terms and conditions of this Contract shall remain in full force for the period set forth in Exhibit "A."
2. Services.
Consultant will, in accordance with the terms of this Contract, perform the services described in Exhibit "A," ("Services").
3. Fees.
Client agrees to pay Consultant for the services in accordance with the provisions of the Fee Schedule set forth in Exhibit "A." The Consultant will submit a monthly invoice to Client reflecting the fee and including any expenses incurred for such month. Client shall pay each billing within thirty (30) days of receipt thereof.
4. Expenses.
Subject to prior written authorization, client shall reimburse consultant for all itemized expenses. Client shall reimburse Consultant for all reimbursable itemized expenses with third party vendors, including local transportation, meals and entertainment, and travel incurred while providing Services as defined herein on behalf of Client. Such expenses shall be billed to the Client on a monthly basis and reimbursement thereof will be due upon receipt.
5. Laws, Rules and Regulations.
Consultant shall perform the Services in accordance with all applicable local, state and federal laws and regulations, exercising the standard of care applicable to Consultant's profession.
6. Lobbyist Registration
As a lobbyist employer, Client is are required to file a Form 602 with the California Secretary of State as well as a quarterly Form 635. Consultant will prepare all forms for Client's signature and will file the forms on your behalf of Client. All filing fees will be Client's responsibility.
7. No Condition to Payment.
It is the intention of the parties to this Contract that the Services rendered hereunder and the payments made hereunder and the payments made therefore are not in any way contingent upon the defeat or enactment of any legislative or administrative proposal or the achievement of any specific result. Consultant has made no representation or warranties regarding the achievement of any particular result or results. The parties hereto agree that such sums as are paid pursuant to this Contract shall be deemed to be the reasonable value of services rendered hereunder. Consultant does not guarantee any specific results in connection with the provision of services.
8. Independent Contractor.
It is the intention of the parties to this Contract that the Services rendered hereunder shall be so rendered by Consultant as an independent contractor and not as an employee, agent, joint venturer or partner of Client. Nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee between Client and

Consultant or any employee or agent of Consultant. Both parties acknowledge that Consultant is not an employee for state or federal tax purposes. Consultant shall retain the right to perform services for others under the terms of this Contract during the entire term hereof.

9. Work Product

Any tangible work product that is developed by Consultant shall be the property of the Client.

10. Confidentiality.

Consultant agrees to maintain the confidentiality of files or other information it is provided or develops during the course of its work for Client. It is understood, however, that disclosure of certain information provided by Client may be necessary or appropriate in the course of its representation of Client. Such disclosures shall be made upon consultation with Client or Client's designated representative and with written consent from the Client

11. Termination.

This Contract may be terminated by either party upon thirty (30) days written notice to the other party specifying desired date of termination.

12. Contract Modifications.

Client and Consultant agree that the terms and conditions of this Contract shall constitute the entire agreement between the parties signatory hereto as to the matters set forth herein. Client and Consultant may modify the terms of this Contract only by executing a written Contract Addendum, which shall reference this Contract and shall be executed by the parties' signatory hereto.

13. Attorneys Fees.

Client and Consultant agree that the prevailing party in any dispute under this Agreement shall be entitled to an award of attorneys' fees and costs as ordered by a court of competent jurisdiction.

14. Certification of Non-Discrimination.

By signing this Contract, Consultant certifies that it does not discriminate in hiring on the basis of race, color, creed, religion, sex, age, marital status, national origin, ancestry, physical handicap or medical conditions.

15. Notice.

Notice and written communications sent by one party to the other shall be personally delivered or sent by U.S. Mail, postage prepaid, to the following addresses:

To Client: City of Merced
Attention: Steve Carrigan, City Manager
678 West 18th Street
Merced, CA 95340

To Consultant: Townsend Public Affairs, Inc.
Attention: Christopher Townsend, President
1401 Dove Street, Ste. 330
Newport Beach, CA 92660

16. Execution.

The representatives of Client and Consultant warrant that they have authority to sign on behalf of and bind their principals and have caused this Contract to be duly executed the day and year first above written.

"CONSULTANT"

TOWNSEND PUBLIC AFFAIRS, INC.,
a California Corporation

By: 

Christopher J. Townsend
President

"CLIENT"

CITY OF MERCED
a Municipal Agency

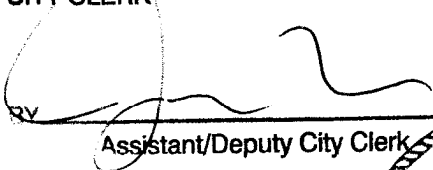
By: 

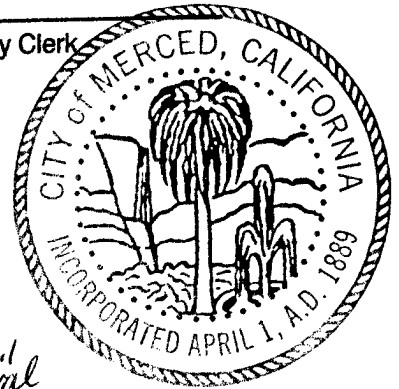
Title: City Attorney

APPROVED AS TO FORM:

K. Flores 10.3.17
City Attorney

ATTEST:
CITY CLERK


Assistant/Deputy City Clerk



FUNDS/ACCOUNTS VERIFIED 001-0201-512-1700 AT

V. [Signature]
FINANCE OFFICE

DATE

\$40,000 Contingent upon Council Approval
12/19/17

EXHIBIT "A"
TO
CONTRACT FOR CONSULTANT SERVICES

TERM: November 1, 2017 through June 30, 2019

FEE SCHEDULE: Federal and State Representation Services: \$5,000 per month; any extensions to the contract will be subject to the same fee.

SERVICES: Please see attached Addendum to Exhibit "A" for full description of services provided.

Client Initials SN

Consultant Initials CA

ADDENDUM TO EXHIBIT “A”

The Services provided pursuant to the terms of the Contract for Consultant Services are the following:

- **Conduct Detailed Orientation:** TPA utilizes a comprehensive onboarding process that includes extensive meetings with various relevant members of City leadership and key City departments to help develop a strategic plan that is carefully tailored to satisfy the needs of the City, as well as designed for maximum success in the current political climate and funding environment.
- **Develop Legislative Strategy:** Utilizing the information gathered during the onboarding process, TPA will coordinate with the City to develop an official legislative platform and strategy that represents the City’s priorities in Washington, DC and Sacramento. This blueprint will be shared with key stakeholders in Congress and the Trump Administration as well as the State Legislature and Governor’s Administration.
- **Implement the Legislative Strategy:** TPA will advocate for the City’s legislative agenda utilizing the following methods:
 - **Build and Strengthen Relevant Relationships:** TPA has cultivated a network of valuable relationships that will be leveraged to promote the City’s legislative agenda.
 - **Leverage Relationships for Strategic Advocacy Plan:** TPA will engage various techniques to leverage our network of key relationships on behalf of the City:
 - Schedule meetings for the City to discuss relevant legislation
 - Prepare all briefing materials and talking points for the City
 - Brief legislative offices and stakeholders on the City’s legislative agenda
 - Follow-up on meetings to ensure commitments and deliverables are being met
 - **Coordinate Advocacy Trips:** TPA will work with the City to coordinate advocacy trips to Washington, DC and Sacramento to meet with the City’s legislative delegation, as well as legislators that serve on committees relevant to the City’s agenda. Furthermore, whenever possible, TPA will also schedule site visits by legislators to the City.
 - **Identify, Analyze, and Monitor Legislation:** TPA will search and review all bill introductions and amendments relevant to the City’s legislative platform to assess their potential effect.
 - **Craft Testimony and Position Letters:** TPA will prepare and submit written and verbal testimony regarding legislation relevant to the City. TPA will also draft and deliver position letters to legislators and key officials on specific bill language.
- **Draft Bill Language:** TPA will draft language and amendments for relevant legislation, as required to protect and promote the City’s agenda.
- **Provide Progress Reports:** TPA will confer regularly with the City on our activities. TPA will provide timely electronic reports on the status of all legislative activity, such as bill language, amendments, and committee analyses. In addition to written reports, TPA will be available to

- the City for conference calls, in-person briefings, and meetings.
- **Prepare and File Lobbying Disclosure Reports:** TPA will prepare and file, on behalf of the City, all applicable federal and state lobbying disclosure reports.
 - **Craft Strategic Funding Plan:** Utilizing the information gathered during the onboarding process, TPA will coordinate with the City to develop a proactive and comprehensive strategic funding plan that serves the needs of the City's priorities. ***The plan will do more than simply identify City projects***; it will outline and prioritize multiple funding options for each project, and develop a specific plan of work tailored for each project. It will also identify key "strings attached" to help assess the cost/benefit ratio for each grant opportunity.
 - **Identify, Research, and Monitor Grant Funding Opportunities:** TPA will utilize list-serve subscription programs, funding workshops, agency canvassing, and other networking tactics to ensure every potential opportunity is identified and reviewed for relevance with the City's projects. TPA will then share these opportunities with the City for further assessment and determination if a grant application is warranted. The City will also receive a grant matrix of funding programs that is updated regularly as new opportunities arise.
 - **Establishment of Clear Accountabilities:** TPA will coordinate with the City to ensure the assignment of responsibilities and tasks are made clear so that confusion and inefficiency are avoided and the City is burdened as little as possible while TPA pursues a grant opportunity.
 - **Grant Application Development and Submittal:** TPA will develop, draft, submit, and follow up on each City grant application. TPA will also leverage relationships with relevant officials and program officers in various federal and state funding agencies to ensure that City grant applications are aligned with the goals of the specific grant program and that the applications are well-crafted and well-positioned for funding. TPA will also provide strategic assistance, such as letters of support from key stakeholders and other materials, to make the application as compelling and competitive as possible. TPA will ensure that applications are submitted prior to the deadline. TPA will also obtain a receipt for proof of submission.
 - **Post-Grant Submittal Advocacy:** TPA will frequently contact legislators and agency officials to follow up on the status of a grant application and promote its need and urgency. This will include drafting letters of support after grant submissions and distributing them to legislators for their consideration. In addition, TPA will work with legislators to reach out to individual granting agencies to provide background on City's projects and convey their support for those projects.
 - **Post-Award Grant Administration and Compliance:** TPA will also assist, as needed, with post-award administration and compliance for all grant applications submitted by TPA on behalf of the City. This assistance will include interacting with granting agencies on behalf of the City, providing support for the drafting and submission of required reports, evaluations, and other tasks related to the successful monitoring of and compliance with the program requirements.
 - **Comprehensive Follow-Up on Unsuccessful Applications:** Despite all best efforts, some grant applications are not selected for funding. In those instances where grant applications are unsuccessful, TPA will work with the relevant federal and state funding agencies to set up in-person or telephone debriefing sessions to discuss the grant applications and how to best revise the grant applications for the next funding round to ensure success.

**FIRST AMENDMENT TO CONTRACT
FOR CONSULTANT SERVICES**

THIS FIRST AMENDMENT TO CONTRACT is made and entered into this ____ day of _____, 2019, by and between the City of Merced, a California Charter Municipal Corporation ("Client"), and Townsend Public Affairs, Inc., a California Corporation, ("Consultant").

WHEREAS, Client and Consultant have previously entered into a Contract for Consultant Services ("Contract") dated November 1, 2017; and,

WHEREAS, Client and Consultant desire to amend said Contract to extend the term of the Contract.

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

1. Section 17, "EXTENDED TERM," is hereby added to the Contract to read as follows:

"17. EXTENDED TERM. The Extended Term of the Contract shall be from July 1, 2019 to June 30, 2021.

2. Except as herein amended, the Contract dated November 1, 2017, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Contract 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: Phaedra A. Mink 4-9-19
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT
TOWNSEND PUBLIC AFFAIRS, INC.,
A California Corporation

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. _____

ADDRESS: _____

TELEPHONE: _____

FAX: _____

E-MAIL: _____



City of Merced

2018-19 Regional, State and Federal Legislative Platform

Platform Overview

The purpose of the Legislative Platform is to provide a means for summarizing the City of Merced's core legislative principles for the purpose of advocacy efforts at the regional, state and federal level. The Legislative Platform contains broad policy statements pertaining to a variety of issues that impact the City of Merced.

The Legislative Platform sets forth the City of Merced's legislative objectives for the 2018-19 Congressional and State Legislative Sessions and provides direction for our legislative advocates as they work to secure clear and strategic initiatives in Sacramento and Washington, D.C. Approval of the Legislative Platform also streamlines the City of Merced's process and allows the Executive team, Mayor and Mayor Pro Tem to effectively respond and take immediate action on pressing legislation under City Council direction.

The City Manager's Office will annually update the Legislative Platform taking into account new issues or priorities and State and federal budget as they relate to Merced or other regional partners. Additionally, the policies established within the platform do not preclude City Council consideration of additional legislative matters arising throughout the year that may be brought forward for City Council action.

The City of Merced's primary legislative focus includes protecting local government control, maintaining local government revenue, and obtaining funding for environmental sustainability, public safety, transportation, recreational, technology and infrastructure improvements.

Council will receive copies of correspondence to representatives and regulators regarding pending legislation, policies and rules, along with updates on any substantial meetings that take place.

The Legislative Platform includes the following guiding principles:

- The City favors legislation that enhances our ability to provide services to our residents;
- The City favors legislation that relieves the local government from rules and regulations with advantages and benefits that exceed the disadvantages to City residents;
- The City favors legislation that provides additional revenue or enables us to seek new or innovative revenue streams;
- The City opposes legislation that limits our self-rule or inhibits the ability of our residents to participate in local government decisions;
- The City opposes legislation that adds new or unjustified rules and regulations with disadvantages that exceed the benefits and advantages to City residents; and
- The City oppose unfunded mandates or any other legislation that adds more costs to City operations that aren't reimbursed, or takes away City funding or revenue streams without replacing the funds.

The Legislative Platform is organized into several broad categories that cover the breadth of the City of Merced's services, operations and assets, and other responsibilities. These categories include:

1. General Government
 - a. Local Control
 - b. Economic Sustainability
 - c. Sustainable Public Pensions
2. Public Safety, Emergency Management and Homeland Security
3. Community Development and Transportation
4. Community Services, Housing and Homelessness
5. Water and Utilities
6. Environmental Sustainability
7. Regional Partnerships

1. General Government

- Oppose additional State and Federal unfunded mandates.
- Oppose any State or Federal mandates without the direct or indirect reimbursement for the costs associated with complying with new and/or modified laws, regulations, policies, procedures, permits and/or programs.
- Oppose legislation that would result in the City and/or its residents to be unduly burdened by new or increased fees, levies, rates, charges or taxes that don't have a direct and measurably benefit to the public.
- Oppose legislation that would require public agencies to share information that could be used by malicious intended groups or individuals to compromise the systems, services or private information of public employees or citizens.
- Support best practices in fiscal sustainability and best practices administrative initiatives to ensure the delivery of superlative City services.
- Monitor initiatives which seek changes in fiscal relationships at the local, State and Federal level.
- Support legislation that guarantees on-going revenue sources for local government.
- Pursue funding opportunities for public facilities and services including capital improvement projects, public works projects, homeland security, public safety, technology, and parks and recreation.
- Support legislation that would prohibit the flying of helicopters or other aircraft at low altitudes over residential neighborhoods excluding police, fire or other public safety or other health and safety or industrial aircraft.
- Support legislation that would establish statewide regulations prohibiting the use of unmanned aircraft to record or transmit any visual or audio recording of any person or private real property in which the subject person or owner of property has a reasonable expectation of privacy, excluding public safety agencies.

Local Control

- Support legislation that enhances local control of resources and allows cities to address the needs of local constituents within a framework of regional cooperation.
- Oppose pre-emption of local authority whether by State or Federal legislation or ballot propositions.

- Support legislation that encourages the use of Federal and State incentives for local government action rather than mandates.
- Oppose legislation that would prevent public comment or review where it is currently allowed, prevents public comments from being used for the basis of regulatory decisions and oppose legislation that removes Council oversight of land use and other regulatory processes.
- Monitor land use issues and support legislative and administrative efforts to maintain the integrity of local government's control over land use, planning and zoning matters.
- Support legislation that would preserve local control for regulation of medicinal and recreational cannabis sales, delivery, distribution, warehousing, growing and testing facilities. Also support preserving the City's right to tax the sales of cannabis products and keep revenues from local taxes, and prevent lowering the consumer protections of Proposition 64 and 215.
- Support measures increasing local autonomy, protecting privacy and maintaining local authority over public records. This includes measures that provide for the recovery of costs with regards to public records requests.
- Support transparent government and the role of the California Public Records Act while simultaneously observing and protecting the current Rule of Law in California including better legislation the protection of privacy of public records and enhancing laws related to digital records.
- Oppose any legislation that would undermine voter-approved initiatives to guarantee on-going revenue sources for local government.
- Oppose legislation that would pre-empt local authority over local taxes and fees.
- Protect the City's right to levy and collect Transient Occupancy Taxes from hotels, including online hotel intermediaries.
- Oppose any Federal or State legislation that would provide immunity to online hotel intermediaries and/or prohibit the City from collecting, retroactively or otherwise, Transient Occupancy Taxes.
- Oppose any attempt to eliminate or limit the traditional tax exemption for municipal bonds.

- Engage in, and advocate for, legislation or ballot measures to prevent the State from borrowing, raiding or otherwise redirecting local government funds (local taxes, property taxes, etc.).
- Continue to promote increased flexibility for the utilization of municipally-generated revenues.
- Support legislation that includes operational expenses as an acceptable use of public, educational, government access (PEG) funds, collected from cable franchise fees per the Federal Communications Commission, for government access stations.

Economic Sustainability

- Advocate for measures that support the City's continued efforts to retain and promote the success of local businesses and industries.
- Support tourism and its role in creating jobs and economic benefits to the City.
- Support legislation that would allow local brick-and-mortar retailers to compete more effectively against out-of-state internet sellers.
- Support legislative efforts on behalf of the Investing in Opportunity Act that would result in the creation of Economic Opportunity Zones, and, support efforts to have the Governor designate Economic Opportunity Zones in Merced.

Sustainable Public Pensions

- Support League of California Cities and other legislative efforts for reform and to achieve sustainability of pensions and other post-employment benefits (OPEB).
- Oppose legislative efforts that constrain the ability of the California Public Employees' Retirement System (CalPERS) to effectively manage its investment portfolio or otherwise impair the sustainability of the pension system.
- Monitor legislative initiatives designed to achieve public employee pension reform.

2. Public Safety, Emergency Management and Homeland Security

- Support legislation and seek funding that will assist in preventing and reducing crimes, primarily related to drugs, violence, mental illness, and pedestrian safety.
- Oppose legislation to expand “early release” for low-risk serious and violent offenders without an increase in sustained funding to ensure responsible supervision by parole agents and for local agencies that provide post-release supervision.
- Oppose any efforts to further decriminalize existing crimes in California or lessen the sentences of any offenses that would result in the release of serious criminals who would further harm the safety of the public and law enforcement personnel.
- Support a more effective and relevant reporting of local public safety agency data, and ensure that any disclosed data be fair and equitable.
- Advocate to maintain peace officer privacy rights in Pitchess motions and Public Record Act requests.
- Advocate against any extension of the statute of limitations in public safety worker’s compensation cases.
- Support strategies, legislation and funding that promote emergency management, resilience and recovery efforts.
- Oppose legislation or other administrative actions that seek to limit the Police Department’s ability to collect and utilize asset forfeiture funds for a wide variety of police services.
- Support legislation that provides frontline funding for police services associated with the early release of state prisoners as a result of State-mandated criminal justice realignment.
- Support the development and use of new firefighting technology that result in higher levels of health and safety.
- Advocate for legislation and funding that would take advantage of current technology to prevent crime (i.e. the ability to use surveillance cameras and automatic license plate recognition technology).
- Support the deployment and research of new emerging technologies that provide law enforcement with tools to provide the highest level of service including:
 - Next Generation 911
 - Mobile & Body Worn Cameras
 - New generation Investigative Technology

- Collect, store and retain digital evidence
- Support interoperable communication solutions that meet radio spectrum needs of first responders and funding to digitize public safety communications.
- Advocate for Interagency Communications Interoperability System (I.C.I. System) participation among jurisdictions and funding for equipment and operations.
- Support efforts to eradicate human trafficking.
- Support legislation that aids paramedics and other emergency medical service practitioners in their ability to be responsive to community needs.
- Seek grants and pilot project/demonstration project funding for public safety programs and priorities.
- Support funding initiatives for Peace Officers Standards and Training (POST) and other law enforcement support organizations.
- Support and encourage legislation and budget negotiations that retain funding for State and local law enforcement agencies, including behavioral health treatment, drug and trafficking taskforces, crisis intervention teams, and adequate patrol staffing.
- Identify opportunities for reimbursements to supplement increased custodial and supervision costs resulting from prison realignment.
- Oppose legislation with mandates for local agency adherence to operations and programs that may not be reimbursable by State budget funds.
- Support legislation that expands the treatment of, and response to, mentally ill persons and the growing issues associated with the mentally ill.
- Support funding for the increased demand being placed on fire and law enforcement for response to societal issues including homelessness; substance abuse and dependency; and unpredictable and potentially harmful behavior towards the public and public safety officers.
- Support funding opportunities for local homeland security, public safety and emergency management programs including, training, and new technology and equipment (e.g. closed-circuit television) that does not supplant other City funding, services or operations.
- Seek grants and pilot project/demonstration project funding for City homeland security, public safety and emergency management priorities.

3. Community Development and Transportation

- Support legislation to streamline and increase efficiency of the California Environmental Quality Act (CEQA) while ensuring environmental stewardship is retained.
- Oppose legislation that adds more mandatory elements or requirements to City and County General Plans, including the Housing Element, or reduces or eliminates public input into local land use decisions.
- Support legislation that furthers the needs of UC Merced and oppose legislation that would impede its mission to educate students and continue its research mission.
- Support measures and discretionary grant opportunities that provide funding for critical transportation infrastructure projects to improve goods movement, safety and mobility for residents and visitors in and around Merced.
- Support legislation that expands transportation, planning, funding, and voluntary incentives to include an increasingly multi-modal perspective focusing on transit, alternative fuel vehicles and fleets, pedestrian walkways, bikeways, multi-use trails and parking.
- Support legislation that brings the California High-Speed Rail Project to Merced and oppose legislation that impedes its progress. Support strategies, legislation, regulatory efforts and funding that promote the location of the California High Speed Rail Heavy Maintenance Facility and other support facilities in Merced and advocate with the High-Speed Rail Authority on behalf of that location.
- Support legislation that brings the Altamont Commuter Express (ACE) to Merced and oppose legislation that impedes its progress.
- Oppose legislation that would prevent the City from providing regulatory oversight or requiring licensing to online transportation networks.
- Support State and federal legislation that enhances the safety of City streets for automobile, bicycle and pedestrian traffic, including issues related to photo speed radar enforcement, traffic congestion reduction programs, air quality improvement and regional transportation improvements.
- Support measures which provide the City's fair share of funding from the State's cap and trade funding sources.
- Support legislation that would discourage the misuse of disabled parking placards.

- Work with other agencies in the region to support current State and Federal funding levels and encourage increased funding and flexibility in both operating and capital funding for mass transit.
- In conjunction with Merced Association of Governments (MCAG) and other agencies, support legislation that provides incentives for the development of local transportation corridors.
- Support local, regional, State and Federal legislative, administrative, and regulatory efforts that will expand and/or supplement funding for maintaining and upgrading major thoroughfares in the City, allowing for better traffic flow, goods movement, improved air quality and pedestrian safety.
- Support efforts to increase State or Federal funding for necessary infrastructure improvements.
- Support increased State and Federal resources to mitigate traffic congestion and improve air quality on City streets and rebuild and maintain roads.

4. Community Services, Housing and Homelessness

- Continue to support legislation that enhances the health of the general population, with an emphasis on programs that focus on youth, adult, aging and at-risk populations.
- Support legislation that encourages policies and programming that promote healthy lifestyles; e.g. physical activity, preventative screenings, healthful eating and core wellness for people of all ages and abilities.
- Support efforts to increase State resources for local arts, cultural events, and education and library programs, including performing and visual arts programs.
- Support funding for ADA facility, sidewalk and park upgrades.
- Support legislative and administrative efforts that ensure equitable and transparent distribution of funding from Proposition 68 for park, recreation and related purposes.
- Support legislation that provides for increased services to, or funding for, at-risk populations such as adult and aging, homeless, disabled and other challenged populations.
- Support legislation that addresses the need for housing and supportive services, (e.g. health, mental health and social services) for the City's homeless population.

- Support legislative efforts to regulate second-hand smoke of any substance.
- Support efforts to provide additional services to veterans, especially homeless veterans, ranging from medical care to counseling to education and employment.
- Pursue incentive-based housing legislation to encourage expanding the housing supply in the City, including more flexibility for local jurisdictions to work together to provide housing that counts towards Regional Housing Needs Assessment (RHNA) requirements.
- Support Federal and State funding for affordable senior and veteran housing opportunities and projects.
- Support continued or expanded funding for the Community Development Block Grant (CDBG) Program.

5. Environmental Sustainability

- Advocate for cost-effective, sustainable, and responsible environmental policy and programs in the areas of energy efficiency, greenhouse gases, potable water, clean air, and wastewater, solid waste removal and storm water.
- Support legislation protecting, preserving and restoring the natural environment where it does not conflict with local control and land use designations.
- Support efforts to create partnerships between the City government, County government, School Districts, Water Agencies, other entities, businesses, residents and all other community stakeholders as necessary to achieve a sustainable community.
- Support funding to foster an energy-efficient, walk-able community that provides ample goods, services and benefits to all residents while respecting the local environment.

6. Water and Utilities

- Ensure the State continues to fund the California Department of Transportation (Caltrans) capital construction budget for offsetting their requirements to limit their total maximum daily load (TMDL) for pollutant discharge. Encourage Caltrans to continue to enter into Cooperative Implementation Agreements with local jurisdictions to fund storm water capture and retention projects.

- Ensure the State Water Resources Control Board continues to provide Caltrans a Compliance-Based Credit System that includes compliance based on using funding to support storm water projects that would meet statewide TMDLs.
- Support legislation for funding storm water infrastructure improvements, including building facilities to capture storm water runoff and integrate with local, regional and statewide water resources.
- Support legislation that would provide pragmatic compliance in statewide and regional National Pollution Discharge Elimination System (NPDES) permits.
- Support State and regional efforts to develop avenues for agencies to collect revenue to support storm water retention efforts.
- Support legislation that would classify storm water as a utility similar to water, wastewater and solid waste services.
- Support measures that uphold the ability of locally-elected City Councils to regulate and manage their publicly-owned water utility so that local authority is not eroded by State or federal agencies, authorities or other regulatory agencies.
- Oppose legislation that adds requirements to provide services that utility customers do not value, want or need.
- Support legislation that ensures local ratemaking authority is preserved and remains meaningful.
- Support policies that recognize, support and credit the role of water conservation and use of efficiency in reducing greenhouse gas emissions.
- Support local control of groundwater uses and groundwater rights.
- Support local control for planning management and use of water supplies to address local needs and contribute to long-term sustainability.
- Support efforts that seek to bring federal sources of funding to California for water infrastructure development and renewable energy development through water management.
- Support cost-effective water conservation programs and incentives that are funded by the State or federal government.
- Support flexible funding options that will help local communities upgrade and replace water and wastewater infrastructure.

- Support legislation for State and Federal funding and permitting for the development of local water supplies and water conservation efforts, along with additional surface water and groundwater storage and recharge efforts.
- Support legislative and administrative efforts that ensure equitable and transparent distribution of funding from Propositions 1 and 68, as well as any future bond measures, for water- and wastewater-related projects.

7. Regional Partnerships

- Support legislation in conjunction with Merced County that will result in additional funding, services or programs that will benefit City residents including law enforcement, homeless housing, veterans support, transportation and mental health services, and work with Merced County to oppose legislation or regulations that would cut those services, programs or funding.
- Support legislation working with local educational institutions including the Merced City School District, Weaver Union School District, Merced Union High School District, Merced County Office of Education, Merced College and the University of California, Merced, that will result in additional funding, services or programs that will benefit City residents including job training, STEAM teaching and new and upgraded facilities.
- Support legislation working with the Merced Irrigation District and other water partners that will result in additional funding, services or programs that will benefit City residents, including funding groundwater basin studies and floodwater mitigation measures, or creating additional water storage.



ADMINISTRATIVE REPORT

Agenda Item H.8.

Meeting Date: 5/20/2019

Report Prepared by: Stephanie Dietz, Assistant City Manager

SUBJECT: Authorization to Negotiate the Temporary Purchase of Transfer Water Between the Merced Irrigation District and the City of Merced Through a Memorandum of Understanding and to Return with a Final Agreement for City Council Consideration

REPORT IN BRIEF

Provide staff the authority to negotiate the temporary purchase of transfer water between Merced Irrigation District and the City of Merced through a Memorandum of Understanding and direct staff to return with a final document for consideration by the City Council.

RECOMMENDATION

City Council - Adopt a motion providing staff the authority to negotiate the temporary purchase of transfer water between the Merced Irrigation District and the City of Merced through a Memorandum of Understanding and direct staff to return with a final document for consideration by the City Council.

ALTERNATIVES

1. Approve, as recommended; or
2. Refer matter back to staff for changes; or
3. Deny.

CITY COUNCIL PRIORITIES

As provided for in the 2019-20 Council Priorities - Water/Surface Water Projects

DISCUSSION

The City of Merced and Merced Irrigation District (MID) have enjoyed a long-standing relationship in the development and management of groundwater locally through the Merced Streams Group, Merced Integrated Regional Water Management Agency (MIRWMA) and more recently the Merced Irrigated-Urban Groundwater Sustainability Agency (MIUGSA).

The City Council continues to make policy decisions that further support the sustainable use of existing water resources. These decisions include the adoption of the 2015 Urban Water Management Plan with a proposed surface water treatment plant, the implementation of water meters throughout the entire Water System, and the approval of the Water Conservation Ordinance in 2017 to limit watering in years where the region is experiencing prolonged drought conditions.

With the understanding that a system completely dependent on groundwater would face challenges in the future, Council directed staff to explore the possibility of entering into an agreement with MID.

Attached for the Council's consideration is a draft Memorandum of Understanding (MOU) that outlines framework mutually agreed upon by City and MID staff. It is anticipated that the MOU would be an interim document that allowed for a future Sale and Purchase Agreement to be adopted by both governing bodies. Staff are seeking direction from the City Council to begin negotiating more specific terms related to environmental clearance, quantity, price and point of delivery. Both parties have agreed to an initial term of 20 years.

IMPACT ON CITY RESOURCES

There is no impact City resources at this time. Water funding will be identified in a future budget to support the terms negotiated in the final agreement.

ATTACHMENTS

1. Draft Memorandum of Understanding

**Memorandum of Understanding
between Merced Irrigation District
and the City of Merced**

This Memorandum of Understanding memorializes the agreement between Merced Irrigation District and the City of Merced to cooperate in the development and execution of a water purchase and sale agreement. This Memorandum summarizes the parties' agreement with regard to certain purchase and sale terms, environmental review, and other preliminary actions necessary before the parties determine whether to execute a more detailed and comprehensive, long-term agreement.

1. Seller Agency. Merced Irrigation District is referred to herein as the "Seller," or "MID."
2. Buyer Agency. City of Merced is referred to herein as the "Buyer," or "City."
3. Recitals and Background.
 - a. Seller owns and enjoys a number of rights to surface water from the Merced River and local surface water resources. Seller conjunctively manages its surface water supplies together with groundwater resources for the benefit of its customers.
 - b. Seller has a desire to, among other things, 1) develop its water resources for the benefit of its customers; 2) protect its water resources from a variety of current and future regulatory challenges; and 3) support budgets through the temporary sale of water.
 - c. The California Sustainable Groundwater Management Act (SGMA) has been enacted. SGMA generally requires the long-term management of groundwater resources in a sustainable way and without causing undesirable results. Although groundwater management plans are still in development as of the time of execution of this Memorandum, the parties expect the future availability of groundwater resources will be restricted locally more than it is currently.
 - d. The Buyer currently relies solely on groundwater resources for its municipal water supply. While Buyer owns and enjoys certain water rights, Buyer desires to diversify its water portfolio by securing an additional source/supply of water that is reliable, to meet the needs of its 2030 General Plan.

- e. Buyer is cognizant of the local, state and federal regulatory challenges Seller is managing with respect to its rights to surface water from the Merced River, as well as to groundwater. The same or similar regulatory challenges could potentially threaten the Buyer's water supply or access to other water supply(ies), and therefore the Buyer and Seller desire to work together to address these challenges while integrating regional water management.
 - f. Seller and Buyer have enjoyed a long-standing relationship in the development and management of groundwater locally through the Merced Streams Group, Merced Integrated Regional Water Management Agency (MIRWMA) and more recently the Merced Irrigated-Urban Groundwater Sustainability Agency (MIUGSA), and desire to continue to work cooperatively on water related issues.
 - g. The Seller and Buyer are committed to the overall welfare of the greater community of Merced and therefore are interested in developing a mutually beneficial relationship regarding the temporary purchase and sale of water, including the potential purchase of surface water and/or groundwater, groundwater credits that may be developed as part of groundwater sustainability management planning efforts, or groundwater recharged from Seller facilities that support the future of the region in sustainable manner.
4. Purchase and Sale of Temporary Transfer Water. Buyer will purchase and Seller will make available and sell Transfer Water in the amount of (TBD) acre-feet annually for 20 years for a total maximum transfer amount of up to (TBD) acre-feet. The primary and preferred source of the Transfer Water will be surface water from Seller's water rights on the Merced River and Lake McClure.
- a. Seller is not selling a water right but rather a temporary right to use the water of Seller, and Buyer shall not obtain any additional rights with respect to said transfer water other than that conveyed in the purchase and sale agreement to be negotiated and executed between the parties.
 - b. Buyer is not relinquishing any of its water rights but rather is obtaining a temporary right to use the transfer water of Seller as set forth in a purchase and sale agreement to be negotiated and executed between the parties.
5. Purchase Price and Terms of Payment. Buyer will pay Seller a purchase price of \$(TBD) per acre foot. The Buyer shall pay Seller an initial payment of

\$(TBD) on or before (TBD). The balance of the purchase price shall be paid in annual installments of \$(TBD) (\$(TBD) per acre-foot times (TBD) acre-feet) beginning on (TBD) and ending on (TBD). Beginning in year (TBD), the annual installment payment of \$(TBD) per acre foot shall be adjusted each year [at a set rate of (TBD)% per year, or according to the Consumer Price Index, whichever is greater].

6. Point and Schedule of Delivery. The point of delivery of the Transfer Water will be (TBD). Seller will bear all costs and losses of conveying the Transfer Water to the delivery point. Buyer will bear all costs and losses of conveying the Transfer Water beyond the delivery point. The Transfer Water will be made available to Buyer upon a mutually agreed schedule that will be incorporated into the final purchase and sale agreement.
7. Water Quality. Seller makes no warranty as to fitness of the Transfer Water for any particular use, and the Buyer purchases the water in 'as-is' condition.
8. Environmental Review and Mitigation. The parties expect that after environmental review and mitigation, the proposed transfer will not significantly affect the quality of the human environment. However, the parties agree to coordinate and cooperate with each other to develop appropriate environmental review documentation. Buyer and/or Seller will file and cause to be posted a notice of determination stating that the requirements of the California Environmental Quality Act are satisfied at the appropriate time. The parties agree that the environmental review of for the transfer water will be shared equally. The parties understand and agree that given the uncertainty regarding the scope of the environmental review and potential mitigation measures that the cost allocation set forth herein may be subject to further negotiation as additional information becomes available.

Buyer will pay for any additional environmental studies or assessments, if required, in the Buyer's service area, that solely benefit buyer, as well as any mitigation measures required by CEQA. Either Seller or Buyer may elect to terminate this MOU if it determines, in its sole and unfettered discretion, that the cost of the environmental review and/or mitigation measures are financially infeasible.

9. Regulatory Approvals. Upon execution of a purchase and sale agreement, Seller and Buyer expect to jointly commence coordination with any local, state, and federal agencies, if any, having regulatory jurisdiction or operational responsibility over water or water conveyance facilities to make water available. Buyer and Seller shall share equally in any permitting costs, if any, that are required to implement the water transfer, provided however,

any permitting costs and mitigation measures applicable directly to the City within its municipal boundaries or sphere of influence, whichever is greater, shall be borne exclusively by the City.

10. Conditions Precedent. The Seller's obligation to make Transfer Water available to Buyer at the delivery point is subject to issuance of any required Regulatory Approvals, including compliance with the California Environmental Quality Act.
11. Effective Date and Term of Memorandum. This Memorandum is effective upon execution by both parties, and shall remain in effect for a period of approximately 2 years, or until December 31, 2021, unless terminated earlier by City as set forth in paragraph 8. If, at the end of the Term of this Memorandum, the parties have not agreed upon the substantive terms of a purchase and sale agreement, this Memorandum may be extended for an additional 12 months through a writing signed by both parties. If by that time the parties have still not executed a purchase and sale agreement, this Memorandum shall expire unless the parties agree in writing to further extend its terms.
12. Counterparts; Facsimile Execution. This Memorandum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto except for having an additional signature page executed by any other part.

Each party agrees that each other Party may rely upon the electronic signature of any party on this Memorandum as constituting a duly authorized, irrevocable, actual, current delivery of this Memorandum as full as if this Memorandum contained the original ink signature of the Party supplying an electronic signature.
13. Notices. All notices, approval, acceptances, demands and other communications required or permitted under this Memorandum, to be effective shall be in writing and shall be delivered (a) by electronic mail or (b) by personal delivery or (c) by U.S. mail (first class postage prepaid), or by commercial overnight delivery to the party to whom the notice is directed at the address of such party as follows:

Merced Irrigation District

To:

Name:

Address:
Phone:
Fax:
Email:

With copy to:

Name:
Address:
Phone:
Fax:
Email:

City of Merced

To:

Name: Steven S. Carrigan, City Manager
Address: 876 W. 18th Street, Merced, CA
Phone: (209) 385-6996
Email: carrigans@cityofmerced.org

95340

With copy to:

Name: Phaedra Norton, City Attorney
Address: 867 W. 18th Street, Merced, CA
Phone: (209) 385-6981
Email: nortonp@cityofmerced.org

95340

14. Authorizations. All individuals executing this and other documents on behalf of the respective parties certify and warrant that they have the capacity and have been duly authorized to so execute the documents on behalf of the entity so indicated. Each signatory shall also indemnify the other parties to this Memorandum, and hold them harmless, from any and all damages, costs, attorneys' fees and other expenses, if the signatory is not so authorized.

15. Entire Agreement. This Memorandum sets forth the entire agreement of the parties as to the transaction described herein as of the date of the last party to execute this Memorandum and supersedes all prior agreements, representations or understandings, written or oral. The parties expect that this Memorandum will be succeeded by an agreement entered into between the parties, however, until such time, this Memorandum shall not be modified except in writing executed by both parties.

Merced Irrigation District

By: _____

Date: _____

City of Merced

By: _____

Date: _____

DRAFT



ADMINISTRATIVE REPORT

Agenda Item H.9.

Meeting Date: 5/20/2019

Report Prepared by: Mike Conway, Assistant to the City Manager

SUBJECT: Adoption of Resolution Changing the Meeting Date and Time of the Arts and Culture Advisory Commission to the Third Thursday of Every Odd-Numbered Month at 4 p.m. as Recommended by the Arts and Culture Advisory Commission

REPORT IN BRIEF

Considers approving Resolution changing the meeting date and time of the Arts and Culture Advisory Commission to the third Thursday of every odd-numbered month at 4 p.m. as recommended by the Arts and Culture Advisory Commission.

RECOMMENDATION

City Council - Adopt a motion approving **Resolution 2019-20**, a Resolution of the City Council of the City of Merced, California, Setting the Day and Time of the Regular meeting of the Arts and Culture Advisory Commission.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As provided for in the 2019-20 Adopted Budget.

DISCUSSION

On August 7, 2017, Council Member Martinez presented the concept of establishing an Arts Commission within the City of Merced. Staff researched the subject, held a series of stakeholder meetings, met with Council and drafted an ordinance with the stakeholders.

At the May 4, 2018 meeting, the draft ordinance creating the Arts and Culture Advisory Commission

was presented to the stakeholders and further refined. Council adopted the ordinance on June 6, 2018, calling for the meetings to be held at 3 p.m. on the second Thursday of the odd month of the year.

On December 19, 2018 Council appointed members to the Commission and on January 10, 2019 the Commission was sworn in and held its first meeting. Subsequent to that meeting, Commissioners noted that 3 p.m. was not convenient to their schedules and asked if the time could be changed. In discussing it, Commissioners decided 4 p.m. was a time all would prefer. In examining the Council Chamber schedule, it was decided to change the date to the third Thursday to avoid conflicting with meetings that start later on the second Thursday of the month. The Commission approved that action at their March 14, 2019 meeting.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Resolution 2019-20

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA, SETTING
THE DAY AND TIME OF THE REGULAR
MEETING OF THE ARTS AND CULTURE
ADVISORY COMMISSION**

WHEREAS, the City Council of the City of Merced adopted Ordinance No. 2489 on July 16, 2018 establishing the Arts and Culture Advisory Commission (“Commission”); and,

WHEREAS, pursuant to Section 2.54.040, “Meetings,” of Ordinance No. 2489, the City Council is authorized to change the day and time of the regular meetings for the Commission; and,

WHEREAS, currently the meetings are held of the second Thursday of every odd-numbered month at 3:00 p.m.; and,

WHEREAS, at their regularly scheduled meeting on March 14, 2019, the Commission voted to change the day and time to the third Thursday of every odd-numbered month at 4:00 p.m.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. The regular Arts and Culture Advisory Commission meetings shall be held on the third Thursday of every odd-numbered month at 4:00 p.m.

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PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2019, 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:

Kelley Fincher 4/26/19
City Attorney Date



ADMINISTRATIVE REPORT

Agenda Item H.10.

Meeting Date: 5/20/2019

Report Prepared by: Jennifer Arellano, Recreation Supervisor, Parks and Recreation

SUBJECT: Approval of Recommendation by the Parks and Recreation Commission to Distribute the 2019 Allocation of the Wahneta Hall Trust Funds in the Amount of \$1,561 to the Kiwanis Club of Greater Merced to Operate a Mini Train in Applegate Park

REPORT IN BRIEF

Considers approving the recommend Wahneta Hall Trust Funds to the Kiwanis Club of Greater Merced in the amount of \$1,561 to be used to operate and maintain the train at Kiddieland in Applegate Park.

RECOMMENDATION

City Council - Adopt a motion approving the recommendation by the Parks and Recreation Commission to allocate the 2019 Wahneta Hall Trust funds of \$1,561 to the Kiwanis Club of Greater Merced to be paid out of Fund 795 Wahneta Hall Trust Fund; and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve, as recommended by the Recreation and Parks Commission; or,
2. Approve, subject to other than recommended by the Recreation and Parks Commission; or,
3. Deny; or,
4. Refer to the Recreation and Parks Commission for reconsideration of specific items; or,
5. Continue to a future City Council meeting.

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As provided for in the 2018-19 Adopted Budget.

DISCUSSION

The Wahneta Hall Trust fund was established in 1995. The trust provisions require that the City of Merced use a specific portion of the trust for an endowment fund with income being used to establish and maintain a mini-train system and/or band concert program in Applegate Park. This year there is \$1,561 available.

On March 12, 2019, the Parks and Recreation Department mailed letters of invitation to apply for the

2019 Wahneta Hall Trust funds to recipients from previous years and other possible interested parties. These included: the Merced County Arts Council, the Kiwanis Club of Greater Merced, the Merced Symphony Association, the Hispanic Chamber of Commerce, the Merced College Concert Band, Merced Marching 100, Golden Valley High School Band, El Capitan High School Band, The UC Merced Bobcat Band, and Merced Art Hop. The department also sent a press release to the local media notifying the public of the pending trust distribution.

This year one organization submitted an application. The Kiwanis Club of Greater Merced applied for the full \$1,561 to be used to operate and maintain the train at Kiddieland in Applegate Park.

At the April 22, 2019 Recreation and Parks Commission meeting, the Commission unanimously approved the distribution of the entire amount available of \$1,561 to the Kiwanis Club of Greater Merced because they met the provisions of the trust, and submitted a complete application.

IMPACT ON CITY RESOURCES

Awarded funds will be paid out of Fund 795 Wahneta Hall Trust Fund.

ATTACHMENTS

1. Wahneta Hall Trust PRESS RELEASE
2. 2019 Kiwanis Wahneta Hall Grant Request

PRESS RELEASE

City of Merced
Parks and Community Services Department
632 W. 18th Street
Merced, CA 95340 (physical)

March 12, 2019

Contact person: Jennifer Arellano, 209-385-6854, arellanoj@cityofmerced.org

WAHNETTA HALL TRUST FUND APPLICATIONS DUE

The Wahnetta Hall Trust Fund was established in 1995. The Trust provisions require that the City of Merced use a specific portion of the trust for an endowment fund with income being used to establish and maintain a mini-train system and/or a band concert program in Applegate Park.

The Merced City Council annually disburses these funds to organizations that meet eligibility criteria and can perform the services as described in the Trust. This year there is \$1,561 available for distribution. Past recipients have included the Kiwanis Club of Greater Merced for the mini-train operation, as well as the Merced County Regional Arts Council, Merced Symphony Association, and Merced Community Band for band concerts at the Merced Open Air Theater in Applegate Park.

The application deadline for 2019 funding is Tuesday, April 16, 2019. Non-profit organizations interested in applying for funding should submit their letters of request to Jennifer Arellano, Recreation Supervisor, Office of Parks and Community Services, 678 W. 18th Street, Merced, CA 95340 (mailing). Please call 209-385-6854, or email arellanoj@cityofmerced.org for additional information on eligibility criteria and application requirements.

* * * * *



Officers:

Alicia De Los Santos - President
Stephanie Perez-Secretary
Janice Jimenez -Treasurer
David Kamins- Past President

March 25, 2019

City of Merced
Parks and Recreation Department
690 W. 16th Street
Merced, CA 95340

Subject: Wahneta Hall Trust Fund

To Whom it May Concern:

The Kiwanis Club of Greater Merced appreciates your invitation to submit the following request and information to the Wahneta Hall Trust Fund:

1. Amount Requested: \$1,561
2. Purpose of request: To operate and maintain the mini train at Kiddieland in Applegate Park during the 2019 season. Additional repairs and renovation are currently being completed this year and additional funding is needed.
3. Reason for Consideration: Operation of the mini train system in Applegate Park is a community service to the children's and parents of the City and County of Merced, as well as visitors to the community. Even with all-volunteer staffing by Kiwanis members, high school Key Club members, and Merced Police Explorers, the cost of operation exceeds the revenue. The mini train has been a popular feature of the park for over 50 years and has created many memorable experiences for thousands of children and their parents.

4. Qualifications for Consideration: Under the terms of the Wahneta Hall Trust, the income for the endowment fund is to be used to maintain the mini train and to off-set the costs recently incurred by the Club to repaint the train cars to make minor repairs to the caboose. The Kiwanis Club of Greater Merced greatly appreciates the special recognition of this important community asset by the founding benefactors of the fund.
5. Financial Statement for 2018: (Please see attached, Exhibit 1).
6. Current Season: The Kiwanis Club of Greater Merced plans to operate the 2019 season from the weekend of April 13th 2019 through the last weekend of October 2019.

Thank you for your time and consideration. If you have any questions, please feel free to contact me, at (209) 808-3269

Sincerely,

Alicia De Los Santos

President

Kiwanis Club of Greater Merced
Balance Sheet
As of February 28, 2019

Feb 28, 19

ASSETS

Current Assets

Checking/Savings

Petty Cash - Club Meeting	150.00
West America - Admin. #8691	6,577.78
West America - Projects #3395	5,748.56
West America - Kiddieland #2055	15,404.75
MERCO CU - Kiddieland Savings	26.32
MCU - Premier Money Management	36,661.22

Total Checking/Savings 64,568.63

Accounts Receivable

Accounts Receivable 3,380.00

Total Accounts Receivable 3,380.00

Other Current Assets

Deposit - State Fund - W/C	1,045.00
Due from KCGMF	425.00

Total Other Current Assets 1,470.00

Total Current Assets 69,418.63

Fixed Assets

Metal Building	241.50
Equipment and Machinery	136,362.63
Improvements	116,895.91
Less Accumulated Depreciation	-170,591.78

Total Fixed Assets 82,908.26

TOTAL ASSETS 152,326.89

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	
Accounts Payable	240.00

Total Accounts Payable 240.00

Other Current Liabilities

Scholarship Payable	500.00
Payroll Liabilities	
Workers Comp	283.49

Total Payroll Liabilities 283.49

Due to/from M.H. Key Club -2,533.02

Due to/from G.V. Key Club 302.60

Sales Tax Payable. 277.44

Total Other Current Liabilities -1,169.49

Total Current Liabilities -929.49

Total Liabilities -929.49

Equity

Retained Earnings	157,077.50
Net Income	-3,821.12

Total Equity 153,256.38

TOTAL LIABILITIES & EQUITY 152,326.89

Kiwanis Club of Greater Merced

Profit & Loss

October 2018 through February 2019

	Oct '18 - Feb 19
Ordinary Income/Expense	
Income	
Club Income	
Club Socials.	
Christmas Party	990.00
Total Club Socials.	990.00
Drawing	181.00
Fines	440.00
Interest Income - Club Accounts	0.43
Membership Dues	4,060.00
Total Club Income	5,671.43
KiddieLand	
Fright Night	1,024.14
Sponshorships/Grants	
Ride Sponsors	1,000.00
Total Sponshorships/Grants	1,000.00
Party Income	1,400.00
Public Donations	18.00
Ride Revenue	
Special Events	1,500.00
Elks Day at the Park	1,000.00
Ticket Sales	1,652.50
Wrist Band Sales	496.00
Total Ride Revenue	4,648.50
Concessions	533.04
Interest Income - Kiddieland	26.33
Total KiddieLand	8,650.01
Total Income	14,321.44
Gross Profit	14,321.44
Expense	
Club Expenses	
Cash Over & Short	-30.15
Club Awards	120.76
Club Socials	
Love Your Club	153.35
Christmas Party	1,117.35
Total Club Socials	1,270.70
Contributions	
GV Speach N Debate Team	100.00
Circle K	0.00
Total Contributions	100.00
Convention - District	142.00
Dues	
District Dues	1,470.00
International Dues, Magazine	2,333.00
Total Dues	3,803.00
Lt. Governor - Member Support	600.00
Meals - Guests	51.05
Raffle Winnings	77.00
Total Club Expenses	6,134.36

Kiwanis Club of Greater Merced

Profit & Loss

October 2018 through February 2019

	Oct '18 - Feb 19
Kiddieland Expenses	
Cost of Sales	145.59
Club Website	130.34
Diesel and Gas	3.59
Equipment	
Air Conditioner for A Frame	3,211.00
Total Equipment	3,211.00
Inspections and Permits	1,241.50
Insurance - Kiddieland	
Workers Comp Insurance	736.86
Total Insurance - Kiddieland	736.86
Payroll Taxes	227.11
Pest Control	415.00
Repairs and Maintenance	
Rides	
Car Ride	33.24
Train	1,298.99
Total Rides	1,332.23
Grounds & Facilities	
Landscaping	1,200.00
Gardening	1.98
Slushly Machine	255.00
Total Grounds & Facilities	1,456.98
Total Repairs and Maintenance	2,789.21
Security Alarm System	181.35
Special Events	
Fright Night	302.11
Total Special Events	302.11
Telephone & Internet	456.68
Wages	
Train Operation	2,152.50
Total Wages	2,152.50
Volunteer Expenses	15.36
Total Kiddieland Expenses	12,008.20
Total Expense	18,142.56
Net Ordinary Income	-3,821.12
Net Income	-3,821.12



ADMINISTRATIVE REPORT

Agenda Item H.11.

Meeting Date: 5/20/2019

Report Prepared by: Jennifer Arellano, Recreation Supervisor, Parks and Recreation

SUBJECT: Approval of Request to Accept and Appropriate Donated Funds in the Amount of \$237 from Fearless Yoga from a Fundraiser Held for Applegate Park Zoo to Purchase Animal Enrichment Supplies

REPORT IN BRIEF

Considers approving a request for acceptance and appropriation in the amount of \$237 from Fearless Yoga Fundraiser in the Contributions and Donations account to the Zoo Supplies account to purchase animal enrichment supplies for Applegate Park Zoo.

RECOMMENDATION

City Council - Adopt a motion accepting a donation from Fearless Yoga Fundraiser in the amount of \$237 to account 024-1205-360.02-01 (Contributions and Donations); and appropriating the same to account 024-1205-542-.25-00 (Maintenance Materials and Services) to purchase animal enrichment supplies.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for consideration of specific items (specific items to be addressed in the motion); or,
5. Continue to future meeting (date and time to be specified in motion).

AUTHORITY

Charter of the City of Merced, Section 200 and 1105.

CITY COUNCIL PRIORITIES

As provided for in the 2018-19 Adopted Budget.

DISCUSSION

Applegate Park Zoo is a great resource in the community and many individuals and community groups enjoy visiting and want to contribute to make it a better place. The Zoo has a large budget, but it is still not enough to fund many needed upgrades as well as animal habitat and enrichment. Due to this fact, the owners of Fearless Yoga held a fundraiser event to raise money to allow Zookeepers to purchase animal enrichment supplies that are not included in the regular Zoo budget. If this money is accepted and appropriated staff will utilize the money as the donors stipulated,

entirely for animal enrichment supplies not already provided for in the budget.

IMPACT ON CITY RESOURCES

Accepting and appropriating a donation of \$237 from Fearless Yoga Fundraiser so this additional fund can be used to purchase animal enrichment supplies for the Zoo.



ADMINISTRATIVE REPORT

Agenda Item H.12.

Meeting Date: 5/20/2019

Report Prepared by: Deneen Proctor, Director of Support Services

SUBJECT: Award of Proposal and Approval of Agreement for Professional Services to Koff & Associates for Conducting a Citywide Employee Total Compensation Study for the Not to Exceed Amount of \$75,040

REPORT IN BRIEF

Considers awarding a contract and approving a professional services agreement with the consulting firm Koff & Associates to conduct a citywide employee total compensation study for the not to exceed amount of \$75,040.

RECOMMENDATION

City Council - Adopt a motion awarding a contract for professional services to include a citywide compensation study to Koff & Associates in an amount not to exceed \$75,040 and authorizing the City Manager or the Assistant City Manager to execute the Agreement for Professional Services.

ALTERNATIVES

1. Approve as recommended; or
2. Deny; or
3. Refer to staff for further study; or
4. Take no action.

AUTHORITY

Article XI, Section 1111 of the Merced City Charter, Fiscal Administration. Memoranda of Understanding and Labor Agreements with recognized labor units within the City Organization.

CITY COUNCIL PRIORITIES

As provided in the 2018-2019 adopted budget.

DISCUSSION

The City last conducted a formal compensation study in 2006. A study of the current labor market will provide new information to determine whether the City's pay structure is appropriate or may need adjustment. A review of comparable agencies will attempt to analyze the City's compensation for positions and compare them with that of the current marketplace.

In order to manage the process fairly throughout the organization, the Support Services Department is undertaking a citywide total compensation study. With approximately 160 classifications, it was

determined to hire a professional firm to perform the study. One year ago, a Request for Proposal (RFP) was prepared seeking proposals from qualified organizations to serve in the capacity of consultant for the City of Merced. The RFP was sent to the 10 bidders listed below and advertised on the City's website. A summary of the Compensation Study proposal is attached hereto as Attachment 1. The results of the RFP are set forth below:

Bidder:

- Cooperative Personnel Services (CPS)
- Public Sector
- Diversified Management Group
- Bryce Consulting
- Arthur J. Gallagher Co.
- Renne Sloan Holtzman and Sakai
- Ralph Anderson
- Ewing Consulting
- Koff & Associates
- Wendi Brown Creative Partners
- Segal Waters Consulting (website)

Not to Exceed Cost Estimate:

\$51,210.
Did not submit proposal
Did not submit proposal
Did not submit proposal
Did not submit proposal
Did not submit proposal
\$44,500
Did not submit proposal
\$75,040
Did not submit proposal
\$120,000

Staff conducted an initial review of all submitted proposals and narrowed the list of potential vendors down to three, CPS, Ralph Anderson and Koff & Associates. A staff committee, made up of the Assistant City Manager, Director of Support Services and Personnel staff interviewed all three firms selected.

Koff & Associates proved to be the most viable option for the City. Taking into account the City has not conducted a compensation study in over a decade, this project will be quite an undertaking. Out of all the vendors, Koff & Associates is by far the most experienced at handling the amount of classifications being studied. During their presentations, Koff & Associates was able to outline their process of information gathering from comparable agencies. This process includes conducting personal interviews with comparable agencies as opposed to simply sending out a questionnaire which in the City's past experience doesn't receive the best response. City staff contacted references for Koff and Associates. Only positive experiences were provided about the bidder. Based on this information, the staff committee is recommending that a contract for compensation study services be awarded to Koff & Associates at a not to exceed amount of \$75,040.

A copy of the proposal submitted by Koff & Associates is attached for Council to review as Attachment 2.

IMPACT ON CITY RESOURCES

Funding is available within the Personnel Division fiscal year 2018-19 approved budget.

ATTACHMENTS

1. Request for Proposal
2. Koff & Associates Proposal

3. Professional Services Agreement

**CITY OF MERCED
REQUEST FOR PROPOSAL**

**SELECTION OF CONSULTANT FOR
TOTAL COMPENSATION STUDY**

The City of Merced seeks proposals from qualified organizations to serve as a consultant for the preparation of a comprehensive compensation study.

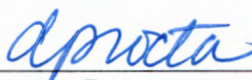
Qualified organizations are invited to submit a sealed, written original proposal plus two (2) copies of said proposal that meet the requirements described herein no later than 5:00 p.m. on April 4, 2018, to the following address:

City of Merced
Director of Support Services
678 West 18th Street
Merced, California 95340

Each envelope should be clearly marked on the outside "Compensation Study Proposal." Proposals will not be disclosed to competing firms or to the public until after all proposals are reviewed and analyzed.

This request for proposal does not commit the City of Merced to award a contract or to pay any costs incurred in the preparation of any proposal responsive to this request. The city reserves the right to accept all or part of any proposal or to cancel in part or in its entirety this request for the proposal. The City further reserves the right to accept the proposal that it considers to be in the best interest of the City.

All questions regarding this proposal should be directed to the undersigned at (209) 385-4780 or proctord@cityofmerced.org.



Deneen Proctor
Director of Support Services

INSTRUCTION TO BIDDERS

I. GENERAL INSTRUCTIONS

A. Submittal of Proposals

Proposals should be verified before submission since proposals may not be withdrawn after opening. No proposal may be corrected, altered, or signed after being publicly opened. The City will not be responsible for errors or omissions on the part of the vendor in preparation of a proposal. The City reserves the right to reject any and all proposals, or to waive any irregularities, or informalities in the proposals.

B. Withdrawal of Proposals

Organizations may withdraw their proposal, either personally or by written requests, at any time prior to the scheduled closing time for receipt of proposals.

C. Disqualified Proposals

Any proposals received after the proposal due date or with insufficient postage shall be refused and returned to vendor unopened.

D. Rights of the City

The City reserves the right to incorporate standard contract provisions into any contract negotiated as a result of a proposal submitted in response to this request.

II. BACKGROUND

A. Jurisdiction

The City of Merced is a Charter city with a Council/Manager form of government, and is governed by Municipal Code. It was incorporated on April 1, 1949. The current population of the City is approximately 84,000. The City provides all basic services and in addition provides police, fire, water, refuse and sewer service and a municipal airport.

There are approximately 183 distinct job classification in the City. The City has 487 budgeted full-time positions and 11 departments.

In 2017, the City hired Ralph and Associates to complete a Citywide Classification study.

The purpose of the proposed total compensation study is to gather and review information as to the City's comparable agencies.

The scope of the compensation study should include gross pay and total compensation with a comparison of hourly wage, incentive pay, health benefit contributions, retirement contributions and/or any other compensation offered by a jurisdiction.

The last citywide compensation study was over twelve years ago.

B. Employee Groups

Employee groups included in this study include:

Represented units:

AFSCME District Council 57 (Merced City Employees Association) – Clerical and technical positions

MERCED ASSOCIATION OF CITY EMPLOYEES – Unskilled, semi-skilled, and skilled maintenance positions

INTERNATIONAL FIRE FIGHTERS UNION – All fire personnel – non-management

MERCED POLICE OFFICERS ASSOCIATION – All sworn police personnel, community service officers, dispatchers, and parking enforcement officers – non-management

MERCED ASSOCIATION OF POLICE SERGEANTS – All sworn police sergeants

Unrepresented units:

EXECUTIVE MANAGEMENT – Department Heads, Police Chief, Fire Chief

MIDDLE MANAGEMENT – Mid-Managers, Police Captains and Lieutenants, Fire Deputy Chiefs

SUPERVISORY MANAGEMENT – Supervisors, Fire Battalion Chiefs

CONFIDENTIAL MANAGEMENT – Clerical and technicians who have access to confidential material involved in labor negotiations.

Memoranda of Understanding, Labor Memoranda, Pay Plans, and existing job specifications may be found on the City's website WWW.CityofMerced.org.

III. SCOPE OF STUDY

The study is to include the following scope and objectives, but is not limited to:

- A. The basic study is for all positions in the City. The existing classifications are attached as Exhibit A.
- B. Recommend salary survey benchmarks in conjunction with relevant benchmark classifications.
- C. Complete internal salary relationship analysis including the development of appropriate internal relationship guidelines (internal equity).
- D. Recommend logical and defensible comparable agencies (external equity). The comparable agencies used in the last compensation study are attached as Exhibit B.
- E. Present and explain proposed comparable agency list to City Administration.
- F. Systematically assess each classification in relation to other comparable classifications.
- G. Provide written documentation of assessment methodology and assessment for each position.
- H. Develop externally competitive and internally equitable salary recommendations for each job class included in the study.
- I. Recommend the vertical salary relationship/differentials between classes in each class series;
- J. Review and compare the City's current benefit package with the benefit packages offered by the other comparable agencies.

The City offers benefits packages that generally include the following: CalPERS Retirement, Health and welfare benefits include medical, dental, vision, life and disability plans; sick leave and vacation leave accrual; 12 paid holidays; management administrative leave, sick leave and vacation leave accrual annual sell back, and a voluntary 457 Deferred Compensation plan.

- K. Provide periodic status reports on progress as requested.
- L. Report preparation: Prepare a preliminary and final report for the City of Merced.
- M. Copies of Reports: The consultant shall provide the City with 3 copies of the preliminary report and 3 copies of the final report. Further, the consultant will be required to provide copies of the material necessary to conduct the study.
- N. Completion Date for Report: It is the intent of the City to complete this classification study as soon as feasible.
- O. May be required to present finalized classification plan to City Council and or Employee Associations.

IV. CONTENT OF PROPOSAL

A. General

Interested parties must submit an original proposal and two (2) copies, signed by a person authorized to bind the party and which, upon acceptance by the City, will be binding on the bidder. After award of the proposal, a contract between the successful bidder and the City will be executed.

B. Items for Inclusion in Proposal

All proposals shall address the following items in the order listed below and shall be numbered one (1) through seven (7) in the proposal document:

1. Description of Firm: A description of the firm, including the size, location(s), nature of work done by the firm and number of years in existence.
2. Experience of Firm: A detailed summary of studies in which the firm has acted as consultant indicating the nature and size of the study and the role of the firm. Please provide client references or contact persons who can verify this experience; please include municipalities.
3. Background of Individual Consultant's Experience: The name of the person(s) and alternate(s) who will participate in the study including identification of the person who will be directly responsible for the day-to-day work on the study on behalf of the

firm, and a brief resume of those persons' pertinent work experience.

4. Work Plan and Methodology: In submitting its proposal, each bidder must outline the procedures and methods it will utilize in conducting all phases of the Study, and addressing each item listed in Section III, SCOPE OF STUDY.
5. Time Schedule: Each bidder shall submit a proposed time schedule identifying when each major component will be started and completed.
6. Fee: Each bidder shall indicate the proposed fee to complete the study as described in the REQUEST FOR PROPOSAL including all out-of-pocket expenses except travel, lodging and meals which shall be estimated in the proposal and shall be identified as "Actual Costs Not To Exceed A Total of \$_____."
7. Other: Each bidder is encouraged to provide any additional information the bidder feels is pertinent to this proposal.

V. SELECTION OF CONSULTANT

A. Understanding of Scope of Work

B. Qualifications of Consultants

Proposals will be considered only from consultants who meet the following minimum qualifications:

1. Have demonstrated experience in conducting the type of study authorized in this REQUEST FOR PROPOSAL.
2. Have resources available to commence work immediately upon the award of this agreement and can complete work in accordance with the needs of the City.

C. Evaluation Criteria

1. Consultant's fee, including estimate of travel, lodging, and meal costs stated in proposal.
2. Terms and conditions offered by the bidder.
3. Timeliness and speed with which the bidder can complete the scope of work.

4. Experience and expertise of the bidder.
5. Knowledge of the City of Merced.
6. The comprehensiveness and rationale of the work plan and methodology outlined in the proposal.
7. Completeness of the bidder's proposal, as outlined in Section IV, CONTENT OF PROPOSAL.
8. Ability of the bidder to agree to the City's Professional Services Agreement, including insurance requirements, attached as Exhibit C.
9. At the City's discretion, an oral interview and presentation may be requested from the top two (2) or three (3) bidders.

VI. TENTATIVE SCHEDULE

Proposal Due: April 4, 2018

Return to: Deneen Proctor,
Director of Support Services
City of Merced
678 West 18th Street
Merced, California 95340

Award of Contract: May 21, 2018

CITY OF MERCED
CLASSIFICATION STUDY
REQUEST FOR PROPOSAL

MAILING LIST

COOPERATIVE PERSONNEL SERVICES
2450 Del Paso Rd #220
Sacramento, CA 95834

PUBLIC SECTOR
1215 W. Rio Salado Parkway #109
Tempe, Arizona 85281

WENDI BROWN CREATIVE PARTNERS
698 Lynn Lane
Central Point, OR 97502

DIVERSIFIED MANAGEMENT GROUP
1850 Gateway Blvd. #275
Concord, CA 94520

BRYCE CONSULTING
Attention: Jean Sullivan
3436 American River Dr., Suite 7A
Sacramento, CA 95864

ARTHUR J. GALLEGHER CO.
11060 White Rock Rd., Suite 160
Rancho Cordova, CA 95670

RENNE SLOAN HOLTZMAN AND SAKAI,
PUBLIC MANAGEMENT GROUP
555 Capital Mall, Suite 600
Sacramento, CA 95814

RALPH ANDERSON
5800 Stanford Ranch Road, Suite 410
Rocklin, CA 95765

EWING CONSULTING
501 N. El Camino, Suite 200
San Clemente, CA 92672

KOFF & ASSOCIATES
2835 Seventh Street
Berkeley, CA 94710

EXHIBIT A - CITY OF MERCED

Department	Job Title
Airport	Airport Manager
Airport	Airport Operations Technician
City Attorney	City Attorney
City Attorney	Chief Deputy City Attorney
City Attorney	Senior Deputy City Attorney
City Attorney	Legal Secretary
City Attorney	Legal Secretary
City Manager	City Manager
City Manager	Assistant City Manager
City Manager	Executive Secretary
City Manager	Assistant To The City Manager
City Manager	Assistant City Clerk
City Manager	Deputy City Clerk
City Manager	Legislative Director
City Manager	Records Clerk I
City Manager	Records Clerk II
Economic Development	Dir Of Economic Development
Economic Development	Development Associate
Engineering	City Engineer
Engineering	City Surveyor
Engineering	Land Engineer
Engineering	Senior Engineer
Engineering	Associate Engineer
Engineering	Assistant Engineer
Engineering	Engineering Technician I
Engineering	Engineering Technician II
Engineering	Engineering Technician III
Engineering	Engineering Technician IV
Engineering	Environmental Project Manager
Finance	Finance Officer
Finance	Deputy Finance Officer
Finance	Accounting Technician
Finance	Accountant I
Finance	Accountant II
Finance	Accountant III
Finance	Account Clerk I
Finance	Account Clerk II
Finance	Account Clerk III
Finance	Payroll Coordinator
Finance	Payroll Technician I
Finance	Payroll Technician II
Finance - Purchasing	Purchasing Supervisor
Fire	Fire Chief
Fire	Fire Deputy Chief
Fire	Fire Battalion Chief
Fire	Fire Captain
Fire	Fire Engineer
Fire	Fire Fighter
Fire	Fire Marshal

Department	Job Title
Fire	Fire Inspector I
Fire	Fire Inspector II
General	Management Analyst
General	Secretary I
General	Secretary II
General	Secretary III
Housing	Housing Program Supervisor
Housing	Housing Finance Specialist
Information Systems	Dir Of Information Technology
Information Systems	Information Technology Manager
Information Systems	Software Analyst I
Information Systems	Software Analyst II
Information Systems	Software Analyst III
Information Systems	Systems Engineer I
Information Systems	Systems Engineer II
Information Systems	Systems Engineer III
Information Systems	Systems Technician I
Information Systems	Systems Technician II
Information Systems	Systems Technician III
Inspection Svs	Chief Building Official
Inspection Svs	Assistant Chief Building Official
Inspection Svs	Building Inspector I
Inspection Svs	Building Inspector II
Inspection Svs	Building Inspector III
Inspection Svs	Plan Examiner I
Inspection Svs	Plan Examiner II
Personnel	Dir Of Support Services
Personnel	Insurance Coordinator
Personnel	Personnel Coordinator
Personnel	Personnel Technician I
Personnel	Personnel Technician II
Personnel	Personnel Technician III
Planning & Permitting	Assistant Planner
Planning & Permitting	Associate Planner
Planning & Permitting	Director Of Development Services
Planning & Permitting	Planner
Planning & Permitting	Planning Manager
Planning & Permitting	Planning Technician I
Planning & Permitting	Planning Technician II
Planning & Permitting	Principal Planner
Planning & Permitting	Senior Planner
Police - Administration	Community Services Officer
Police - Administration	Crime Analyst
Police - Communications	Dispatcher I
Police - Communications	Dispatcher II
Police - Communications	Lead Dispatcher
Police - Communications	Supervising Police Dispatcher
Police - Operations	Police Captain
Police - Operations	Police Chief
Police - Operations	Police Lieutenant

Department	Job Title
Police - Operations	Police Officer
Police - Operations	Police Officer Trainee
Police - Operations	Police Sergeant
Police - Operations	Senior Police Officer
Police - Pkg Enforcement	Parking Enforcement Officer I
Police - Pkg Enforcement	Parking Enforcement Officer II
Police - Records	Police Clerk I
Police - Records	Police Clerk II
Police - Records	Police Records Supervisor
Public Works - Admin	Clerk Typist I
Public Works - Admin	Deputy Pw Director
Public Works - Admin	Dir Of Public Works
Public Works - Admin	Gis Coordinator
Public Works - Admin	Safety Specialist
Public Works - Storm Drns	Pw - Sewer Coll Syst Worker
Public Works - Storm Drns	Pw Sewer Coll Sys Storm Drains Worker I
Pw - Environmental Trmt	Environmental Control Offcr I
Pw - Environmental Trmt	Environmental Control Offcr II
Pw - Environmental Trmt	Pws - Lab/Environmental Control
Pw - Facility Maint & Op	Building Maintenance Worker I
Pw - Facility Maint & Op	Building Maintenance Worker II
Pw - Facility Maint & Op	Custodian I
Pw - Facility Maint & Op	Custodian II
Pw - Facility Maint & Op	Pws-Facilities
Pw - Fleet	Equipment Service Worker
Pw - Fleet	Mechanic I
Pw - Fleet	Mechanic II
Pw - Fleet	Mechanic III
Pw - Fleet	Pwm-Operations
Pw - Fleet	Pws-Fleet
Pw - Fleet	Storekeeper
Pw - general	Maintenance Worker I
Pw - general	Maintenance Worker II
Pw - general	Maintenance Worker III
Pw - Parks	Park Worker I
Pw - Parks	Park Worker II
Pw - Parks	Park Worker III
Pw - Parks	Pwm - Tax Services
Pw - Refuse Collection	Container Maintenance Worker
Pw - Refuse Collection	Lead Refuse Equipment Operator
Pw - Refuse Collection	Pws-Solid Waste
Pw - Refuse Collection	Recycling Coordinator
Pw - Refuse Collection	Refuse Equipment Operator
Pw - Refuse Collection	Refuse Equipment Operator Trainee
Pw - Street Maintenance	Pws-Streets
Pw - Street Maintenance	Traffic Signal/Lighting Tech
Pw - Street Sweeping	Street Sweeper Oper Trainee
Pw - Street Sweeping	Street Sweeper Operator
Pw - Street Trees	Pws-Parks/Trees
Pw - Street Trees	Tree Trimmer

Department	Job Title
Pw - Wastewater System	Collection System Worker II
Pw - Wastewater System	Collection System Worker III
Pw - Wastewater System	Lead Main Sewers / Storm Drains
Pw - Wastewater System	Pws-Main Sewers/Storm Drains
Pw - Wastewater System	Sewer And Storm Drain Collection Sys Worker
Pw - Water Systems	Cross Connections Control Specialist
Pw - Water Systems	Fabrication Tech/Store Keeper
Pw - Water Systems	Finance Liaison
Pw - Water Systems	Lead - Pw Water
Pw - Water Systems	Pump Operator
Pw - Water Systems	Pwm - Water
Pw - Water Systems	Pws-Water
Pw - Water Systems	Water Conservation Specialist
Pw - Water Systems	Water Engineer
Pw - Water Systems	Water Systems Technician I
Pw - Water Systems	Water Systems Technician II
Pw - Water Systems	Water Systems Technician III
Pw - Ww Treatment Plant	Instrument Electric Tech
Pw - Ww Treatment Plant	Laboratory Technician I
Pw - Ww Treatment Plant	Laboratory Technician II
Pw - Ww Treatment Plant	Laboratory Technician III
Pw - Ww Treatment Plant	Land Application Program Lead
Pw - Ww Treatment Plant	Maintenance Electrician
Pw - Ww Treatment Plant	Pwm - Wastewater
Pw - Ww Treatment Plant	Wwtp Maintenance Electrician/Mechanic
Pw - Ww Treatment Plant	Wwtp Maintenance Supervisor
Pw - Ww Treatment Plant	Wwtp Mechanic I
Pw - Ww Treatment Plant	Wwtp Mechanic II
Pw - Ww Treatment Plant	Wwtp Operations Supervisor
Pw - Ww Treatment Plant	Wwtp Operator I
Pw - Ww Treatment Plant	Wwtp Operator II
Pw - Ww Treatment Plant	Wwtp Operator III
Recreation & Parks Admin	Director Of Parks And Recreation
Recreation & Parks Admin	Recreation Supervisor
Recreation & Parks Admin	Recreation Coordinator
Zoo	Zoo Keeper
Zoo	Lead Zoo Keeper

CITY OF MERCED				
EXHIBIT B				
2005 comparable agencies for each labor group				
AFSCME	MACE	FIRE	POA/Sgt	Unrepresented
	Atwater			
Chico		Chico	Chico	Chico
Clovis	Clovis	Clovis	Clovis	Clovis
Davis			Davis	Davis
	Fresno	Fresno	Fresno	
Lodi	Lodi	Lodi	Lodi	Lodi
	Madera			
Manteca	Manteca	Manteca	Manteca	Manteca
Merced County	Merced County			Merced County
Modesto	Modesto	Modesto	Modesto	Modesto
SLO		SLO		SLO
		Tracy	Tracy	
Turlock	Turlock	Turlock	Turlock	Turlock
Visalia	Visalia	Visalia	Visalia	Visalia

EXHIBIT C

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 201_, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and _____, a _____, whose address of record is _____ (hereinafter referred to as "Consultant").

WHEREAS, City is undertaking a project to _____; and,

WHEREAS, Consultant represents that it possesses the professional skills to provide _____ services in connection with said project.

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

1. SCOPE OF SERVICES. The Consultant shall furnish the following services: Consultant shall provide the _____ services described in Exhibit "A" attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the _____ or his designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. TIME OF PERFORMANCE. All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit "B" attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Consultant may change the requirements in said Schedule.

3. RESERVED.

4. COMPENSATION. Payment by the City to the Consultant for actual services rendered under this Agreement shall be made upon presentation of an invoice detailing services performed under the Scope of Services, in accordance

with the fee schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference. The Consultant agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "C". For Consultant's services rendered under this Agreement, City shall pay Consultant the not to exceed sum of \$_____.

5. **METHOD OF PAYMENT.** Compensation to Consultant shall be paid by the City after submission by Consultant of an invoice delineating the services performed.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. **CONSULTANT'S BOOKS AND RECORDS.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

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

In the event Consultant or any employee, agent, or subcontractor of Consultant 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,

Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant 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.

9. INDEMNITY. Consultant shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, 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 Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, 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 Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and 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, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) Consultant shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Consultant shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Consultant.

- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant's profession in the minimum amount of One Million Dollars (\$1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Consultant and is

based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. **CONFORMANCE TO APPLICABLE LAWS.** Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. **WAIVER.** In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. **AMENDMENT.** This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this 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: _____
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. _____

ADDRESS: _____

TELEPHONE: _____

FAX: _____

E-MAIL: _____



March 31, 2019 – REVISED

Total Compensation Study Proposal

City of Merced

Submitted by:

Koff & Associates

CATHERINE “Katie” KANEKO
President

2835 Seventh Street
Berkeley, CA 94710
www.KoffAssociates.com

kkaneko@koffassociates.com

Tel: 510.658.5633

Fax: 510.652.5633

March 31, 2019

Ms. Deneen Proctor, Director of Support Services
City of Merced
678 West 18th Street
Merced, California 95340

Dear Ms. Proctor:

Thank you for the opportunity to respond to your Request for Proposal for a Total Compensation Study, which includes total compensation review, evaluation, and compensation policy and plan design, for the City of Merced ("City"). We are most interested in assisting the City with this important study and feel that we are uniquely qualified to provide value to your organization based on our experience working with other cities, counties, JPAs, and non-profit agencies throughout California.

Koff & Associates is an experienced Human Resources consulting firm that has been providing human resources consulting services to cities, counties, special districts, courts, educational institutions, and other public agencies for thirty-five (35) years. The firm has achieved a reputation for working successfully with management, employees, and governing bodies. We believe in a high level of dialogue and input from study stakeholders and our proposal speaks to that level of effort. That extra effort has resulted in close to 100% implementation of all of our classification and compensation studies.

Koff & Associates ensures that each of our projects is given the appropriate resources and attention, resulting in a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistently high-caliber work product.

As President of the firm, I would assume the role of Project Director and be responsible for the successful completion of the project. I can be reached at our Berkeley address and the phone number listed on the cover page. My email is kkaneko@koffassociates.com.

This proposal will remain valid for at least ninety (90) days from the date of submittal. Please call if you have any questions or wish additional information. We look forward to the opportunity to provide professional services to the City of Merced.

Sincerely,



Catherine "Katie" Kaneko
President



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Signature Page

Appendix: Résumés of Participating Staff



1. DESCRIPTION OF FIRM

Koff & Associates ("K&A") is a full-spectrum, public-sector human resources consulting firm that was founded in 1984 by Gail Koff; K&A has been assisting cities, counties, special districts, other public agencies, and non-profit organizations with their classification and compensation needs for thirty-five (35) years.

We are a private California corporation, #2785458, and our legal name is Kaneko & Krammer Corp. dba Koff & Associates, Inc. We were incorporated on September 23, 2005. Our headquarters are in Berkeley, CA, and we have satellite offices in Southern California, the Central Valley, and the Sacramento Region. We are a California State-certified Small Business Enterprise (#58366), and through the County of Alameda, we are also a locally certified Local, Small Local, and Very Small Local Business Enterprise.

We are familiar with the various public sector organizational structures, agency missions, operational and budgetary requirements, and staffing expectations. We have extensive experience working in both union and non-union environments (including service as the management representative in meet & confer and negotiation meetings), working with City Councils, County Commissions, Boards of Directors, Boards of Supervisors, Boards of Trustees, Merit Boards, and Joint Power Authorities.

The firm's areas of focus are classification and compensation studies (approximately 70% of our workload); organizational development/assessment studies; performance management and incentive compensation programs; development of strategic management tools; policy/procedure development and employee handbooks; training and development; executive search and staff recruitments; public agency consolidations and separations; Human Resources audits; and serving as off-site Human Resources Director for smaller public agencies that need the expertise of a Human Resources Director but do not need a full-time, on-site professional.

Without exception, all of our classification and compensation studies have successfully met all of our intended commitments; communications were successful with employees, supervisors, management, and union representatives; and we were able to assist each agency in successfully implementing our recommendations. All studies were brought to completion within stipulated time limits and proposed budgets.

Our long list of clients is indicative of our firm's reputation as being a quality organization that can be relied on for producing comprehensive, sound, and cost-effective recommendations and solutions. K&A has a reputation for being "hands on" with the ability and expertise to implement its ideas and recommendations through completion in both union and non-union environments.

K&A relies on our stellar reputation and the recommendations and referrals of past clients to attract new clients. Our work speaks for itself and our primary goal is to provide professional and technical consulting assistance with integrity, honesty and a commitment to excellence. We are very proud of the fact that we have not had any formal appeals in our entire history, working with hundreds of public agency clients and completing hundreds of classification and/or compensation, organizational, and other types of studies.



2. EXPERIENCE OF FIRM

Agency & Project	Contact
City of Concord Total Compensation Study, completed 2016 (not Citywide).	Ms. Teresa Fairbanks Senior H.R. Analyst (925) 671-3397 2974 Salvio Street Concord, CA 94519 Teresa.fairbanks@cityofconcord.org
City of Cupertino Total Compensation Study, completed 2016.	Ms. Kristina Alfaro Director of Administrative Services (408) 777-7608 10300 Torre Avenue Cupertino, CA 95014 KristinaA@cupertino.org
City of Dinuba Total Compensation Study completed 2007; Compensation Studies completed in 2013 and in 2015.	Ms. Jayne Anderson Assistant City Manager/City Clerk (559) 591-5900 405 E. El Monte Way Dinuba, CA 93618 janderson@dinuba.ca.gov
City of Galt Classification and Compensation Study, completed 2017.	Mr. Eugene Palazzo City Manager (209) 366-7100 380 Civic Drive Galt, CA 95632 epalazzo@ci.galt.ca.us
City of Gilroy Total Compensation Study, completed 2016.	Ms. LeeAnn McPhillips Human Resources Director/Risk Manager (408) 846-0205 direct 7351 Rosanna St. Gilroy, CA 95020 Leeann.mcphillips@cityofgilroy.org
City of Madera Citywide Total Compensation Study, completed 2015. Total Compensation Study, completed 2008.	Ms. Wendy Silva Director of Human Resources (559) 661-5400 205 West Fourth St. Madera, CA 93637 wsilva@cityofmadera.com
City of Newman Total Compensation Study (23 classes), completed 2018.	Mr. Lewis Humphries Finance Director (209) 862-3725 938 Fresno St., 2 nd Floor



Total Compensation Study Proposal

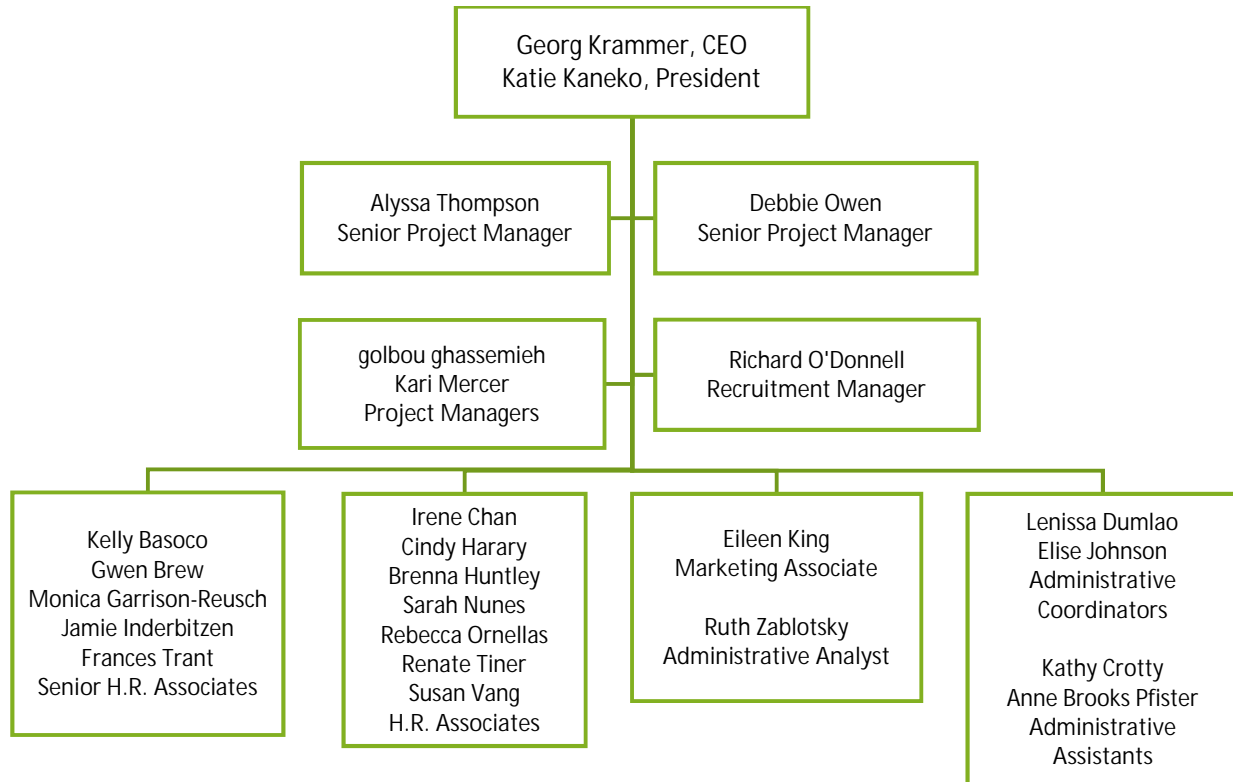
City of Merced

	Newman, CA 95360 lhumphries@cityofnewman.com
City of Palo Alto Various Compensation Studies from 2009 to 2016. The Compensation Surveys we have completed have included over 300 classifications representing close to 1,000 employees, including executive, senior, and mid-management, fire police and SEIU.	Ms. Sandra Blanch Assistant Director, Human Resources (650) 329-2376 250 Hamilton Ave. Palo Alto, CA 94301 Sandra.blanch@cityofpaloalto.org
City of San José Comp (limited) Survey, completed 2016 (done for Council Appointed Classifications). Class Specification Update project for 69 Citywide classifications, completed 2016. Comp Study, completed 2015.	Ms. Aracely Rodriguez Employment Division Manager (408) 975-1411 200 E. Santa Clara St., 2nd Floor Wing San José, CA 95113-1905 Aracely.Rodriguez@sanjoseca.gov
City of Tracy Various Classification and Compensation Studies, completed 2007 – 2017.	Ms. Midori Lichtwardt Director of Human Resources (209) 831-6159 333 Civic Center Plaza Tracy, CA 95376 Midori.Lichtwardt@cityoftracy.org ...and... Ms. JoAnn Weberg HR Specialist II Joann.Weberg@cityoftracy.org
City of Vallejo Total Compensation Study for City Attorney, completed 2018. Total Compensation Study for Risk Manager, currently underway 2018. Total Compensation Study of CAMP (Confidential, Administrative, Managerial, and Professional Association) group, completed 2017.	Ms. Janet Thiessen Human Resources Program Manager (707) 648-4106 555 Santa Clara Street Vallejo, CA 94590 janet.thiessen@cityofvallejo.net
County of San Joaquin Total Compensation Study, Executive Group, completed 2016.	Ms. Jan Bentley HR Personnel Analyst (209) 468-8479 44 N. San Joaquin St., Suite 330 Stockton, CA 95202 jbentley@sjgov.org



3. BACKGROUND OF CONSULTANTS' EXPERIENCE

Our entire team consists of twenty-five (25) employees as shown below in our organizational chart.



No subcontractors will be assigned to this study.

All members of our team have worked on multiple total compensation studies and are well acquainted with the wide array of public sector compensation structures as well as the challenges and issues that arise when conducting studies such as this one for the City of Merced.

Following are short biographies of the specific staff who will be assigned to this study (their full résumés may be found in the Appendix):

Catherine "Katie" Kaneko, C.P.A., P.H.R.
President

Katie is one of the two principals of Koff & Associates. She brings 25 years of management-level human resources and consulting experience to K&A. She has extensive experience in classification analysis and evaluation techniques, compensation, performance incentive programs, recruitment, and organizational studies.

Armed with her Bachelor of Business Administration degree, and as a CPA (Certified Public Accountant), Katie began her career in an international accounting/consulting firm. She transitioned into Human Resources within the firm to become the Human Resources Director of the San Francisco office. She next



moved into the high-tech industry where she served in leadership positions for high-growth companies, startup firms, and organizations in transition. Katie then moved to the public sector, joining K&A in 2003 and has been the firm's President since 2005; over the last fifteen (15) years, she has overseen hundreds of classification, compensation, organizational and other studies for cities, counties, and special districts throughout California.

Agencies for whom classification and/or compensation studies, or HR Services (such as organizational assessments, executive performance evaluations, etc.) were led by Katie, as Project Director, during the past two (2) years, include, but are not limited to, the following:

- Cities: Calistoga, Carmel, Coachella, Crescent City, Cupertino, Dinuba, Fairfield, Galt, Hayward, Morgan Hill, Newman, Palo Alto, Piedmont, Sacramento, San Pablo, Santa Rosa, Seaside, Sonoma, Tracy.
- Counties: El Dorado, Merced, and Tuolumne.
- Special Districts: California State Auditor's Office, Castro Valley Sanitary District, Central Fire District of Santa Cruz County, Coastside County Water District, Contra Costa County Employees' Retirement Association, Cosumnes Community Services District, Discovery Bay Community Services District, Dublin San Ramon Services District, East Palo Alto Sanitary District, Encina Waste Water Authority, Fairfield Suisun Sewer District, First 5 Santa Clara, Hartnell College, Indian Wells Valley Water District, Mendocino Coast Recreation & Park District, Midpeninsula Regional Open Space District, Monterey Regional Water Pollution Control Agency, Mt. View Sanitary District, Municipal Pooling Authority, North Coast County Water District, Northern California Power Agency, Oakland Housing Authority, Public Agency Risk Sharing Authority of California, Rancho Murieta Community Services District, Retirement Office of City of San José, Salinas Valley Solid Waste Authority, San Francisco County Transportation Authority, Santa Clara Valley Open Space Authority, Santa Clara Valley Water District, Solano Transportation Authority, Sonoma County Open Space District, Southwestern Community College District, Superior Court of San Joaquin County, Travis Unified School District, West Valley Sanitation District of Santa Clara County.

Katie will be key personnel and serve as the Project Director for this project; she will coordinate all of K&A's efforts, will attend all meetings with the City, and will be responsible for all work products and deliverables.

Alyssa Thompson, Ph. D.
Senior Project Manager

Alyssa brings with her over ten (10) years of human resources experience in classification and compensation analysis and development, performance management, affirmative action program development, and recruitment. Alyssa also has experience in designing and conducting quantitative and qualitative research studies.



Since joining the firm in 2007, Alyssa has led and worked on well over two hundred (200) classification, compensation, organizational assessment, and recruitment projects for cities, counties, and special districts, a few of which are:

- Cities: American Canyon, Anaheim, Bellflower, Claremont, Concord, Fremont, Madera, Monterey, Orange, Sacramento, San Diego, and Santa Barbara.
- Counties: Bernalillo (New Mexico), Placer, San Joaquin, San Mateo, Tehama, and Tuolumne.
- Special districts: Alameda County Transportation Commission, Berkeley Unified School District, Central Contra Costa Sanitary District, Dublin San Ramon Services District, East Bay Municipal Utility District, Foothill-DeAnza Community College District, Metropolitan Transportation Commission, Midpeninsula Regional Open Space District, Mid-Peninsula Water District, Mount San Antonio College, Northern California Power Agency, Oakland Housing Authority, Orange County Sanitation District, SACOG (Sacramento Area Council of Governments), Santa Clara County Housing Authority, Santa Clara Valley Water District, Superior Court of California-County of Orange, Vallejo Sanitation and Flood Control District, and Zone 7 Water District.

She earned a Bachelor's degree in Psychology with a minor in Sociology-Organizational Studies from the University of California, Davis, and a Ph.D. in Organizational Psychology from Alliant International University.

Alyssa will serve as the Co-Project Director for this project; she will help coordinate all of K&A's efforts, will attend all meetings with the City, and will be responsible for work products and deliverables, as well as provide consultant support throughout the effort, including, compensation analysis, internal job analysis, development of recommendations, and implementation strategies.

Kari Mercer, B.S.
Project Manager

Kari's professional qualifications include over eleven (11) years of experience in the Human Resources field, including work in classification and compensation, employee relations, and recruitment and examination. Her experience includes both private and public sector Human Resources work for the County of Madera, County of Fresno, and Macy's. She gained experience in classification and compensation, labor relations, MOU administration, policy development and administration, recruitment and examination, and general human resources administration.

As a Human Resources Consultant for another private human resources consulting firm she specialized in conducting classification and compensation studies for multiple public sector agencies, such as: Cities of Anaheim, Concord, Palmdale, Redding; Counties of Lake, Madera, Monterey, and Sacramento; and special districts such as: California Joint Powers Risk Management Authority, East Bay Regional Park District, Elk Grove Water District, San Diego Association of Governments, San Francisco Municipal Transportation



Agency, and Ventura Regional Sanitation District. Additionally, Kari has consulted for out-of-state clients in Maryland, New Mexico, and Texas.

Since joining Koff & Associates, Kari has worked on a variety of Classification and Compensation projects for:

- Cities: Anaheim, Arroyo Grande, Hayward, Pleasant Hill, Redwood City, San Pablo, Santa Clara, Saratoga, Seal Beach, Seaside, and Vallejo.
- Counties: El Dorado, Merced, and Orange.
- Special Districts: Santa Clarita Valley Water District; Cosumnes Community Services District; First 5 Alameda; Foothill-DeAnza Community College District, Livermore Area Recreation and Park District; Mendocino Coast Recreation and Park District; Port of Oakland, Sweetwater Authority; Travis Unified School District; and Truckee Sanitary District.

She earned her B.S. degree in Business Administration with an emphasis on Human Resources Management at California State University, Fresno. Kari serves as a Personnel Commissioner for the City of Clovis, is a member of IPMA-HR where she serves on the Government Affairs Taskforce, and is a member of Central California SHRM.

Kari will provide consultant support throughout this effort, including compensation analysis, internal job analysis, development of recommendations, and implementation strategies.

Susan Vang, B.S.
Consultant

Susan has over four (4) years of human resources consulting experience in classification and compensation, recruitment and selection, and employment testing for the public sector.

Susan has experience providing technical support on a variety of classification and compensation projects including City of El Segundo, Counties of Sonoma, Lake, and Madera. In addition, Susan worked on the Merit System Services (MSS) contract with the California Department of Human Resources, providing recruitment and selection support to twenty-seven (27) California County Departments of Social Services and Child Support Services.

Since joining K&A, Susan has worked on studies for the following:

- Cities: Morgan Hill, Oakland, Piedmont, Santa Barbara, Vallejo, and the City of Los Altos Police Officers Association;
- Special Districts: CASA (California Association of Sanitation Agencies), Foothill-DeAnza Community College District, Hartnell Community College, MTC (Metropolitan Transportation Commission), Riverside Community College District, Santa Clara Valley Water District, and Vallejo Flood and Wastewater District.



Total Compensation Study Proposal

City of Merced

A Northern California native, Susan earned her B.S. degree in molecular environmental biology from the University of California, Berkeley.

Susan will provide consultant support for this project, including compensation analysis, internal job analysis, development of recommendations, and implementation strategies.



4. WORK PLAN and METHODOLOGY

The City of Merced ("City") desires human resources consulting assistance to conduct an objective analysis of the current compensation practices of the City; recommend changes that result in equitable, competitive and legally defensible pay practices that will enrich the attraction and retention of qualified individuals as well as enhance opportunities for growth and professional development; evaluate the current employee benefit and compensation plan against local and regional markets, and comparable employers; provide recommendations for adjustments. In 2017, the City had a Citywide Classification Study completed and at this time wishes to have an external, market-based study of the City's compensation plan.

The City currently employs approximately four hundred eighty-seven (487) full-time regular employees, encompassed within one hundred eighty-three (183) distinct classifications. All 487 employees serve in eleven (11) departments.

The Represented Employee groups included in this study include: AFSCME District Council 57 (Clerical and Technical positions); Merced Association of City Employees (unskilled, semi-skilled and skilled maintenance positions); International Fire Fighters Union (all non-management fire personnel); Merced Police Officers Association (all sworn police personnel, community service officers, dispatchers, and parking enforcement officers – non-management); and Merced Association of Police Sergeants (all sworn police sergeants).

The Unrepresented Employee groups to be included in the study are: Executive Management (Department Heads, Police Chief, Fire Chief); Middle Management (Mid-Managers, Police Captains and Lieutenants, Fire Deputy Chiefs); Supervisory Management (Supervisors, Fire Battalion Chiefs); and Confidential Management (clerical and technicians who have access to confidential material involved in labor negotiations).

The study's purpose will be to review the City's compensation structure for the studied classifications and to conduct a total compensation market survey (gross pay plus benefits), with a comparison of hourly wage, incentive pay, health benefit contributions, retirement contributions, and/or any other compensation offered by a jurisdiction, using a set of appropriate comparator agencies.

The identification of comparator agencies, benchmark classifications, and benefits to be collected is an iterative process that includes all stakeholders. We have found this open discussion philosophy to be critical to our success for organizational buy-in. Once the external data development is completed, we will make specific recommendations for internal equity for non-benchmarked classifications and classifications without a large enough market sampling.

The compensation study will contain specific recommendations regarding the integration of all study classifications into the City's compensation structure, with the goal of developing a clearly designed, internally equitable format that is flexible for career opportunity and future growth. Our study will make recommendations regarding a salary structure that takes the City's compensation preferences into consideration as well as the appropriate placement of each classification on the City's salary schedule.

The study includes a significant number of meetings with the Study Project Team, Human Resources, employees, employee representation, and the City Council, as desired. We have expertise in labor/management relations and understand the importance of active participation by all stakeholders to



ensure a successful outcome. The meetings and “stakeholder touch-points” that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and create a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

Total Compensation Study Objectives

- To review and understand all current documentation, rules, regulations, policies, procedures, budgets, class descriptions, organizational charts, memoranda of understanding (“MOU”), personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct start-up Study Project Team meetings with management, study project staff, and other stakeholders to discuss any specific concerns with respect to the development of compensation recommendations; finalize study plans and timetables; conduct employee orientation sessions with management and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- To make recommendations regarding a list of appropriate comparator agencies, benchmark classifications, and benefits to be collected prior to beginning the compensation study;
- To collect accurate salary and benefit data from the approved group of comparator agencies and to ensure that the information is analyzed in a manner that is clear and comprehensible to the Study Project Team, Human Resources, management, the governing body, and employees;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes according to generally accepted compensation practices;
- To review the City’s compensation structure and practices and develop compensation recommendations that will assist the City in recruiting, motivating, and retaining competent staff;
- To develop a compensation structure that meets all legal requirements, is totally non-discriminatory, and easily accommodates organizational change, growth, and operational needs;
- To develop solutions that address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the City’s goals, objectives, and budget considerations;
- To evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis and best practices;
- To create a comprehensive final report summarizing the compensation study approach and methodology, analytical tools, findings, and recommended compensation structure;
- To recommend appropriate internal salary relationships and allocate classes to salary ranges in a comprehensive salary range plan;
- To work collaboratively and effectively with the City and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- To document all steps in the process and provide documentation and training for Human Resources and other staff, as appropriate, in compensation analysis methodologies so that the City can integrate, maintain, administer, and defend any recommended changes after the initial implementation; and
- To provide effective ongoing communications throughout the duration of the project and continued support after implementation.



Total Compensation Methodology / Work Plan / Deliverables

This section of the proposal identifies the actual work plan. We believe that our detailed explanation of methodology and work tasks clearly distinguishes our approach and comprehensiveness.

Deliverable A: Meetings with the Study Project Team and Management Staff for Review of Process, Products and Documents Required

During the initial meeting with the Study Project Team, we will discuss the compensation study factors that need to be agreed upon. This task includes identifying the City's Study Project Team (Human Resources, etc.), contract administrator, and reporting relationships. Our team will conduct an orientation and briefing session with the Study Project Team to explain process and methodology; create the specific work plan and work schedule; identify subsequent tasks to be accomplished; reaffirm the primary objectives and specific end products; determine deadline dates for satisfactory completion of the overall assignment; determine who will be responsible for coordinating/scheduling communications with employees, managers, and stakeholders; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation, identifying current incumbents, and assembling current class descriptions, organizational charts, salary schedules, budgets, employment contracts, personnel policies, previous compensation studies, and any other relevant documentation to gain a general understanding of City operations.

City terminology and methods of current compensation procedures will be reviewed and agreed to. We will discuss methodology, agree to formats for compensation results, confirm appropriate comparator agencies, benchmark classifications, and benefits to be surveyed for compensation survey purposes. We will respond to any questions that may arise from the various stakeholders.

Deliverable B. List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected

During the initial meeting with the Study Project Team, we will discuss and agree to the compensation study factors. We will identify appropriate comparator agencies that will be included in the external market survey, which will be the foundation of ensuring that the agencies' salaries for the studied classifications are competitively aligned with the external labor market. We will also identify those classifications that will be surveyed in the market (i.e., benchmark classifications), with the intention of internally aligning the remaining classifications with those that were surveyed.

Finally, we will determine the list of benefits that the City wants to include in the total compensation data gathering process.

1. Determination of Comparator Agencies

The selection of comparator agencies is a critical step in the study process. We typically use the following factors to identify appropriate comparators and will receive approval before proceeding with the total compensation survey.

Our recommended methodology is that we involve the City Council, management, Human Resources, and employee representation in the decision-making process of selecting which



comparable agencies are included, PRIOR to beginning the study. Our experience has shown that this is the most successful approach. The factors that we typically review when selecting and recommending appropriate comparator agencies include:

- Organizational type and structure – While various organizations may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each organization is somewhat unique, particularly in regard to its relationship to the citizens it serves and level of service expectation. During this iterative process, the City's current/previous list of comparators and the advantages/disadvantages of including them or others will be discussed.
- Similarity of population served, City demographics, City staff, and operational budgets – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
- Scope of services provided – While having an organization that provides all of the services at the same level of citizen expectation is ideal for comparators, as long as the majority of services are provided in a similar manner, sufficient data should be available for analysis.
- Labor market – The reality of today's labor market is that many agencies are in competition for the same pool of qualified employees. Individuals often do not live in the community they serve. Therefore, the geographic labor market area (where the City may be recruiting from or losing employees to) will be taken into consideration when selecting potential comparator organizations.
- Cost-of-living – The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets. We will review overall cost-of-living of various geographic areas, median house prices, and median household incomes to determine the appropriateness of various potential comparator agencies.

Per the RFP, the City has five (5) current lists of comparator agencies (one list each for AFSCME labor group, MACE labor group, Fire, POA/Sergeant group, and Unrepresented). We will include those in our analysis. We typically recommend using ten to twelve (10-12) comparator agencies for all classifications in an agency in order to ensure that there is consistency across the organization in terms of external market alignment, as well as internal alignment. However, we are flexible and can easily use a different approach based on the City's preferences.

2. Determination of Benchmark Classifications

In the same collaborative manner as described in Step 1 above, we will work with the City's stakeholders to select those classifications that will be surveyed.

"Benchmark classes" are ordinarily chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid data sample for analysis. Internal relationships will be determined between the benchmarked and non-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes. Due to the fact that the labor market typically yields reliable data, we recommend using approximately 60-65% of all classifications as benchmarks but we are happy to use a different model.



Because the City's classification plan includes multiple levels within many of its classification series, a smaller percentage of benchmarks may provide a sufficient amount of market data. Our cost proposal includes two options for cost comparison purposes.

3. Determination of Salary and Benefits Data to Be Collected

In addition to base salaries, benefit data elements for a total compensation study normally include at least the following (which are generally available to all staff in a specific job classification):

- Monthly Salary – The top of the normal, published salary range. All figures are presented on a monthly or annual basis. We normalize the salary data to reflect number of hours in the work week and/or roll-up of retirement or other benefits in base salaries.
- Employee Retirement – This includes two figures: the amount of the employee's State or other public or private retirement contribution that is contributed by the agency and the amount of the agency's Social Security contribution.
- Retiree Healthcare – With healthcare costs rising and retiree healthcare and liabilities increasing for many public agencies, we also collect this information.
- Insurance – This typically includes Health, Dental, Vision, Life, Long-Term Disability, Short-Term Disability, and other insurance coverage.
- Leave – Other than sick leave, which is usage-based, leave is the amount of days off for which the organization is obligated. All days will be translated into direct salary costs.
 - ❖ Vacation: The number of vacation days available to all employees after five (5) years of employment.
 - ❖ Holidays: The number of holidays (including floating) available to the employee on an annual basis.
 - ❖ Administrative/Personal Leave: Administrative leave is normally the number of days available to management staff to compensate for the lack of payment for overtime. Personal leave may be available to other groups of employees to augment vacation or other time off.
 - ❖ Sick Leave and Vacation Leave Accrual Annual Sell-back: the amount of hours/days an employee can "cash in" every year based on their accrual rates.
- Deferred Compensation – We report any employer contribution made on the employee's behalf, whether dollar amount or percentage of salary, that does not require an employee-matching contribution. We can also report employer contributions that do require an employee match and would do so as a separate report.
- Other – This category includes but is not limited to any other benefits available in the comparable jurisdictions that are available to all employees within a classification and not already specifically detailed, such as vacation leave accrual annual sell-back, voluntary 457 Deferred Compensation Plan, etc.

Deliverable C. Data from Comparators

K&A does not collect market compensation data by merely sending out a written questionnaire. We find that such questionnaires are often delegated to the individual in the department with the least experience in the organization and given a low priority. Our experienced compensation analysts conduct all of the data collection and analysis to ensure validity of the data and quality control. This approach also ensures that we compare job description to job description and not just job titles, therefore ensuring true



“matches” of at least 70%, which is the percentage we use to determine whether to include a comparator classification or not. Objective factors in the whole position classification methodology include:

1. Education, Training, and Certifications/Licenses
2. Required Experience
3. Problem Solving/Ingenuity
4. Attention/Stress (Concentration/Time Pressure & Interruptions)
5. Independence of Action/Responsibility
6. Contacts with Others/Internal/External
7. Supervision Received and/or Given to Others
8. Consequences of Action/Decisions Made on the Job
9. Equipment Used
10. Working Conditions
11. Physical/Mental Demands

Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed.

We typically collect classification descriptions, organization charts, salary schedules, personnel policies, MOUs, and other information via website, by telephone, or by an onsite interview. With the prior knowledge from the data gathered directly from each comparator agency and our experience in the public sector human resources field, our professional staff makes preliminary “matches” and then schedules appointments by telephone, or sometimes in person, with knowledgeable individuals to answer specific questions. We find that the information collected using these methods has a very high validity rate and allows us to substantiate the data for employees, management, and governing bodies.

Deliverable D. Analysis and Preliminary Review of Data

Data will be entered into spreadsheet format designed for ease of interpretation and use. The information will be presented in a format that will identify the comparator positions used for each classification comparison. Information will be calculated based upon both average and median figures allowing the City to make informed compensation decisions. Other elements of the compensation survey report are agencies surveyed; comparable class titles; salary range maximum/control point; number of observations; and percent of the City’s salary range is above/below the market values. In addition, we will include any type of statistical representation and analysis that the City desires such as 60th, 70th, or any other percentiles. Benefits data will be displayed in an easy-to-read format. You will receive three sets of spreadsheets per classification, one with base pay, one with the benefits detail, and one with total compensation statistical data. In addition, we are often asked to collect “other” benefits (as listed in the benefits section above), which we typically report on a separate spreadsheet.

Deliverable E. Draft Compensation Findings/Additional Analysis/Study Project Team Meetings

We distribute our draft findings to the Study Project Team. After their preliminary review, K&A will meet with the Study Project Team and other stakeholders (including management, employees, and Human Resources) to clarify data, to receive requests for reanalysis of certain comparators, and to answer



questions and address concerns. This provides an opportunity for the Study Project Team and other stakeholders to review and question any of our recommended benchmark comparator matches. If questions arise, we conduct follow-up analysis to reconfirm our original analysis and/or make corrections as appropriate.

Deliverable F. Analysis of Internal Relationships and Alignment

To determine internal equity for all studied positions, considerable attention will be given to this phase of the project. It is necessary to develop an internal position hierarchy based on the organizational value of each classification. Again, we utilize the whole position analysis methodology as described earlier, in Deliverable C.

By reviewing those factors, we will make recommendations regarding vertical salary differentials between classes in a class series, for example, as well as across departments. This analysis will be integrated with the results of the compensation survey and the City's existing compensation plan.

The ultimate goal of this critical step in the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications. We will create a sound and logical compensation structure for the various levels within each class series, so that career ladders are not only reflected in the classification system but also in the compensation system, with pay differentials between levels that allow employees to progress on a clear path of career growth and development. Career ladders will be looked at vertically, as well as horizontally, to reflect the City's classification structure.

Deliverable G. Compensation Structure and Implementation Plan

Depending on data developed as a result of the internal analysis, we will review and make recommendations regarding internal alignment and the salary structure (set of salary ranges, salary differentials, steps within ranges, and/or alternative compensation plans) within which the classes are allocated, based upon the City's preferred compensation model. In addition, we will develop externally competitive benefit comparisons for all classifications. Finally, we will develop a proposed implementation plan based on the study results and recommendations.

We will conduct a competitive pay analysis using the market data gathered to assist in the determination of external pay equity and the recommendation of a new base compensation structure. We will conduct a comparative analysis to illustrate the relationships between current pay practices and the newly determined market conditions and develop solutions to address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting City goals, objectives, and budget considerations. We will develop recommendations covering special compensation issues such as salaries above the maximum; seniority; promotions; maintenance of the salary schedules; etc.

Draft recommendations will be discussed with the Study Project Team and management for discussions and decisions on overall pay philosophy and the practicality of acceptance and prior to developing an Interim Report.



Deliverable H. Final Report and Guidelines for Implementation

Draft Interim Report of the Compensation Study will be completed and submitted to the Study Project Team for review and comment. The report will provide detailed compensation findings, documentation, and recommendations. The report will include:

- A set of all market data spreadsheets;
- A proposed Salary Range Placement document;
- A procedure to address employees whose base pay exceeds the maximum of their newly assigned pay range;
- Discussion of how the compensation program affects employee recruitment and retention efforts;
- Implementation issues and cost projections surrounding our recommendations; and
- A guide for rules, policies and procedures for the City in implementing, managing and maintaining the compensation system, as appropriate.

Once all of the City's questions/concerns are addressed and discussed, a Final Compensation Report will be created and submitted in the City's preferred format. The Final Report will incorporate any appropriate revisions identified and submitted during the review of the draft report.

Deliverable I. Formal Appeals Support

Should the City have a formal appeal process regarding the allocation of positions to classifications and of classifications to salary ranges, this proposal does not cover time regarding a formal appeal process. Should our on-site participation be desired, our stated composite hourly rate will be honored. As mentioned above, however, our internal process usually addresses any appeal issues.

Deliverable J. Final Presentation

Our proposal includes multiple meetings and weekly oral and written status/progress updates to the Study Project Team. Regarding the involvement of the City Council, we recommend at least one initial meeting to confirm the comparator agencies to be included in the study, one interim study session (to discuss the initial findings of the compensation study), and one final presentation of our Final Report. Of course, we are flexible regarding having more or less interaction with the Council, based on the City's preferences.

Expectations of City Support

In order to conduct this study in the most timely and cost-effective manner, we ask for support in the following areas:

- Timely provision of written documentation, such as current class specifications, union contracts, organizational charts, budget documents, requests for audits, past studies, etc.;
- Assistance in scheduling study project team, bargaining unit, management, employee audit, and other meetings; and
- Meeting agreed-upon timelines.



Communication with the City

Our typical communication model includes at least weekly or biweekly written status updates to keep the City informed on where we are during each phase of the project. We have found that most communication can be managed through emails and teleconferences by phone.

In addition, the study includes a significant number of meetings with the Study Project Team, human resources, management, employees, employee representation, and the City Council, as desired. The meetings and “stakeholder touch-points” that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and foster a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

Post-Implementation Consultation and Support

We are committed to providing the City with the highest-quality product and service. Providing ongoing consultation and support after study implementation is a service that is included in our professional fees and a continued relationship-building aspect of our client relationship that we highly value.

We often find that clients will call or email with follow-up questions and to discuss certain aspects of the study, ask why decisions and recommendations were made, and other important components of the study. We consider post-implementation support as part of our customer service.

Should the City request any additional onsite meetings and/or training after implementation of the study and/or other specific, identifiable work efforts, such as position reclassification studies, creating new class descriptions, or conducting annual surveys, we would honor our composite hourly rate for actual hours spent at the City. However, from experience, we expect that most follow-up support will be conducted via telephone and email and this is absolutely included in our “Not To Exceed Fee” for this project.

Stakeholder Engagement

The meetings and communications with stakeholders that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and encourage a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

We believe in an interactive and collaborative process with the whole organization and in a high level of stakeholder contact and interaction to ensure organizational buy-in of the study throughout the entire process. Following are the major milestones at which we touch base with Human Resources, employees, managers, and other stakeholders, as appropriate:

- Initial study kick-off and employee/management orientation meetings;



- Stakeholder input regarding a list of appropriate comparator agencies;
- City stakeholder review of compensation study data and contact with them to address any challenges to the market comparables we identified for each classification;
- Stakeholder input on internal salary relationship analysis and recommendations; and
- Stakeholder input regarding final compensation plans and structure recommendations.

These steps will ensure that the study results in a product that is accepted and trusted by all levels within the organization. Beyond sound mechanics, our approach includes sufficient communication steps to ensure that the study methodology is understood and the results are regarded as expert, impartial, and fair.

5. TIME SCHEDULE

Our professional experience is that total compensation studies of this scope and for this size organization take approximately three to four (3 - 4) months to complete, allowing for adequate compensation data collection and analysis, review steps by the City, the development of final reports, any appeals, and presentations.

The following is a suggested timeline (which can be modified based on the City's needs):

Deliverable	Total Compensation Study	Week #
A.	Meetings with the Study Project Team and Management Staff for Review of Process, Products and Documents Required	Week 1
B.	List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	Week 2
C.	Data from Comparators	Week 10
D.	Analysis and Preliminary Review of Data	Week 12
E.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	Week 14
F.	Analysis of Internal Relationships and Alignment	Week 15
G.	Compensation Structure and Implementation Plan	Week 15
H.	Final Report and Guidelines for Implementation	Week 16
I.	Formal Appeals Support *	As Needed
J.	Final Presentation	As Scheduled



6. FEE

We have often found our process requires a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with management, governing body, and staff. The time we commit to working with the employees (orientations and briefings, meetings with employees via personal interviews, informal appeal process, etc.) results in significantly greater buy-in throughout the process and no formal appeals at the end of the study.

In fact, our firm has never had a formal appeal to any of our studies in our 34 years in business. It has been our experience that the money and time invested in stakeholder communication throughout the study are money and time saved during implementation. Numerous times our firm has been hired after an agency has gone through an unsuccessful study whose results were rejected or appealed and whose implementation was very controversial. The result was a divided organization with hostility and animosity between employees/employee representation and management. Whenever our firm was hired after such an unfortunate experience, study stakeholders were amazed at our open and all-inclusive process, our efforts to elicit equal stakeholder input, and our development of recommendations that were accepted as fair and reasonable and understood by management, employees, and the governing body. Our success rate is also attributable to the fact that we have 34 years of experience working with employees of all types of backgrounds, educational levels, and work experiences, and we are accustomed to successfully communicating with and educating them throughout the process. It is imperative that all employees eventually buy into the study results and recommendations, whether they have been through a process like this before or whether this is the first time for them.

Our clients always provide feedback that our process was professional, comprehensive, understandable, timely, and inclusive. Employees, although not necessarily always happy with our recommendations, have always indicated that we listened to their issues and concerns and were available for discussion, as required. Although time consuming, we also drive the process to ensure that timelines are met and schedules are maintained.

The cost proposal below includes two options depending on scope of work. Of course, the City may select any combination thereof and we are open to negotiating a third option if it better serves the City. We hope to be able to negotiate a scope of work and cost option that best serves the City's needs.

Deliverables	Total Compensation Study (Salary plus Benefits)	Hours	Hours
A.	Meetings with the Study Project Team and Management Staff for Review of Process, Products and Documents Required	12	12
B.	List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	12	12
C.	Data from Comparators Option 1: up to 90 benchmarks (in reviewing the list of the City's job classifications and considering the multiple classification levels in many of the class series, we anticipate	225	270



Total Compensation Study Proposal

City of Merced

	that surveying approximately 55% of classes should be sufficient), up to 10 comparators (we recommend using the same set of agencies for all job classifications and employee groups but have built a contingency into the cost proposal in case the City decides to select different sets of comparators for the different employee groups) Option 2: up to 97 benchmarks (approx. 60% of classes), up to 12 comparators		
D.	Analysis and Preliminary Review of Data Option 1: up to 90 benchmarks, up to 10 comparators Option 2: up to 97 benchmarks, up to 12 comparators	110	135
E.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	60	75
F.	Analysis of Internal Relationships and Alignment	12	12
G.	Compensation Structure and Implementation Plan	12	12
H.	Final Report and Guidelines for Implementation	16	16
I.	Formal Appeals Support *	0	0
J.	Final Presentation	8	8
	Anticipated hours for additional unscheduled meetings and phone calls	8	8
	Total Professional Hours	475	560
	Combined professional and clerical composite rate: \$134/Hour	\$63,650	\$75,040
	Expenses <u>are included</u> in our combined composite rate:	N/A	N/A
	Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, travel expenses, per diem, etc.		
	TOTAL NOT-TO-EXCEED COST FOR PROJECT:	\$63,650	\$75,040
	*Additional consulting will be honored at composite rate (\$134/Hour)		



7. OTHER

Contractual Requirements

We will be pleased to sign a contract or professional services agreement for any compensation work we are asked to perform for the City of Merced.

Note: please add the following language to your contract or professional services agreement should we receive the award for this project.

Koff & Associates requests that our Clients pay K&A 20% of project cost at commencement of project. Following the initial 20% commencement payment, all billable time shall be billed monthly in arrears (i.e., invoices are submitted by K&A to client in the month following the month in which services were rendered). Upon completion of the scope of work, the balance of the agreed-to amount will be billed.

Our regular terms are Net 30.

Client shall pay K&A for its fees and reimbursable expenses (if applicable) within thirty (30) days following the date of receipt of each applicable invoice. If Client contests or questions any invoice, it agrees to raise any questions with management of K&A within such 30-day period. Late fees in the amount of 2% of invoice amount will accrue if current invoice is not paid within 30 days of payment due date of that invoice. If late fees are not paid, they will carry forward to next invoice.

If necessary, we are flexible about negotiating other terms with the Authority.

Please also note: We respectfully request that the following clause also be incorporated into your contract or agreement with K&A:

Except with the written consent of Georg Krammer or Katie Kaneko, CEO and President respectively of Koff & Associates, which consent may be given or withheld in their sole discretion, Client agrees that during the term of this Agreement and for a period ending one year thereafter (the "Time Period") Client will not solicit services from or hire any K&A employee or contractor (each, a "Team Member") with whom Client has had contact pursuant to the services provided to Client under this Agreement. Client specifically acknowledges that K&A recruits, trains, and contracts with Team Members and that such efforts are costly and time-consuming. As such, it is understood that should Client hire a Team Member during the Time Period for any reason without the required consent, Client agrees to pay a placement fee (paid at the time of placement) of 30% of Team Member's first year's total compensation which accurately reflects a reasonable estimate of K&A's time and costs attendant to its recruitment, hiring, retention, and management of Team Members.



Insurance Acknowledgment

We will submit and support the levels of coverage and endorse the City with our General Liability coverage upon award of a contract for the project.

Workers' Compensation:	Statutory Limits
Commercial General Liability:	\$2,000,000 per occurrence
Professional Liability (Errors & Omissions):	\$1,000,000 per occurrence
Automobile Insurance:	\$1,000,000 per occurrence

Our insurance broker is Ms. Eileen Hollander, Sr. Account Manager/Commercial Lines, Integro Insurance Brokers, 2300 Contra Costa Blvd., Suite 375, Pleasant Hill, CA 94523.



Signature Page

Koff & Associates intends to adhere to all of the provisions described in the RFP.

This proposal is valid for ninety (90) days.

Respectfully submitted,

By: KOFF & ASSOCIATES
State of California

Catherine "Katie" Kaneko
President

February 25, 2019





Appendix:

Résumés of Participating Staff

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2019, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and Kaneko & Krammer Corp, a California Corporation, doing business as Koff & Associates, whose address of record is 2835 Seventh Street, Berkeley, California 94710 (hereinafter referred to as "Consultant").

WHEREAS, City is undertaking a project to conduct a total compensation study; and,

WHEREAS, Consultant represents that it possesses the professional skills to provide consulting services in connection with said project.

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

1. **SCOPE OF SERVICES.** The Consultant shall furnish the following services: Consultant shall provide the consulting services described in Exhibit "A" attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Director of Support Services or designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit "B" attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Consultant may change the requirements in said Schedule.

3. **RESERVED.**

4. **COMPENSATION.** Payment by the City to the Consultant for actual services rendered under this Agreement shall be made upon presentation of an

invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference. The Consultant agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "C". For Consultant's services rendered under this Agreement, City shall pay Consultant the not to exceed sum of Seventy-Five Thousand Forty Dollars (\$75,040.00).

5. **METHOD OF PAYMENT.** Compensation to Consultant shall be paid by the City after submission by Consultant of an invoice delineating the services performed.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. **CONSULTANT'S BOOKS AND RECORDS.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

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

In the event Consultant or any employee, agent, or subcontractor of Consultant 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, Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant 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.

9. INDEMNITY. Consultant shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, 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 Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, 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 Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and 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, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) Consultant shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Consultant shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Consultant.

- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant's profession in the minimum amount of One Million Dollars (\$1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Consultant and is

based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. **CONFORMANCE TO APPLICABLE LAWS.** Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. **WAIVER.** In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. **AMENDMENT.** This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this 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: Priscilla A. Noh 4-12-19
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT
KANEKO & KRAMMER CORP.,
A California Corporation,
Doing Business as
KOFF & ASSOCIATES

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. _____

ADDRESS: 2835 Seventh Street
Berkeley, CA 94710

TELEPHONE: (510) 658-5633

FAX: _____

E-MAIL: kkaneko@koffassociates.com

EXHIBIT A

SCOPE OF SERVICES

- To review and understand all current documentation, rules, regulations, policies, procedures, budgets, class descriptions, organizational charts, memoranda of understanding (“MOU”), personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct start-up Study Project Team meetings with management, study project staff, and other stakeholders to discuss any specific concerns with respect to the development of compensation recommendations; finalize study plans and timetables; conduct employee orientation sessions with management and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- To make recommendations regarding a list of appropriate comparator agencies, benchmark classifications, and benefits to be collected prior to beginning the compensation study;
- To collect accurate salary and benefit data from the approved group of comparator agencies and to ensure that the information is analyzed in a manner that is clear and comprehensible to the Study Project Team, Human Resources, management, the governing body, and employees;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes according to generally accepted compensation practices;
- To review the City’s compensation structure and practices and develop compensation recommendations that will assist the City in recruiting, motivating, and retaining competent staff;
- To develop a compensation structure that meets all legal requirements, is totally non-discriminatory, and easily accommodates organizational change, growth, and operational needs;
- To develop solutions that address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the City’s goals, objectives, and budget considerations;
- To evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis and best practices;
- To create a comprehensive final report summarizing the compensation study approach and methodology, analytical tools, findings, and recommended compensation structure;

- To recommend appropriate internal salary relationships and allocate classes to salary ranges in a comprehensive salary range plan;
- To work collaboratively and effectively with the City and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- To document all steps in the process and provide documentation and training for Human Resources and other staff, as appropriate, in compensation analysis methodologies so that the City can integrate, maintain, administer, and defend any recommended changes after the initial implementation; and

To provide effective ongoing communications throughout the duration of the project and continued support after implementation

EXHIBIT B

TIME OF PERFORMANCE

Deliverable	Total Compensation Study	Week #
A.	Meetings with the Study Project Team and Management Staff for Review of Process, Products and Documents Required	Week 1
B.	List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	Week 2
C.	Data from Comparators	Week 10
D.	Analysis and Preliminary Review of Data	Week 12
E.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	Week 14
F.	Analysis of Internal Relationships and Alignment	Week 15
G.	Compensation Structure and Implementation Plan	Week 15
H.	Final Report and Guidelines for Implementation	Week 16
I.	Formal Appeals Support *	As Needed
J.	Final Presentation	As Scheduled

EXHIBIT C
COMPENSATION

Deliverables	Total Compensation Study (Salary plus Benefits)	Hours
A.	Meetings with the Study Project Team and Management Staff for Review of Process, Products and Documents Required	12
B.	List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	12
C.	<p>Data from Comparators</p> <p><i>Option 1: up to 90 benchmarks (in reviewing the list of the City's job classifications and considering the multiple classification levels in many of the class series, we anticipate that surveying approximately 55% of classes should be sufficient), up to 10 comparators (we recommend using the same set of agencies for all job classifications and employee groups but have built a contingency into the cost proposal in case the City decides to select different sets of comparators for the different employee groups)</i></p> <p><i>Option 2: up to 97 benchmarks (approx. 60% of classes), up to 12 comparators</i></p>	270
D.	<p>Analysis and Preliminary Review of Data</p> <p><i>Option 1: up to 90 benchmarks, up to 10 comparators</i></p> <p><i>Option 2: up to 97 benchmarks, up to 12 comparators</i></p>	135

E.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	75
F.	Analysis of Internal Relationships and Alignment	12
G.	Compensation Structure and Implementation Plan	12
H.	Final Report and Guidelines for Implementation	16
I.	Formal Appeals Support *	0
J.	Final Presentation	8
	<i>Anticipated hours for additional unscheduled meetings and phone calls</i>	8
	Total Professional Hours	560
	Combined professional and clerical composite rate: \$134/Hour	\$75,040
	Expenses <u>are included</u> in our combined composite rate:	N/A
	<i>Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, travel expenses, per diem, etc.</i>	
	TOTAL NOT-TO-EXCEED COST FOR PROJECT:	\$75,040
	*Additional consulting will be honored at composite rate (\$134/Hour)	



ADMINISTRATIVE REPORT

Agenda Item H.13.

Meeting Date: 5/20/2019

Report Prepared by: Deneen Proctor, Director of Support Services

SUBJECT: Adoption of Resolution Approving a Memorandum of Understanding Between the City of Merced and the Merced Association of Police Sergeants Regarding Pay, Hours and Other Terms and Conditions of Employment for the Period January 1, 2019 Through December 31, 2019

REPORT IN BRIEF

Considers approving a Memorandum of Understanding between the City of Merced and the Merced Association of Police Sergeants regarding pay, hours and other terms and conditions of employment for the period January 1, 2019 through December 31, 2019.

RECOMMENDATION

City Council - Adopt a motion approving **Resolution 2019-22**, a Resolution of the City Council of the City of Merced, California, approving a Memorandum of Understanding with the Merced Association of Police Sergeants; and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Deny; or
3. Refer back to staff with instructions.

AUTHORITY

Resolution No. 80-106 - Resolution of the City Council of the City of Merced establishing an Employer-Employee Organizations Relations Policy.

Meyer Milias Brown Act.

CITY COUNCIL PRIORITIES

As provided for in the 2018-2019 Adopted Budget

DISCUSSION

The City's negotiations team and the Merced Association of Police Sergeants have completed the collective bargaining process and have reached agreement on a contract. The contract is consistent with City Council direction and provides base wage increases and other benefits in accordance with the anticipated revenue forecast along with updating the Memorandum of Understanding language

to align with new state and federal laws. Therefore, staff recommends adoption of the Resolution approving the Memorandum of Understanding.

Some of the terms agreed upon in this Memorandum of Understanding are as follows:

- Term: One Year, the term of the agreement shall be effective January 1, 2019 and shall remain in effect through December 31, 2019.
- Wage: Base wage increase of 2.50% will be effective the first pay period of the fiscal year.
- Overtime: For the purposes of computing overtime, hours worked and time during which an employee is excused from work because of vacation, holiday, sick or authorized compensatory time off (CTO) shall be considered time worked by the employee.
- Vacation: Additional hours of vacation will be granted to employees completing 15 years of service.
- Vacation Payout: Allow employees the option to annually cash out a maximum of 20 accrued vacation hours.

IMPACT ON CITY RESOURCES

The total impact of the MOU on General Fund, Community Facilities District and Measure C is approximately \$75,900. Funding has been included in the City Manager's Recommended FY 2019/2020 budget. No additional budget appropriation is necessary.

ATTACHMENTS

1. Resolution 2019-22
2. Memorandum of Understanding

RESOLUTION NO. 2019 - ____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
APPROVING MEMORANDUM OF
UNDERSTANDING WITH THE MERCED
ASSOCIATION OF POLICE SERGEANTS**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE AS FOLLOWS:**

SECTION 1. That certain document entitled, "MEMORANDUM OF UNDERSTANDING BETWEEN AND FOR THE CITY OF MERCED AND MERCED ASSOCIATION OF POLIE SERGEANTS," effective January 1, 2019, a copy of which is attached hereto and marked Appendix "A," is hereby approved and shall be effective from January 1, 2019 through December 31, 2019.

SECTION 2. All other resolutions or parts thereof inconsistent with Section 1 hereof are superseded.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2019, 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 4-24-19
City Attorney Date

MEMORANDUM OF UNDERSTANDING
BETWEEN AND FOR
CITY OF MERCED
AND
MERCED ASSOCIATION OF POLICE SERGEANTS

January 1, 2019
Through
December 31, 2019

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made and entered into this 20th day of May, 2019 by and between the City of Merced, hereinafter referred to as the "City," and the Merced Association of Police Sergeants, hereinafter referred to as the "Association."

ARTICLE I **INTENT AND PURPOSE**

SECTION 1.01. PURPOSES. The purposes of this Agreement are to assure the efficient and economical operation of the City: to secure and sustain the maximum work effort of each employee covered by this Agreement; to maintain a harmonious relationship between the employees in the bargaining unit and the City; to establish wages, hours and working conditions; to prevent strikes, slowdowns, and any other disturbances which interfere with or interrupt operations; and to set forth the entire agreement between the City, the Association, and the employees covered by this Agreement concerning rates of pay, wages, and other conditions of employment to be observed by the parties hereto.

ARTICLE II **RECOGNITION AND NON-DISCRIMINATION**

SECTION 2.01. RECOGNITION. The City hereby recognizes the Association as the exclusive representative for the purpose of meeting and conferring with respect to wages, hours of employment and other working conditions, of all full-time employees classified as Police Sergeants.

SECTION 2.02. NON-DISCRIMINATION. In accordance with Federal and State law, the City prohibits discrimination and harassment against race, religion, color, age (40 and over), sex (including gender, gender identity, gender expression), national origin, ancestry, physical or mental disability, medical condition, genetic characteristics or information, marital status, sexual orientation (including homosexuality, bisexuality or heterosexuality), military and veteran status, or any other basis protected by law.

SECTION 2.03. ASSOCIATION AFFILIATION. The City and the Association agree to protect the rights of all employees to exercise their free choice to join or refrain from joining the Association.

SECTION 2.04. ASSOCIATION RESPONSIBILITIES. The Association recognizes its responsibilities as representative for the purpose of meeting and conferring and agrees to represent all probationary and regular full-time employees in the unit without discrimination, interference, restraint or coercion.

SECTION 2.05. FAIR LABOR STANDARDS ACT. The Association shall cooperate with the City in the objectives of the Fair Labor Standards Act.

ARTICLE III **DUES DEDUCTION AND FORMS**

SECTION 3.01. DUES DEDUCTION. During the term of this agreement, members of the unit may tender Association dues to the Association directly. If a member voluntarily signs a dues deduction authorization form authorizing the City to deduct Association dues from the employee's regular biweekly paycheck, the City will make said deduction provided the employee is on regular pay status and the employee's paycheck is sufficient to cover the amount of dues.

The Association is solely responsible for distributing to, and collecting from, employees the dues deduction authorization forms. It is the employee's responsibility to submit requests to start or stop dues deductions directly to the Association and not to the City. The Association is responsible for maintaining the dues deduction forms from individual employees. Copies of an individual employee's dues deduction authorization need not be provided to the City unless a dispute arises about the existence or terms of the authorization. Questions regarding Association membership, dues amounts, and payroll deductions must be directed to the Association and not the City.

The Association will provide the City an updated, certified dues deduction list of bargaining unit members who have provided written authorization for dues deductions. The City will deduct dues for only those employees who are in the bargaining unit in accordance with such certified list. The Association will immediately notify the City of any changes to an employee's dues deduction, including starting and stopping dues deductions, or validly cancelling or revoking a dues deduction authorization, and will provide the City within five (5) business days, an updated, certified dues deduction list noting any specific changes from the last list provided to the City. The City will implement the change(s) in the pay period following the City's receipt of such notification. The City will issue a check to the Association no later than thirty (30) days after the deductions occur.

SECTION 3.02. WITHDRAWAL OF MEMBERSHIP. Withdrawal of membership shall only be allowed if the request for termination of payroll deductions is received by the Association in the month of January of any year.

SECTION 3.03. CERTIFICATION OF DUES. Each year the Association will certify to the Finance Officer the amount of Association monthly dues. If Association changes the amount of dues, each change must be certified to the City at least (4) weeks prior to the change becoming effective.

SECTION 3.04. LIABILITY. If during the term of this Agreement any claims, charges or lawsuits are brought against the City by any party over the matter of Association dues or Association dues deduction from members' paychecks, and/or withdrawal of membership, Association agrees to indemnify, defend, and hold the City harmless from and against any and all claims or liability of any kind arising from this section and agrees to pay any and all costs of such claims, charges, lawsuits, damages or settlements, including reasonable attorney's fees to be determined by a court of competent jurisdiction. In addition, Association shall refund to City any amounts paid to it in error upon presentation of supporting evidence.

SECTION 3.05. ORIENTATION. The Association shall be provided notice by the City of the hire of any new employee in the bargaining unit and one Association member shall be permitted no more than 30 minutes of duty to provide the new hire with orientation.

ARTICLE IV **AUTHORIZED REPRESENTATIVES**

SECTION 4.01. AUTHORIZED REPRESENTATIVES. For the purposes of administering the terms and provisions of the various ordinances, resolutions, rules and regulations adopted with this Memorandum of Understanding, City's principal authorized agent shall be the Municipal Employees Relations Officer or his/her duly authorized representative, except where a particular management representative is otherwise designated; Association's principal authorized agent shall be the president of the Association or his/her duly authorized representative.

SECTION 4.02. TIME OFF FOR REPRESENTATIVES. City agrees to allow three (3) employee representatives of Association reasonable time off during regular work hours without loss of compensation or other benefits when formally meeting and conferring with representatives of City on matters within the scope of representation. Such time shall include reasonable preparation time as approved by the City Manager. Executive Board Members of the Association shall be granted time off without loss of compensation to attend regular membership meetings and regular scheduled Executive board meetings not to exceed two (2) per month. The schedule must be submitted to the Chief of Police thirty (30) days in advance of the meetings.

SECTION 4.03. REPRESENTATION RELEASE TIME. City and Association agree that, as long as there is no disruption of work, any one of the officers of Association may be allowed reasonable release time, not to exceed two (2) hours per week, away from his/her work duties, without loss of pay, to assist any unit employee or employees in investigation of facts and in presentation of a grievance. An officer of the Association may assist any employee of the unit only at such time as a grievance is reduced to writing.

SECTION 4.04. TIME AUTHORIZATION. Association agrees that employee representatives shall not leave their duty or workstation or assignment to engage in Association representation duties without specific approval of the department head or other authorized City Management official.

ARTICLE V

HOURS AND WORKING CONDITIONS

SECTION 5.01. WORKDAY, WORKWEEK, WORK PERIOD. For full-time employees of the unit, the normal workday shall be eight (8), ten (10) or twelve (12) hours depending on assignment; the normal work period shall be eighty (80) hours during each fourteen (14) calendar days.

SECTION 5.02. BULLETIN BOARD POSTING. Employees shall work a basic workweek according to the schedule prepared by the department head and posted on the department bulletin board no less than thirty (30) days prior to the effective date of the schedule.

SECTION 5.03. REST PERIODS.

- A. All employees of the unit shall be granted a rest period or coffee break limited to twenty (20) minutes during each four (4) hours of regular work.
- B. Rest periods shall not be scheduled within one (1) hour of the beginning or the end of a work shift or lunch period.
- C. The department may make reasonable rules concerning rest period scheduling.
- D. No wage deduction shall be made and no time off shall be charged against employees taking authorized rest periods. Rest periods shall be considered hours worked and employees may be required to perform duties, if necessary. Rest periods not taken shall be waived and employees shall not accrue any rights or overtime for rest periods not taken.

SECTION 5.04. MEAL PERIOD. All employees normally shall be allowed a meal period of not less than forty (40) minutes nor more than one (1) hour which shall be scheduled generally in the middle of the work shift. The department may make reasonable rules concerning meal period scheduling. Employees are not authorized to work through a meal period to make up for previous absences, to accrue overtime, to gain entitlement to an earlier quitting time, or for any other reason, unless the employees' assigned or mandated duties require otherwise.

SECTION 5.05. WORK SCHEDULE CHANGES. Within the basic categories of workday, workweek, work period, rest period and meal period, the department head,

with the approval of the City Manager, shall have the discretion to modify work schedules to meet the needs of the City. When changes in schedules are anticipated, or immediately necessitated by emergency conditions, the department head shall give employees as much advance notice as is reasonable possible. For purposes of this agreement, emergency conditions are conditions involving real or potential loss of service or property or personal danger as determined by the management of the City.

SECTION 5.06. OVERTIME – DEFINITION. Overtime is defined as assigned and authorized time worked beyond the established eighty (80) hours in a fourteen (14) day (biweekly) work week.

SECTION 5.07. OVERTIME COMPUTED No sooner than January 1, 2019, effective the first full pay period following City Council approval of this MOU, for the purpose of computing the number of hours worked, time during which an employee is excused from work because of a holiday, vacation, sick leave or authorized compensatory time off (CTO) shall be considered as time worked by the employee.

SECTION 5.09. OVERTIME – BASIC RATE. Except as otherwise provided in this Memorandum of Understanding, compensation for assigned and authorized overtime work in excess of eighty (80) hours in a work period for all members of the unit shall be at a rate equivalent to one and one-half times the straight time hourly rate.

SECTION 5.10. OVERTIME – DOUBLE TIME. Employees in the unit shall be reimbursed at a rate equivalent to two (2) times the straight time hourly rate for overtime in connection with parades, dances, fairs, rodeos, special ceremonies and other special events when both of the following conditions occur: 1) when the assignments for such overtime are scheduled less than five (5) days in advance of the event, and 2) when the costs of such activities are reimbursed to the City by the sponsoring group or agency.

SECTION 5.11. OVERTIME – CITY SPONSORED EVENTS. Employees in the unit shall be reimbursed at a rate equivalent to the time and one-half rate for overtime in connection with City-sponsored events such as training courses other than department sponsored travel, education classes, and the annual band review.

SECTION 5.12. OVERTIME FOR GUNNERY TRAINING. Employees shall be compensated in accordance with the regular overtime provisions of this agreement for gunnery training for scheduled shoots when such training occurs during off-duty hours. Such training shall not be considered callback.

SECTION 5.13. OVERTIME – CHRISTMAS/NEW YEAR'S. Employees in the unit shall be reimbursed at a rate equivalent to two (2) times the straight time hourly rate for any event listed in Section 5.10 Overtime – Double Time, when such event starts between 8:00 p.m. December 24, and 8:00 p.m. December 25, 8:00 p.m. December 31, and 8:00 p.m. January 1.

SECTION 5.14. COURT OVERTIME- DUTY DAY. Any member of the unit who is subpoenaed to appear in court in connection with their official duties on a regular scheduled duty day, but during the hours when he/she is not scheduled to be on duty, and as set forth in Section 5.16 Callback - Definition, and who reports to the court, shall receive a minimum of two (2) hours pay at a rate equivalent to one and one-half times the straight time hourly rate, or shall receive pay for the actual amount of time spent in court at a rate equivalent to one and one-half times the straight time hourly rate, whichever is greater.

SECTION 5.15. COURT OVERTIME – DAY OFF. Any member of the unit who is subpoenaed to appear in court in connection with their official duties on a regularly scheduled day off, and who reports to the court, shall receive a minimum of three (3) hours pay at a rate equivalent to one and one-half times the straight time hourly rate, or shall receive pay for the actual amount of time spent in court at a rate equivalent to one and one-half times the straight time hourly rate, whichever is greater.

SECTION 5.16. CALLBACK – DEFINITION. Callback work is defined as work required of an employee when such employee is not on his/her regular shift during the period that begins one-half (1/2) hour after the employee has left work and ends one half (1/2) hour before the employee is scheduled to begin the next regular shift.

SECTION 5.17. CALLBACK PAY. Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), employees called back to work by the department head or his/her representative during the period specified in Section 5.16 Callback - Definition shall receive a minimum of three (3) hours pay at the appropriate hourly rate.

SECTION 5.18. STANDBY OR ON-CALL. Except as otherwise provided in this Memorandum of Understanding, any member of unit assigned by the department head or his/her representative to stand by or be on call outside the regular duty schedule shall receive a standby or on-call allowance of two (2) hours pay at his/her straight time hourly rate for each accumulated twenty-four (24) hours of such standby or on-call required. An employee on standby or on-call who is called back to work shall be paid in accordance with the provisions of Section 6.17.

SECTION 5.19. COMPENSATORY TIME OFF (CTO). Members of the unit who work over eighty (80) hours in a 14-day work period may be given compensatory time off (CTO) in lieu of cash payment for overtime at the discretion of the department head. The time at which compensatory time off (CTO) may be taken will be determined by the department head based on the needs of the City service but after considering the preferences of the employee.

SECTION 5.20. COMPENSATORY TIME OFF (CTO) When CTO is authorized in lieu of cash payment for overtime, it shall be allowed and taken at the same rate that overtime is computed in accordance with the overtime sections of this agreement.

SECTION 5.21. COMPENSATORY TIME OFF (CTO) – MAXIMUM ACCRUAL. The maximum accrual of CTO hours is eighty (80) hours. Above the maximum accrual, all overtime worked shall be paid in cash by separate check.

SECTION 5.22. COMPENSATORY TIME OFF (CTO) – PAYMENT. All employees will have the option to cash out a maximum of forty (40) hours of CTO that has been accumulated, payable once per quarter. Prior to or upon resignation, termination or retirement, a member of this unit shall be permitted to utilize accumulated CTO, or shall be paid the cash equivalent of the accumulated CTO, prior to the effective date of the resignation, termination or retirement.

SECTION 5.23. GENERAL AUTHORIZATION. The amount of overtime work, callback work, standby, or on-call, and the method of reimbursement for such work, such as cash, time off, or a combination thereof, shall be determined through general policy of the City Manager except as specifically abridged in this Memorandum of Understanding. No employee shall perform overtime work, callback work, standby, or on-call unless such work is authorized and directed by the department head or his/her representative, and no employee shall be paid for such overtime, callback, standby, or on-call unless the same shall be approved by the department head on the payroll sheet submitted at the end of the pay period in which the work was performed.

SECTION 5.24. HOLIDAYS. During the term of this agreement the following holidays are recognized as City holidays for pay purposes:

New Year's Day.....	The 1 st day of January
Martin Luther King, Jr. Day.....	The 3 rd Monday of January
Washington's Birthday.....	The 3 rd Monday of February
Memorial Day.....	The last Monday in May
Independence Day.....	The 4 th day of July
Labor Day.....	The 1 st Monday in September
Veteran's Day.....	The 11 th day of November
Thanksgiving Day.....	The 4 th Thursday in November
Day After Thanksgiving.....	The day after the 4 th Thursday in November
Christmas Day.....	The 25 th day of December
Either Christmas Eve or New Year's Eve.....	As long as the department is adequately staffed as determined by the Police Chief or designee
One Floating Holiday.....	To be taken at the discretion of the Police Chief or Designee. Available to be taken up to December 31 of each calendar year. Unit members hired after the second Monday in October shall not be eligible for Floating Holiday that calendar year.

When any day recognized as a holiday by the City falls on a Sunday, the following Monday shall be considered a holiday. When any day recognized as a holiday by the City falls on a Saturday, the proceeding Friday shall be considered the holiday.

SECTION 5.25. MODIFICATION OF HOLIDAY SCHEDULE. Subject to regulation and control of the City Manager, the department head may require any employee to work on all of said holidays.

SECTION 5.26. HOLIDAY PAY – DAY WORKED. Employees of the unit eligible for holiday benefits who are required to work on a day designated as a holiday shall be paid at the straight time rate for each hour worked during the first eight (8) hours of work on such holiday and, in addition, shall receive pay equal to and in lieu of time off at the straight time rate for said holiday.

SECTION 5.27. HOLIDAY PAY – DAY OFF. When a day designated as a holiday falls on a normally assigned day off of an employee of the unit who is eligible for holiday benefits, said employee shall receive additional pay equal to and in lieu of time off at the straight time hourly rate for said holiday.

SECTION 5.28. HOLIDAY PAY – LEAVE OF ABSENCE. Notwithstanding the provisions of Section 5.25 Modification of Holiday Schedule, an employee in the unit shall not receive holiday pay if he/she is on a leave of absence.

SECTION 5.29. HOLIDAY PAY – ADD TIME TO VACATION. Employees of the unit may convert holiday pay for up to four (4) holidays per year and add such time, with the approval of the department head, and not to exceed four workdays (32 hours), to their vacation accumulation provided that the addition of these hours does not exceed the maximum number of vacation hours authorized to accumulate. When such holiday time is taken by the employee, it shall not be necessary to combine any of this holiday leave time with any vacation time.

ARTICLE VI

WAGES

SECTION 6.01. WAGES. The City and the Association agree that the Pay Plan shall be amended for the classifications represented by the Association to reflect increases effective June 17, 2019 pay period 14 of (2.50%). Wages are listed in Attachment A, which is hereby incorporated in and made a part of this Memorandum of Understanding.

The proposal shall not be retroactive and is effective on a go forward basis no sooner than pay period 14 of 2019 following ratification by membership and approval of the MOU by the City Council, but no sooner than first full pay period after City Council approval.

SECTION 6.02. DEFERRED COMPENSATION. The City has made available a deferred compensation plan for those who wish to participate at their expense. No City contribution is authorized. Participants receive this benefit during employment with the City of Merced and generally cannot withdraw the funds until retirement or service termination.

SECTION 6.03. PAY FOR POST CERTIFICATE. Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), unit employees who have received an Intermediate and an Advanced POST Certificate shall receive \$100.00 per month in addition to regular base wages, and employees who have received a Supervisory POST Certificate shall receive \$200.00 per month in addition to regular base wages. These benefits are not stackable.

SECTION 6.04. FILING POST CERTIFICATE. An employee shall be reimbursed for an Intermediate, Advanced and/or Supervisory POST Certificate retroactive to the date the application was approved by the Chief of Police.

SECTION 6.05. RETIREMENT. The City shall maintain in effect for all current members of this unit the California Public Employees' Retirement System (CalPERS) three percent (3%) at fifty (50) benefit formula.

The City shall implement a two-tiered retirement system, and all newly hired bargaining unit employees hired on or after December 12, 2012 will be covered at three percent (3%) at fifty-five (55), if they are eligible for reciprocity as defined by CalPERS. "New Members", as defined by CalPERS, shall be covered by the 2.7% at 57 benefit formula.

Participation in the CalPERS Retirement Program requires an employer and an employee contribution. Effective June 25, 2012 (PP 14) unit members shall pay the entire employee contribution.

SECTION 6.06. CANINE HANDLER COMPENSATION. Employees assigned canine responsibilities shall be paid a maximum of ten (10) hours per month, at the overtime rate of one and one-half (1.5) time. Compensation shall be for time spent by officers on their off-duty time to feed and exercise the dog and to clean the kennel.

SECTION 6.07. SHIFT DIFFERENTIAL. Unit employees assigned to a shift or unit regularly scheduled to work four (4) hours or more between 2:00 p.m. and 10:00 p.m. shall receive one and one-half percent (1.5%) shift differential in addition to his/her base wage.

Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), unit employees assigned to a shift or unit regularly scheduled to work

four (4) hours or more between 10:00 p.m. and 6:00 a.m. shall receive three percent (3%) shift differential in addition to his/her base wage.

ARTICLE VII

VACATION AND SICK LEAVE

SECTION 7.01. CONTINUOUS SERVICE. For the purpose of this article, continuous service means service without any authorized break or interruption during the period for which the employee has been employed by the City. A break or interruption in continuous service shall be construed as a deliberate severance of employment initiated by either the City or the employee for periods of more than fifteen (15) calendar days.

SECTION 7.02. VACATION ACCRUAL. All eligible employees earn vacation benefits in accordance with their length of continuous service as follows:

During their first 5 years of continuous service, full-time regular employees earn vacation benefits at the rate of 3.696 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 192.00 hours.

After the completion of 5 years of continuous service, full-time regular employees earn vacation benefits at the rate of 4.616 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 240.00 hours.

After the completion of 9 years of continuous service, full-time regular employees earn vacation benefits at the rate of 6.160 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 320.00 hours.

After the completion of 15 years of continuous service, full-time regular employees earn vacation benefits at the rate of 6.928 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 360 hours. The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than the first full pay period after City Council approval.

After the completion of 20 years of continuous service, employees earn vacation benefits at the rate of 7.692 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 400.00 hours.

After the completion of 25 years of continuous service, employees earn vacation benefits at the rate of 9.230 hours each biweekly pay period of continuous service.

Employees who earn vacation at this rate may accumulate vacation to a maximum of 480.00 hours.

SECTION 7.03. MAXIMUM VACATION ACCRUAL. When the maximum number of vacation hours is accumulated by an employee, vacation hours cease to accrue to that employee.

SECTION 7.04. VACATION PAYMENT. All employees of the unit will have the option to cash out up to a maximum of twenty (20) hours of accrued vacation time. Employees who elect to cash out vacation shall have a minimum balance of 100 accrued vacation hours prior to the cash out pay period and shall have completed their initial probationary period with the City of Merced. Vacation payment will take place once per year in the first pay period in December.

The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than first full pay period after City Council approval.

SECTION 7.05. HOLIDAYS DURING VACATION. A holiday which occurs during a scheduled vacation period, and which would have excused the employee from work, and for which no other compensation is made, shall be considered as taking the holiday and shall not be counted as a day of vacation.

SECTION 7.06. PAYMENT UPON SEPARATION. Employees who leave City employment shall be compensated for vacation accrued but not taken up to the date of separation.

SECTION 7.07. VACATION USE. Vacation use by an employee shall be charged against the vacation accrued on an hour-for-hour basis.

SECTION 7.08. SICK LEAVE ACCRUAL. All eligible employees earn sick leave benefits in accordance with their length of continuous service as follows:

Full-time regular employees earn sick leave benefits from the first date of employment at the rate of 3.696 hours each biweekly pay period of continuous service. Employees may accumulate sick leave benefits to a maximum of 1056.00 accrued sick leave hours.

SECTION 7.09. SICK LEAVE DURING FIRST SIX MONTHS OF PROBATION. Probationary employees may be allowed to use sick leave accrued to them under the same rules and regulations as regular employees during the first thirteen (13) biweekly pay periods of continuous service, if the employee does not complete the probationary period, any sick leave hours used in excess of 3 days or 24 hours, whichever is greater, will be repaid at the pay rate it was paid out.

SECTION 7.10. SICK LEAVE FOR IMMEDIATE FAMILY CARE. Each member of the unit eligible to use sick leave may use up to one-half of their annual accrued sick leave for the required care of a spouse, domestic partner, parent, child, sibling, grandparent, grandchildren or domestic partner's child who is ill as defined by statute.

SECTION 7.11. SICK LEAVE UPON RESIGNATION OR DISMISSAL. An employee who resigns or is dismissed forfeits all further eligibility to any accrued but unused sick leave.

SECTION 7.12. SICK LEAVE UPON RETIREMENT. To the extent permitted by law, a sworn employee who retires on an industrial disability, regardless of length of service, and an employee who is eligible for and retires in accordance with the PERS benefits plan will be paid at the straight time hourly rate for fifty percent (50%) of the hours of accrued but unused sick leave. The remaining fifty percent (50%) of the hours of accrued but unused sick leave will be forfeited.

SECTION 7.13. PAYMENT OF EXCESS ACCRUED SICK LEAVE. In January of each year, employees who have accrued sick leave hours in excess of 960 as of the last pay period in the preceding December will be paid at their straight time hourly rate for fifty percent (50%) of said hours in excess of 960, but the remaining fifty percent (50%) of hours in excess of 960 will be forfeited. Payment shall be made by separate check.

SECTION 7.14. HOLIDAYS DURING SICK LEAVE. Holidays that occur during sick leave, and which would have excused the employee from work, and for which no other compensation is made, shall be considered as taking holiday and shall not be counted as a day of sick leave.

SECTION 7.15 SICK LEAVE USE. Sick leave used by an employee shall be charged against the sick leave accrued on an hour-for-hour basis.

SECTION 7.16. SICK LEAVE VERIFICATION. Sick leave is intended to be used only when actually required to recover from illness or injury, or as time off for medical and dental appointments to the extent that such appointments cannot be scheduled outside of the workday. Employees may request accrued vacation time off to cover other personal absences not covered by this sick leave policy. The City will not tolerate abuse or misuse of sick leave privileges. In order to assure compliance by employees of the sick leave privilege and to refrain from creating undue requirements on all employees for the actions of a few, the City will consider and require verification of potential sick leave abuse on a case-by-case basis in accordance with the law. In instances where abuse is suspected, or sick leave use begins to lead toward a pattern of abuse, the department head may require written verification by means of a physician's statement.

In determining whether or not sick leave abuse exists with respect to this Article, no verified illness will be considered unless the frequency of the illness(es) adversely affects the City's ability to reasonably deliver services.

Where it is reasonably determined that the sick leave privilege has been abused, those employees responsible for such abuse shall be subject to disciplinary actions.

SECTION 7.17. FAMILY AND MEDICAL LEAVE ACT. In accordance with administrative policies and procedures, employees in the unit will be entitled to family and medical leave required by federal and state law.

ARTICLE VIII **HEALTH AND WELFARE**

SECTION 8.01. BENEFITS PROVIDED AND REQUIRED. City shall provide a “cafeteria” plan. Each employee shall be required to participate in the following five plans to a level that provides for the employee:

- Hospital/medical care plan;
- Dental care plan;
- Vision care plan;
- Disability insurance plan, and;
- Life insurance plan.

Employees may request a waiver for medical, dental, or vision coverage from the Support Services Department. Such waiver may be granted only if the employee shows proof of other coverage through the employee’s spouse or registered domestic partner as defined in City of Merced Administrative Policy P-27, effective December 1, 2006. Should an employee who has obtained a waiver to this provision lose such alternative coverage, the employee shall notify the Support Services Department within five (5) business days and enroll in a City-provided insurance program. If waiver of coverage is granted, the allowances as outlined in Section 9.03 will be adjusted accordingly.

Participation for the employee’s dependents, and participation in other coverages offered, is optional.

SECTION 8.02. PLAN SELECTION AND EMPLOYEE BENEFIT COMMITTEE. The City shall provide a selection of employee health and welfare benefit coverages for eligible employees and retirees, including but not limited to at least two options each for hospital/medical care plan, dental care plan, vision care plan, life insurance plan, and disability insurance plan. The plans shall be selected solely by the City following review of proposals by the Employee Benefits Committee. For the purpose of this section, it is understood that the role of the Employee Benefits Committee is advisory to the City Council. The Committee shall be comprised of representatives of each of the City’s bargaining units and management.

SECTION 8.03. SCHEDULE OF ALLOWANCES PER PAY PERIOD. The City shall contribute an amount per bi-weekly pay period (based on twenty-six pay periods annually) as the Cafeteria Allowance Per Pay Period.

Effective December 18, 2017 (PP1) the per pay period cafeteria allowances are as follows:

Medical

Employee Only	\$ 228.16
Employee plus one	\$ 467.10
Employee plus two or more	\$ 686.60

Dental, Vision, Disability, and Life

Employee Only	\$ 33.28
Employee plus one	\$ 46.75
Employee plus two or more	\$ 66.54

Future health and welfare plan costs over the current cost (if any) will be shared by both the City and the employee. Any increase in the sum of core premiums necessary to purchase the above listed coverages will be shared (55/45) between the City and the employee with the City paying 55% of the increase and the employee paying 45% of the increase. The City's portion shall reflect an increase in the Cafeteria Per Pay Period. .

The employee shall be responsible for the balance of the premiums, if any, beyond the Cafeteria Allowance Per Pay Period. This applies for all insurance coverages selected, whether those coverages are part of the five (5) basic offerings in the cafeteria, or other selections.

Employee contributions may be made on a pre-tax basis if the employee elects to participate in the Section 125 plan.

"Core" means the basic offerings in the cafeteria listed in Section 9.01.

In order to avoid issues of adverse selection and recognizing the mutual interest of the City and the Association in avoiding escalation of insurance premium expenses, no employee shall receive cash back for having waived required coverage under Section 9.01, except that a unit member who is married and whose spouse is also a current City of Merced employee, accepted for waiver of medical coverage, shall receive cash back equal to twenty-five percent (25%) of the core medical premium for a single individual.

SECTION 8.04. MEDICAL/HEALTH, DENTAL AND VISION CARE COVERAGE AFTER RETIREMENT.

- A. In accordance with Administrative Policy and Procedure No. P-17, the City shall provide a hospital/medical care plan for eligible retirees. The hospital/medical

care plan shall be selected solely by the City and shall provide essentially the same benefits to retirees as are provided to full-time employees. An employee shall be considered a retiree of the City if the employee retires in the California Public Employees' Retirement System and his/her last active place of full-time employment within the system was with the City. All retirees are eligible except as provided below and shall receive hospital/medical care coverage under the following conditions:

1. The retiree is age 50 or over with at least ten (10) years of service with the City; or
2. Retiree is retired because of a service-connected disability; or
3. Retiree is retired because of a non-service connected disability with at least ten (10) years of service.

Spouse of eligible retiree may remain on the plan until the retiree is deceased. The spouse and retiree shall be responsible for payment of the premium for coverage of spouse.

New Unit employees hired after December 31, 2002 will not be entitled to receive the City's health/medical plan coverage after retirement.

- B. City Contribution. For those eligible retirees in retirement status prior to January 1, 2007, the City agrees to contribute the amount necessary to provide a comparable hospital/medical plan for each eligible retiree.

For those active unit members who retire after January 1, 2007 the City agrees to contribute the monthly premium for each eligible retiree capped at the following amounts: \$455.54 monthly for retirees over 65, and \$637.45 monthly for retirees under 65. The retiree shall pay any amount over the capped premium.

- C. Supplemental Retirement Medical Allowance. An employee retiring on or after January 1, 1999, and eligible for retirement medical benefits as provided in this Section, said retired employee and spouse and/or other dependents shall continue to be covered under the City's medical plan until both persons reach age 65. The City shall pay the premium for the retired employee, and the dependent(s) premium shall be the responsibility of the retired employee. At the age of 65, the City's medical plan shall be secondary to Medicare medical coverage or any other benefit coverage available to the retired employee and eligible spouse.
- D. An eligible employee who retires after August 1, 1998, and his/her spouse and/or dependents, shall be eligible to continue coverage under the City's dental and vision plans. The premiums shall be the responsibility of the retired employee. At the age of 65, or upon the dropping of coverage by the employee, or the death of

the eligible employee, the City's dental and vision plans will no longer be available to the retired employee and his/her eligible spouse and/or dependents.

ARTICLE IX

LEAVE FOR COURT APPEARANCE

SECTION 9.01. LEAVE FOR COURT APPEARANCE. An employee may be granted leave to perform jury duty or to appear as a witness under subpoena serving in the interests of the City. Jury duty includes preliminary jury selection procedures, appearance in court as a member of a jury panel, and appearance at a Coroner's inquest.

Employees shall not waive jury duty fees. A salaried employee who is absent for jury duty is paid his/her regular salary only if the employee remits the amount received for such duty to the City. If the employee elects to retain the jury duty fees, the employee's time off for jury duty is not compensable. The employee may elect to use vacation to cover the time off.

Payment for travel expenses and/or subsistence received by the employee on jury duty need not be remitted to the City.

Reference: Code of Civil Procedure, Section 200.

There is not a blanket exemption under which employees may be excused from jury duty. However, courts can make individual exemptions, at their discretion, if jury service would entail undue hardship on the person or the public served by the person. When appropriate, supervisors may request exemption of individual employees from jury duty when such service would entail undue hardship on the City.

ARTICLE X

LEAVES OF ABSENCE

SECTION 10.01. ARMED FORCES LEAVE. Leaves of absence for armed forces service shall be granted to employees in accordance with State law.

SECTION 10.02. BEREAVEMENT LEAVE. In the event of a death in the immediate family, an employee, upon request, shall be granted up to twenty-four (24) hours bereavement leave with pay without charge to accumulated sick leave or vacation. Upon request, the City Manager may grant an additional twenty-four (24) hours bereavement leave which shall be charged against the employee's accumulated sick leave in cases where extensive travel is required to attend the funeral.

SECTION 10.03. DEFINITION OF IMMEDIATE FAMILY. For the purposes of Section 11.02, the immediate family shall be restricted to father, mother, spouse, domestic

partner, child, brother, sister, or grandparent related by blood, marriage, or adoption, or a stepchild of the employee's current spouse.

SECTION 10.04. OTHER FUNERAL LEAVE. In the event of the death of a person not immediately related to an employee, as defined above, upon request, the employee's department head may grant up to sixteen (16) hours bereavement leave which shall be charged against the employee's sick leave credits.

SECTION 10.05. LEAVE OF ABSENCE WITHOUT PAY. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that it is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence.

SECTION 10.06. ELIGIBILITY. Employees may be eligible for a leave of absence without pay for compelling personal or medical reasons. Leave time shall not be considered time worked.

SECTION 10.07. APPROVAL. All requests for leaves of absence without pay shall be in writing. All leaves of absence without pay must be recommended by the department head and approved by the City Manager. No such leave may extend beyond twelve (12) months. Leaves of absence without pay may only be approved following the expiration of entitlements of sick leave and vacation where applicable.

SECTION 10.08. FRINGE BENEFITS DURING LEAVE OF ABSENCE (EXCLUDING MILITARY/ARMED FORCES LEAVE). Rights accrued to an employee at the time a leave of absence without pay is granted shall be retained by the employee. Benefits including, but not limited to, health/medical insurance, vision care, dental care, vacation, sick leave, holidays, retirement, time in step, salary increases, salary range/step increases, uniform allowance, and other absence without pay during the period of absence, and the City shall neither pay nor be required to pay any premiums or other costs which it would pay if the employee was at work.

SECTION 10.09. ABSENCE WITHOUT OFFICIAL LEAVE (AWOL). Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked or cancelled, or at the expiration of a leave, shall be considered an absence without official leave.

SECTION 10.10. VOLUNTARY RESIGNATION. Any employee in this unit absent without official leave for two (2) or more consecutive days or absent an aggregate of sixteen (16) hours in any calendar month without satisfactory explanation shall be deemed to have voluntarily resigned from the City of Merced.

ARTICLE XI

UNIFORMS

SECTION 11.01. UNIFORMS MAINTENANCE ALLOWANCE. Effective June 17, 2019 (PP14), the City agrees to provide a bi-weekly uniform maintenance allowance for each unit employee of \$40.38 required to wear a uniform. All applicable deductions will be subtracted from payments for uniform maintenance allowance and paid by employee.

ARTICLE XII

GRIEVANCE PROCEDURE

SECTION 12.01. DEFINITIONS. The following words used in this Article are defined as follows:

Grievance. A claimed violation, misapplication or misinterpretation of a specific provision of this Memorandum of Understanding which adversely affects the grievant.

Grievant. An employee who is filing a grievance. Any alleged violation, misapplication or misinterpretation that affects more than one employee in a similar manner may be consolidated and thereafter represented by a single grievance. The Association shall have the option to be considered as the grievant on any grievance that affects more than one employee.

Workday. A day in which the City's main administrative office is open for business.

SECTION 12.02. TIME LIMIT FOR FILING GRIEVANCE. A grievance shall be barred and not considered if based upon a condition or event which occurred or existed more than ten (10) workdays immediately prior to the date on which the grievance is first presented.

SECTION 12.03. PROCEDURE. The City and the Association agree to the following exclusive procedure of presenting and adjusting grievances that must be processed in accordance with the following steps, time limits and conditions.

SECTION 12.04. STEP ONE. The aggrieved employee shall discuss the matter with the employee's immediate supervisor. If the grievance is not settled within five (5) workdays following this discussion, the grievance, within such time, shall be reduced to writing on the form provided by the personnel department and submitted to the grievant's immediate supervisor. Within ten (10) workdays after receipt of the grievance, the immediate supervisor shall answer the grievance in writing.

SECTION 12.05. STEP TWO. The answer from the immediate supervisor shall be final unless the grievance is appealed in writing to the involved department head within five

(5) workdays from the date of the supervisor's written answer. The department head shall investigate and provide a written answer to the grievant within twenty (20) days.

SECTION 12.06. STEP THREE. The answer from the department head shall be final unless the grievance is appealed in writing to the Director of Support Services or designee within five (5) workdays from the date of the department head's written answer to Step Two. The Director of Support Services or designee shall discuss the grievance with the grievant or the Association representative at the time mutually agreeable to both parties. Within five (5) workdays after the close of discussion, the Director of Support Services or designee shall give his written answer.

SECTION 12.07. STEP FOUR. The answer from the Director of Support Services or designee shall be final unless the grievance is appealed in writing to the Personnel Board chairperson within five (5) workdays after receipt of the Director of Support Services' or designee's written answer in Step Three. The Personnel Board, after conducting such hearing, shall forward its recommendation to the City Manager for final determination. The City Manager, after consideration of the Personnel Board's recommendation, shall provide his written final determination to the aggrieved employee within ten (10) workdays.

SECTION 12.08. EFFECT OF TIME LIMITS. The parties agree to follow each of the foregoing steps in the processing of a grievance and if, in any step, the City's representative fails to give his/her written answer within the time limit therein set forth, the grievance shall automatically be transferred to the next step at the expiration of such time limit. Any grievance not moved by the grievant of the Association to the next step within the time limits provided following the City's answer will be considered settled on the basis of the City's last answer.

SECTION 12.09. EXTENSION OF TIME LIMITS. Extensions of days to answer or move a grievance may be extended by mutual written agreement.

SECTION 12.10. REPRESENTATION. Nothing contained in this Article shall be interpreted to preclude an employee from requesting a representative to be present at each step in the grievance procedure.

ARTICLE XIII

CITY RIGHTS

SECTION 13.01. CITY RIGHTS. It is understood and agreed that management reserves and retains all its inherent managerial rights, powers, function, and authorities which management had prior to entering into this Memorandum of Understanding unless and only to the extent that the provisions of this Memorandum of understanding specifically curtail or limit such rights, powers, functions, and authorities, subject to the right of an employee to grieve the practical consequences of a management right/decision on wages, hours, and other terms and conditions of employment.

SECTION 13.02. NO ABROGATION OF RIGHTS. The City and Association acknowledge that the management rights, including but not limited to those set forth in Section 1.05 of the Employer-Employee Organizations Relations Policy of the City of Merced, and all applicable state laws are neither abrogated nor made subject to negotiations by adoption of this Memorandum of Understanding.

SECTION 13.03. NO MODIFICATION OF CHARTER. This Memorandum of Understanding is not intended to, nor may it be construed to, modify the provisions of the Merced City Charter relating to Civil service or personnel administration.

ARTICLE XIV

NO STRIKE – ASSOCIATION OBLIGATIONS

SECTION 14.01. NO STRIKE. The Association, its officers, agents, members, and employees covered by this Agreement agree that so long as this Agreement is in effect, there shall be no strikes, partial or complete, sit-downs, slowdowns, stoppages or cessation of work, including actions of a sympathy nature, boycotts or any unlawful acts of any kind that interfere with the City's operations. Any violation of this provision may be made the subject of disciplinary action, including discharge. Only the fact as to whether or not an employee engaged in a violation of this article may be subject to the grievance provisions of this Agreement.

SECTION 14.02. OBLIGATIONS OF ASSOCIATION. In the event of any failure of Section 14.01 No Strike to operate effectively in any work stoppage, the Association, its officers, steward and agents, agree that they will immediately take and continue to take all reasonable steps to restore full operations.

ARTICLE XV

SCOPE OF AGREEMENT

SECTION 15.01. SCOPE OF AGREEMENT. For the term of this Agreement, this Memorandum of Understanding fully and completely incorporates the Understanding of the parties hereto and constitutes the sole and entire understanding between the parties regarding the provisions contained in this MOU; provided, however, that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

ARTICLE XVI

SEPARABILITY

SECTION 16.01. SEPARABILITY OF PROVISIONS. Every clause of this Agreement shall be deemed separable from every other clause of this Agreement and in the event

that any clause or clauses shall be finally determined to be in violation of any law by judgment or decree of any court of competent jurisdiction, then any such clause or clauses only, to the extent only that any may be in violation, shall be deemed unenforceable without impairing the validity and enforceability of the rest of this Agreement.

ARTICLE XVII **DURATION OF AGREEMENT**

SECTION 17.01. DURATION OF AGREEMENT. Except as otherwise set forth in this Memorandum of Understanding, the specific provisions of this Agreement shall be effective following City Council approval of new terms and conditions of employment.. and shall remain in full force and effect to and including December 31, 2019

ARTICLE XVIII **LAYOFF**

SECTION 18.01. LAYOFF.

1. In lieu of being laid off an employee may elect demotion ("bumping") to:
 - a. Any class in the same class series with a lower maximum salary;
 - b. A class in the same line of work (as determined by the City) as the class of layoff, but lesser responsibility, and with substantially the same or a lower maximum salary.
2. In order to bump to a new classification, the employee must have more seniority than the employee that will be displaced;
3. Seniority is determined by the total continuous service in the City. The following provisions apply in computing total continuous service:
 - a. Time spent on military leave shall count as service in the event the leave was taken subsequent to employment.
 - b. Time worked in regular and/or probationary status shall count as service; and
 - c. Time worked in an extra help, seasonal, provisional, temporary, grant or other limited term status, shall not count as service.
4. To be considered for demotion in lieu of layoff, an employee must notify the Personnel Manager within seven (7) calendar days of receipt of the notice of layoff.

5. In cases where there are two or more employees in a class from which the layoff is to be made, such employees shall be laid off in inverse order of seniority.
6. Employees bumping to a lower or similar class shall be placed at the salary step representing the least loss of pay, without exceeding the employee's current rate of pay.
7. The names of persons laid off or demoted in accordance with this policy shall be entered upon a re-employment list in the order of lay off. The City Manager and each department head shall use such list when a vacancy arises in the same or lower class.
8. Names of persons laid off shall be carried on a re-employment list for two (2) years, except that persons appointed to regular positions of the same or higher level shall be dropped from the list upon such appointment. Persons re-employed in a lower class, or on a temporary basis, shall be continued on the list for the higher position for the two (2) years.
9. Refusal of a person to accept the first offer of re-employment with the same classification or a classification at the same or higher range shall cause the name of that person to be dropped from the re-employment list. Failure of a person to respond within seven (7) workdays to the offer of re-employment shall be considered a refusal.
10. If the provisions of this policy are in conflict with the provisions of a memorandum of understanding, the MOU shall be controlling without further action.
11. An employee may not demote to a frozen position or a position that is being eliminated as part of the layoff, and an employee electing demotion must meet the minimum qualifications for the new classifications.

ARTICLE XIX

TOBACCO PRODUCT USE

SECTION 19.01. TOBACCO PRODUCT USE. The City of Merced declares a hiring policy which disqualifies habitual users of tobacco products from eligibility for employment. Employees hired for positions in the bargaining unit after January 1, 2006 (except reinstatements and re-hires after layoff after the effective date of this agreement) shall not be permitted to use any tobacco products, consistent with this policy. Failure to follow this policy will lead to disciplinary action, up to and including dismissal.

Employees hired into the bargaining unit prior to December 31, 2005 will be permitted to use tobacco products in a manner consistent with any restrictions established by State law, City administrative policy, and this agreement.

Under no circumstances shall any tobacco product be used at any time inside a City building or vehicle.

ARTICLE XX

AMERICANS WITH DISABILITIES ACT

SECTION 20.01. AMERICANS WITH DISABILITIES ACT. The City and the Association recognize that the City has an obligation under law to meet with individual employees who allege a need for reasonable accommodations in the workplace because of a disability. If by reason of the aforesaid requirement the City contemplates actions to provide reasonable accommodation to an individual employee in compliance with the ADA which are in potential conflict with any provision of this Memorandum of Understanding, the Association will be advised of any such proposed accommodation prior to implementation by the city.

DATED: _____

DATED: _____

FOR THE ASSOCIATION:

FOR THE CITY:

GARY MESSING
SPOKESPERSON

STEVE CARRIGAN
CITY MANAGER

ROBERT SOLIS

STEPHANIE DIETZ
ASSISTANT CITY MANAGER

REY ALVAREZ

DENEEN L. PROCTOR
DIRECTOR OF SUPPORT SERVICES

EDDIE DRUM

SHELLINE BENNETT
CITY SPOKESPERSON

JOE PEREZ

SIDE LETTER TO THE JANUARY 1, 2019 MOU
BETWEEN
THE CITY OF MERCED
AND
MERCED ASSOCIATION OF POLICE SERGEANTS

This is a Side Letter to the January 1, 2019 Memorandum Of Understanding ("MOU") between the City and MAPS.

This side letter is only effective for the term of the January 1, 2019 MOU and shall sunset on December 31, 2019 and have no force or effect following this date.

During the term of the January 1, 2019 MOU and contingent upon the City possibly having a final, completed compensation study being conducted by an outside vendor, upon written notice to the other party, either the City or Union may reopen negotiations for the sole purpose of discussing base wage increases only.

DATED: _____

DATED: _____

FOR THE ASSOCIATION:

FOR THE CITY:

GARY MESSING
SPOKESPERSON

STEVE CARRIGAN
CITY MANAGER

ROBERT SOLIS

STEPHANIE DIETZ
ASSISTANT CITY MANAGER

REY ALVAREZ

DENEEN L. PROCTOR
DIRECTOR OF SUPPORT SERVICES

EDDIE DRUM

SHELLINE BENNETT
CITY SPOKESPERSON

JOE PEREZ

ATTACHMENT A
MAPS WAGE SUMMARY
Effective PP14 - 6/17/2019

<u>CLASS</u>	<u>GRADE</u>	<u>TITLE</u>		<u>Step 1</u>		<u>Step 2</u>		<u>Step 3</u>		<u>Step 4</u>		<u>Step 5</u>
MP	680	POLICE SERGEANT	\$	\$7,325	\$	\$7,691	\$	\$8,076	\$	\$8,479	\$	\$8,903

All numbers have been rounded to the nearest \$1



ADMINISTRATIVE REPORT

Agenda Item H.14.

Meeting Date: 5/20/2019

Report Prepared by: Deneen Proctor, Director of Support Services

SUBJECT: Adoption of Resolution Approving a Memorandum of Understanding Between the City of Merced and the Merced Police Officers Association Regarding Pay, Hours and Other Terms and Conditions of Employment for the Period January 1, 2019 Through December 31, 2019

REPORT IN BRIEF

Considers approving a Memorandum of Understanding with between the City of Merced and the Merced Police Officers Association regarding pay, hours and other terms and conditions of employment for the period January 1, 2019 through December 31, 2019.

RECOMMENDATION

City Council - Adopt a motion approving **Resolution 2019-23**, a Resolution of the City Council of the City of Merced, California, approving Memorandum of Understanding with between the City and the Merced Police Officer Association; and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Deny; or
3. Refer back to staff with instructions.

AUTHORITY

Resolution No. 80-106 - Resolution of the City Council of the City of Merced establishing an Employer-Employee Organizations Relations Policy.

Meyer Milias Brown Act

CITY COUNCIL PRIORITIES

As provided for in the 2018-2019 Adopted Budget

DISCUSSION

The City's negotiations team and the Merced Police Officer Association have completed the collective bargaining process and have reached agreement on a contract. The contract is consistent with City Council direction and provides base wage increases and other benefits in accordance with the anticipated revenue forecast along with updating the Memorandum of Understanding language to

align with new state and federal laws. Therefore, staff recommends adoption of the Resolution approving the Memorandum of Understanding.

Some of the items agreed upon in this Memorandum of Understanding are as follows:

- Term: One Year - the term of the agreement shall be effective January 1, 2019 and shall remain in effect through December 31, 2019.
- Wage: Base wage increase of 2.5% will be effective the first pay period of the fiscal year.
- Wage reopener: Contingent upon the City having a final, completed compensation study, either the City or Association may reopen negotiations for consideration of base wage increases.
- Overtime: For the purposes of computing overtime; hours worked and time during which an employee is excused from work because of vacation, holiday, sick or authorized compensatory time off (CTO) shall be considered as time worked by the employee.
- Vacation: Additional hours of vacation will be granted to employees completing 15 years of service.
- Vacation Payout: Employees will have the option to annually cash out a maximum of 20 accrued vacation hours.

IMPACT ON CITY RESOURCES

The total impact of the MOU on General Fund, Community Facilities Districts and Measure C is approximately \$322,300. Funding has been included in the City Manager's Recommended FY 2019/2020 budget. No additional budget appropriation is necessary.

ATTACHMENTS

1. Resolution 2019-23
2. Merced Police Officers Association Memorandum of Understanding

RESOLUTION NO. 2019 - ____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
APPROVING MEMORANDUM OF
UNDERSTANDING WITH THE MERCED POLICE
OFFICERS ASSOCIATION**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE AS FOLLOWS:**

SECTION 1. That certain document entitled, "MEMORANDUM OF UNDERSTANDING BETWEEN AND FOR THE CITY OF MERCED AND MERCED POLICE OFFICERS ASSOCIATION," effective January 1, 2019, a copy of which is attached hereto and marked Appendix "A," is hereby approved and shall be effective from January 1, 2019 through December 31, 2019.

SECTION 2. All other resolutions or parts thereof inconsistent with Section 1 hereof are superseded.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2019, 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 4/24/19
City Attorney Date

MEMORANDUM OF UNDERSTANDING
BETWEEN AND FOR
CITY OF MERCED
AND
MERCED POLICE OFFICERS ASSOCIATION

January 1, 2019

Through

December 31, 2019

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made and entered into this 20th day of May, 2019 by and between the City of Merced, hereinafter referred to as the "City," and the Merced Police Officers Association, hereinafter referred to as the "Association."

ARTICLE I INTENT AND PURPOSE

SECTION 1.01. PURPOSES. The purposes of this Agreement are to assure the efficient and economical operation of the City; to secure and sustain maximum work effort of each employee covered by this Agreement; to maintain a harmonious relationship between the employees in the bargaining unit and the City; to establish wages, hours and working conditions; to prevent strikes, slowdowns, and any other disturbances which interfere with or interrupt operations; and to set forth the entire agreement between the City, the Association, and the employees covered by this Agreement concerning rates of pay, wages, and other conditions of employment to be observed by the parties hereto.

ARTICLE II RECOGNITION AND NON-DISCRIMINATION

SECTION 2.01. RECOGNITION. The City hereby recognizes the Association as the exclusive representative for the purpose of meeting and conferring with respect to wages, hours of employment and other working conditions, of all full-time and regular part-time law enforcement and law enforcement associated employees employed in the classified service by the City at its police department facilities; but excluding all employees and supervisors who are specifically represented in other units.

SECTION 2.02. NON-DISCRIMINATION. In accordance with Federal and State law the City prohibits discrimination and harassment against race, religion, color, age (40 and over), sex (including gender, gender identity, gender expression), national origin, ancestry, physical or mental disability, medical condition, genetic characteristics or information, marital status, sexual orientation (including homosexuality, bisexuality, or heterosexuality), military and veteran status, or any other basis protected by law.

SECTION 2.03. ASSOCIATION AFFILIATION. The City and the Association agree to protect the rights of all employees to exercise their free choice to join or refrain from joining the Association.

SECTION 2.04. ASSOCIATION RESPONSIBILITIES. The Association recognizes its responsibilities as representative for the purpose of meeting and conferring and agrees to represent all probationary and regular full-time employees in the unit without discrimination, interference, restraint or coercion.

ARTICLE III DUES DEDUCTION AND FORMS

SECTION 3.01. DUES DEDUCTION. During the term of this agreement, members of the unit may tender Association dues to the Association directly. If a member voluntarily signs a dues deduction authorization form authorizing the City to deduct Association dues from the employee's regular biweekly paycheck, the City will make said deduction provided the employee is on regular pay status and the employee's paycheck is sufficient to cover the amount of the dues.

The Association is solely responsible for distributing to, and collecting from, employees the dues deduction authorization forms. It is the employee's responsibility to submit requests to start or stop dues deductions directly to the Association and not to the City. The Association is responsible for maintaining the dues deduction forms from individual employees. Copies of an individual employee's dues deduction authorization need not be provide to the City unless a dispute arises about the existence or terms of the authorization. Questions regarding Association membership, dues amount, and payroll deductions must be directed to the Association and not the City.

The Association will provide the City an updated, certified dues deduction list of bargaining unit members who have provided written authorization for dues deductions. The City will deduct dues for only those employees who are in the bargaining unit in accordance with such certified list. The Association will immediately notify the City of any changes to employee's deduction including starting and stopping dues deductions, or validly cancelling or revoking a dues deduction authorization, and will provide the City within five (5) business days, an updated, certified dues deduction list noting any specific changes from the last list provided to the City. The City will implement the change(s) in the pay period following the City's receipt of such notification. The City will issues a check to the Association no later than 30 days after the deductions occur.

SECTION 3.02. WITHDRAWAL OF MEMBERSHIP. Withdrawal of membership shall only be allowed if the request for termination of payroll deductions is received by the Association in the month of January of any year.

SECTION 3.03. CERTIFICATION OF DUES. The Association shall certify to the Finance Officer the amount of Association monthly dues, including specific amounts of related charges for insurance or other programs. If the Association changes the amount of dues, each such change must be certified to City at least four (4) weeks prior to the change becoming effective.

SECTION 3.04. LIABILITY. If during the term of this Agreement any claims, charges or lawsuits are brought against City by any party over the matter of Association dues or Association dues deduction from members' paychecks, and/or withdrawal of membership, Association agrees to indemnify, defend, and hold the City harmless from

and against any and all claims or liability of any kind arising from this section and agrees to pay any and all costs of such claims, charges, lawsuits, damages or settlements, including reasonable attorney's fees to be determined by a court of competent jurisdiction. In addition, Association shall refund to City any amounts paid to it in error upon presentation of supporting evidence.

SECTION 3.05. ORIENTATION. The Association shall be provided notice by the City of the hire of any new employee in the bargaining unit and one Association member shall be permitted no more than 30 minutes of duty to provide the new hire orientation.

ARTICLE IV AUTHORIZED REPRESENTATIVES

SECTION 4.01. AUTHORIZED REPRESENTATIVES. For purposes of administering the terms and provisions of the various ordinances, resolutions, rules and regulations adopted with this Memorandum of Understanding, City's principal authorized agent shall be the Municipal Employees Relations Officer or his/her duly authorized representative, except where a particular management representative is otherwise designated; Association's principal authorized agent shall be the president of the Association or his/her duly authorized representative.

SECTION 4.02. TIME OFF FOR REPRESENTATIVES. City agrees to allow three (3) employee representatives of Association reasonable time off during regular work hours without loss of compensation or other benefits when formally meeting and conferring with representatives of City on matters within the scope of representation. Such time shall include reasonable preparation time as approved by the City Manager not to exceed two (2) hours per week. Executive Board Members of the Association shall be granted time off without loss of compensation to attend regular membership meetings and regular scheduled Executive Board meetings not to exceed two (2) per month. The schedule must be submitted to the Chief thirty (30) days in advance of the meetings.

SECTION 4.03. REPRESENTATION RELEASE TIME. City and Association agree that, as long as there is no disruption of work, any one of the officers of Association may be allowed reasonable release time away from his/her work duties, without loss of pay, to assist any unit employee or employees in investigation of facts and in presentation of a grievance. An officer of the Association may assist an employee of the unit only at such time as a grievance is reduced to writing.

In addition, the City agrees to allow three (3) employee representatives of the Association reasonable time off during regular work hours without loss of compensation or other benefits when testifying or appearing as the employee representative of the Association in conferences, hearings or other proceedings before the Public Employment Relations Board, or an agent thereof, in matters relating to a charge filed by the City against the Association or a charge filed by the Association against the City and testifying or appearing as the employee representative of the Association in matters

before the Personnel Board. The Association shall provide the City with at least ten (10) calendar days' notice when requesting time off pursuant to this paragraph.

SECTION 4.04. TIME AUTHORIZATION. Association agrees that employee representatives shall not leave their duty or workstation or assignment to engage in Association representation duties without reasonable approval of the department head or other authorized City management official.

ARTICLE V HOURS AND WORKING CONDITIONS

SECTION 5.01. WORKDAY, WORKWEEK, WORK PERIOD. For full-time sworn employees of the unit, the normal workday shall be eight (8), ten (10) or twelve (12) hours depending on assignment; the normal work period shall be eighty (80) hours during each fourteen (14) calendar days.

For full-time non-sworn employees the normal workday shall be eight (8) hours; the normal workweek shall be forty (40) hours; the normal work period shall be established by the City in compliance with the Fair Labor Standards Act. Employees may be assigned to an alternate work schedule by the Department Head. Approval of alternate work schedule shall be on a case by case basis and is not grievable.

SECTION 5.02. BULLETIN BOARD POSTING. Employees shall work a basic workweek according to the schedule prepared by the department head and posted on the department bulletin board no less than thirty (30) days prior to the effective date of the schedule.

SECTION 5.03. REST PERIODS.

- A. All employees, except Patrol, Traffic, and CSO's, shall be granted a rest period or coffee break limited to fifteen (15) minutes during each four (4) hours of regular work.
- B. Patrol, Traffic, and CSO's shall be granted a rest period or coffee break limited to twenty (20) minutes during each regular shift. Employees scheduled to work at least four (4) hours shall also be granted a twenty (20) minute rest period or coffee break.
- C. Rest periods shall not be scheduled within one (1) hour of the beginning or the ending of a work shift or lunch period.
- D. The department may make reasonable rules concerning rest period scheduling.

- E. No wage deduction shall be made and no time off shall be charged against employees taking authorized rest periods. Rest periods shall be considered hours worked and employees may be required to perform duties, if necessary. Rest periods not taken shall be waived and employees shall not accrue any rights or overtime for rest periods not taken.

SECTION 5.04. MEAL PERIOD. All employees normally shall be allowed a meal period of not less than thirty (30) minutes nor more than one (1) hour which shall be scheduled generally in the middle of the work shift. The department may make reasonable rules concerning meal period scheduling. Employees are not authorized to work through a meal period to make up for previous absences, to accrue overtime, to gain entitlement to an earlier quitting time, or for any other reason, unless the employees' assigned or mandated duties require otherwise.

SECTION 5.05. WORK SCHEDULE CHANGES. Within the basic categories of workday, workweek, work period, rest period and meal period, the department head, with the approval of the City Manager, shall have the discretion to modify work schedules to meet the needs of the City. When changes in schedules are anticipated, or immediately necessitated by emergency conditions, the department head shall give employees as much advance notice as is reasonably possible. For purposes of this agreement, emergency conditions are conditions involving real or potential loss of service or property or personal danger as determined by the management of the City.

SECTION 5.06. SHIFT CHANGE. Shift change shall be made twice annually: (1) the first day of the pay period immediately following January 5 of each year, and (2) the first day of the pay period immediately following July 5 of each year.

SECTION 5.07. SENIORITY. Seniority for shift assignment, as established in the General Order, Section 339.8 (previously Special Order Manual, Section S-4), shall be adhered to.

SECTION 5.08. OVERTIME-DEFINITION. Overtime for sworn employees is defined as assigned and authorized time worked beyond the established eighty (80) hours in a fourteen (14) day (biweekly) work period. Overtime for non-sworn employees is defined as assigned and authorized time worked beyond the established forty (40) hours in a work week.

SECTION 5.09. OVERTIME-COMPUTED. No sooner than the January 1, 2019, effective the first full pay period following City Council approval of this MOU, for the purpose of computing the number of hours worked, time during which an employee is excused from work because of a holiday, vacation, sick leave, authorized compensatory time off (CTO) shall be considered time worked by the employee.

SECTION 5.10. OVERTIME-BASIC RATE. Except as otherwise provided in this Memorandum of Understanding, compensation for assigned and authorized overtime

work in excess of eighty (80) hours in a work period for all sworn members and forty (40) hours in a work week for all non-sworn members of the unit shall be at a rate equivalent to one and one-half times the regular hourly rate.

SECTION 5.11. OVERTIME-DOUBLE TIME. Employees in the unit shall be reimbursed at a rate equivalent to two (2) times the regular hourly rate for overtime in connection with parades, dances, fairs, rodeos, special ceremonies and other special events when both of the following conditions occur: 1) when the assignments for such overtime are scheduled less than five (5) days in advance of the event, and 2) when the costs of such activities are reimbursed to the City by the sponsoring group or agency.

SECTION 5.12. OVERTIME FOR GUNNERY PRACTICE. Employees shall be compensated in accordance with the regular overtime provisions of this agreement for gunnery practice for scheduled shoots when such practice occurs during off-duty hours. Such practice shall not be considered callback.

SECTION 5.13. OVERTIME-CHRISTMAS/NEW YEAR'S. Employees in the unit shall be reimbursed at a rate equivalent to two (2) times the straight time hourly rate for any event listed in Section 5.11 Overtime-Double Time, when such event starts between 8:00 p.m. December 24 and 8:00 p.m. December 25, 8:00 p.m. December 31, and 8:00 p.m. January 1.

SECTION 5.14. COURT OVERTIME-DUTY DAY. Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), any member of the unit who is subpoenaed to appear in court in connection with their official duties on a regularly scheduled duty day, but during hours when he/she is not scheduled to be on duty, and as set forth in Section 5.15 Court Overtime-Day Off, and who reports to the court, shall receive a minimum of three (3) hours pay at a rate equivalent to one and one-half times the straight time hourly rate, or shall receive pay for the actual amount of time spent in court at a rate equivalent to one and one-half times the regular hourly rate, whichever is greater

SECTION 5.15. COURT OVERTIME-DAY OFF. Any member of the unit who is subpoenaed to appear in court in connection with their official duties on a regularly scheduled day off, and who reports to the court, shall receive a minimum of three (3) hours pay at a rate equivalent to one and one-half times the regular hourly rate. If the member does not testify in the morning but is advised by the Court that the matter has been continued to that same afternoon, and the member is required to testify that afternoon, he/she shall receive pay for the accrual amount of actual time spent in court testifying at a rate equivalent to one and one-half times the regular hourly rate in addition to the payment of the initial minimum three (3) hours pay.

If a member reports to court in connection with their official duties on a regularly scheduled day off, and begins testimony at that time, he/she shall receive a minimum of three (3) hours pay at a rate equivalent to one and one-half times the regular hourly rate, or shall

receive pay for the actual amount of time spent in court testifying at a rate equivalent to one and one-half times the regular hourly rate, whichever is greater.

SECTION 5.16. CALLBACK-DEFINITION. Callback work is defined as work required of an employee when such employee is not on his/her regular shift during the period that begins one (1) hour after the employee has left work and ends one (1) hour before the employee is scheduled to begin the next regular shift.

SECTION 5.17. CALLBACK PAY. Employees called back to work by the department head or his/her representative during the period specified in Section 5.15 Court Overtime-Day Off shall receive a minimum of three (3) hours pay at the appropriate rate.

SECTION 5.18. STANDBY OR ON-CALL. Except as otherwise provided in this Memorandum of Understanding, any member of unit assigned by the department head or his/her representative to stand by or be on call outside the regular duty schedule shall receive a standby or on-call allowance of one (1) hours pay at his/her straight time hourly rate for each accumulated eight (8) hours of such standby or on-call required. An employee on standby or on-call who is called back to work shall be paid in accordance with the provisions of Section 5.16 Callback Definition.

SECTION 5.19. COMPENSATORY TIME OFF (CTO). Sworn members of the unit who work over eighty (80) hours in a 14-day work period and non-sworn members who work over forty (40) hours in a work week may be given compensatory time off (CTO) in lieu of cash payment for overtime at the discretion of the department head. The time at which compensatory time off (CTO) may be taken will be in accordance with FLSA guidelines and after considering the preferences of the employee.

SECTION 5.20. COMPENSATORY TIME OFF (CTO) RATE. When CTO is authorized in lieu of cash payment for overtime, it shall be allowed and taken at the same rate that overtime is computed in accordance with the overtime sections of this agreement.

SECTION 5.21. COMPENSATORY TIME OFF (CTO)-MAXIMUM ACCRUAL. The maximum accrual of CTO hours is eighty (80) hours. Above the maximum accrual, all overtime worked shall be paid in cash. Employees may, once per quarter, elect to cash out up to forty (40) hours of CTO.

SECTION 5.22. COMPENSATORY TIME OFF (CTO)-PAYMENT. Prior to or upon resignation, termination or retirement, or by a promotion to an exempt position, a member of this unit shall be permitted to utilize accumulated CTO, or shall be paid the cash equivalent of the accumulated CTO, prior to the effective date of the resignation, termination or retirement. Employees may cash out any accrued CTO at the rate it is earned. CTO payment shall be made by separate check.

SECTION 5.23. GENERAL AUTHORIZATION. The amount of overtime work, callback work, standby, or on-call, and the method of reimbursement for such work, such as cash, time off, or a combination thereof, shall be determined through general policy of

the City Manager except as specifically abridged in this Memorandum of Understanding. No employee shall perform overtime work, callback work, standby, or on-call unless such work is authorized and directed by the department head or his/her representative, and no employee shall be paid for such overtime, callback, standby, or on-call unless the same shall be approved by the department head on the payroll sheet submitted at the end of the pay period in which the work was performed.

SECTION 5.24. HOLIDAYS. During the term of this agreement the following holidays are recognized as City holidays for pay purposes:

New Year's Day	The 1 st day of January
Martin Luther King, Jr. Day	The 3 rd Monday of January
Washington's Birthday	The 3 rd Monday of February
Memorial Day	The last Monday in May
Independence Day	The 4 th day of July
Labor Day	The first Monday in September
Veteran's Day	The 11 th day of November
Thanksgiving Day	The 4 th Thursday in November
Day After Thanksgiving	The day after the 4 th Thursday in November
Christmas Day	The 25 th day of December
Either Christmas Eve or New Year's Eve	As long as the department is adequately Staffed as determined by the Police Chief or Designee
One Floating Holiday	To be taken at the discretion of the Police Chief Or Designee. Available to be taken up to December 31 of each calendar year. Unit members hired after the second Monday in October shall not be eligible for Floating Holiday that calendar year.

When any day recognized as a holiday by the City falls on a Sunday, the following Monday shall be considered the holiday. When any day recognized as a holiday by the City falls on a Saturday, the preceding Friday shall be considered the holiday.

Martin Luther King Holiday will be reinstated, if successor MOU is approved by City Council prior to actual holiday. No retro payment.

SECTION 5.25. MODIFICATION OF HOLIDAY SCHEDULE. Subject to regulation and control of the City Manager, the department head may require any employee to work on any or all holidays. City agrees that the department head will not alter the regular schedule on holidays for police officers and police dispatchers assigned to the operations division.

SECTION 5.26. HOLIDAY PAY-DAY WORKED. Employees of the unit eligible for holiday benefits who are required to work on a day designated as a holiday shall be paid at the straight time rate for each hour worked during the first eight (8) hours of work on such holiday and, in addition, shall receive pay equal to and in lieu of time off at the straight time rate for the holiday.

SECTION 5.27. HOLIDAY PAY-DAY OFF. When a day designated as a holiday falls on a normally assigned day off of an employee of the unit who is eligible for holiday benefits, the employee shall receive additional pay equal to and in lieu of time off at the straight time hourly rate for the holiday.

SECTION 5.28. HOLIDAY PAY-LEAVE OF ABSENCE. Notwithstanding the provisions of Section 5.25 Modification of Holiday Schedule, an employee in the unit shall not receive holiday pay if he/she is on a leave of absence.

SECTION 5.29. HOLIDAY PAY – ADD TIME TO VACATION. Employees in the classes of Police Officer, Animal Control Officer, and Community Services Officer and Dispatcher may forfeit holiday pay for up to four holidays per year and add such time, with the approval of the department head and not to exceed four workdays (32 hours), to their vacation accumulation provided that the addition of these hours does not exceed the maximum number of vacation hours authorized to accumulate. When the employee takes such holiday time, it shall not be necessary to combine any of this holiday leave time with any vacation time.

ARTICLE VI WAGES

SECTION 6.01. WAGES. The City and the Association agree that the Pay Plan shall be amended for the classifications represented by the Association to reflect increases effective June 17, 2019 pay period 14 of (2.50%). Wages are listed in Attachment A, which is hereby incorporated in and made a part of this Memorandum of Understanding.

The proposal shall not be retroactive and is effective on a go forward basis no sooner than pay period 14 of 2019 following ratification by membership and approval of the MOU by the City Council, but no sooner than first full pay period after City Council approval.

SECTION 6.02. PAY FOR INVESTIGATIVE DUTY. During the time an employee in the classification of Police Officer is assigned to investigative duty, he/she shall be paid an additional amount per month equal to seven and one-half percent (7.5%) of officer's monthly base rate of pay. Up to two specialty pay differentials may be added to investigative assignment pay. Appointment to investigative duty assignment shall be for a five-year period. After any period of assignment, the employee's supervisor shall

make a written recommendation to the Police Chief regarding extension of the assignment. Two year extensions may be made at the discretion of the Police Chief. Any such assignment or extension is not vested and may be revoked at any time. Removal from investigative duty assignment for the purpose of departmental needs shall not be considered discipline. Assignments to investigative duty, DART, GVSU, FTO, MMNTF, and MMGTF are not stackable. As used in this section, "assigned" means performing the duty for thirty (30) or more consecutive workdays pursuant to an order or directive from a superior officer, either verbally or in writing.

Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), during the time an employee in the classification of Police Officer is assigned to a rotating investigative duty, he/she shall be paid an additional amount per month equal to seven and one-half percent (7.5%) of officer's monthly base rate of pay. Up to two specialty pay differentials may be added to the rotating investigative assignment pay. Appointment to the rotating investigative duty assignment shall be for a two-year period at the discretion of the Police Chief. After any period of assignment, the employee's supervisor shall make a written recommendation to the Police Chief regarding extension of the assignment. Assignments to rotating investigative duty, DART, GVSU, FTO, MMNTF, and MMGTF are not stackable. As used in this section, "assigned" means performing the duty for thirty (30) or more consecutive workdays pursuant to an order or directive from a superior officer, either verbally or in writing.

SECTION 6.03. FIELD TRAINING OFFICER PAY. An employee in the class of Police Officer who is assigned to Field Training Officer (FTO) duty shall be paid an additional amount per month equal to five percent (5%) of the officer's monthly base rate of pay. Up to two specialty pay differentials may be added to FTO assignment pay. No more than six (6) officers shall be assigned to FTO duty at any time. Assignments to investigative duty, DART, GVSU, FTO, MMNTF, and MMGTF are not stackable. As used herein, "assigned" means performing the duty for thirty (30) or more consecutive workdays pursuant to an order or directive from a superior officer either verbally or in writing.

SECTION 6.04. PAY FOR POST CERTIFICATE AND OTHER EDUCATION. The Professional Development program is available to all unit employees who have completed their initial 18-month probationary period.

Upon completion of a degree in Criminology or a related field, as approved by the Police Chief, and after City receipt of documentation of completion, an employee shall be paid for an AA or AS degree at a rate of \$100.00 per month, and \$200.00 per month for a BA or BS. These benefits are not stackable.

Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), employees in the classification of Police Officer who have received an Intermediate POST Certificate shall receive \$100.00 per month in addition to the regular base wages. Employees in the classification of Police Officer who have received an

Advanced POST Certificate shall receive \$200.00 per month in addition to regular base wages. These benefits are not stackable.

The POST Certificate payments may be stacked together with the educational degree payments.

Funding to offset the cost of coursework is outlined in the Educational and Tuition Reimbursement Policy, P-6. Approval for participation in the Educational and Tuition Reimbursement Program shall not be unreasonably denied.

Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), Dispatchers in the unit who have received an Intermediate POST Certificate shall receive \$50.00 per month in addition to regular base wages; and Dispatchers in the unit who have received an Advanced POST Certificate shall receive \$100.00 in addition to regular base wages. These benefits are not stackable.

SECTION 6.05. FILING POST CERTIFICATE. An employee becomes eligible for reimbursement for an Intermediate and/or Advanced POST Certificate on the first day of the pay period immediately following the filing of the Certificate in the Personnel Department.

SECTION 6.06. RETIREMENT. The City shall maintain in effect for all current sworn bargaining unit members the California Public Employees' Retirement System (CalPERS) three percent (3%) at fifty (50) benefit formula and two and one-half percent (2.5%) at fifty-five (55) benefit formula for all non-sworn employees.

The City shall implement a two-tiered retirement system, and all new sworn bargaining unit employees hired on or after December 12, 2012 shall be covered at three percent (3%) at fifty-five (55), if they are eligible for reciprocity as defined by CalPERS. "New Members", as defined by CalPERS shall be covered by the 2.7% at 57 benefit formula.

Non-sworn bargaining unit employees hired on or after December 10, 2012 shall be covered in the two percent (2%) at sixty (60) benefit formula, if they are eligible for reciprocity as defined by CalPERS. "New Members", as defined by CalPERS, shall be covered by the 2% at 62 benefit formula.

Participation in the CalPERS Retirement Program requires an employer and an employee contribution. Effective June 25, 2012 (PP14) unit members shall pay the entire employee contribution.

Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), the 1.95% portion of the employer contribution paid by non-sworn members of the group shall be eliminated.

Employee contributions shall be made by payroll deduction and shall be considered pre-tax contributions.

SECTION 6.07. SHIFT DIFFERENTIAL. Employees assigned to a shift or unit regularly scheduled to work four (4) hours or more between 5:00 p.m. and 12:00 a.m. shall receive one and one-half percent (1.5%) shift differential in addition to his/her base wage.

Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), employees assigned to a shift or unit regularly scheduled to work four (4) hours or more between 12:00 a.m. and 6:00 a.m. shall receive shift differential of three percent (3%) in addition to his/her base wage.

SECTION 6.08. SPECIALTY PAY FOR SWAT DUTY AND BOMB UNIT. During the time an employee in the classification of Police Officer is assigned to SWAT duty or to the Bomb Unit, he/she shall receive one and one-half percent (1.5%) differential in addition to his/her base wage. If an officer is assigned to more than one unit simultaneously, up to two specialty pay differentials shall be paid.

SECTION 6.09. SPECIALTY PAY FOR DEFENSIVE TACTICS INSTRUCTOR ASSIGNMENT. An employee in the classification of Police Officer or Senior Police Officer who conducts defensive tactics training shall receive one and one-half percent (1.5%) differential in addition to his/her base wage. If an officer is assigned to another unit simultaneously, up to two differentials shall be paid. Appointment to the Defensive Tactics Instructor assignment shall be for a period of five (5) years. After any period of assignment, the employee's supervisor shall make a written recommendation to the Police Chief regarding extension of the assignment. Two-year extensions may be made at the discretion of the Police Chief. Appointees may re-apply and compete for appointment at the expiration of their appointment.

SECTION 6.10. ASSIGNMENT PAY FOR CANINE HANDLERS. Employees assigned canine responsibilities shall be paid a maximum of ten (10) hours per month, at the overtime rate of one and one-half (1.5) time. Compensation shall be for time spent by officers on their off-duty time to feed and exercise the dog and to clean the kennel. Up to two specialty pay differentials may be added to canine assignment pay.

Appointment to Canine Handler assignment will last the life-of-dog. Upon retirement or death of the dog, the Canine Handler position shall be declared open for applications. The incumbent handler is eligible to apply and compete for the appointment.

Upon retirement of the dog, the dog's most recent Canine Handler shall be entitled to purchase the dog for \$1.00 (one-dollar). The Handler may be required by the City to maintain a liability insurance policy covering the dog up to \$250,000, naming the City as additional insured.

SECTION 6.11 ASSIGNMENT PAY FOR MOTORCYCLE OFFICERS. Police Officers assigned to motorcycle duty shall receive one paid administrative day (8 hours) per month, which shall not carry over to succeeding months. Compensation shall be for

time spent by officers on their off-duty time to perform motorcycle maintenance. Up to two specialty pay differentials may be added to motorcycle assignment pay.

Appointment to the motorcycle officer assignment shall be for a period of three (3) years. After any period of assignment, the employee's supervisor shall make a written recommendation to the Police Chief regarding extension of the assignment. Two year extensions may be made at the discretion of the Police Chief. Appointees may re-apply and compete for appointment at the expiration of their appointment.

SECTION 6.12. SPECIALTY PAY FOR CRIME SCENE RESPONSE TEAM ASSIGNMENT. An employee assigned to the Core Crime Scene Response Team (CSRT) shall receive one and one-half (1.5%) specialty pay differential in addition to his/her base wage. If an employee is assigned to another unit simultaneously, up to two specialty pay differentials shall be paid. Appointment to the Core CSRT assignment shall be for a period of five (5) years. After any period of assignment, the employee's supervisor shall make a written recommendation to the Police Chief regarding extension of the assignment. Two year extensions may be made at the discretion of the Police Chief. Employees who are not appointed to the Core CSRT, but who are temporarily required to respond as part of the CSRT, shall receive a five percent (5%) differential for the time actually worked on temporary CSRT assignment.

SECTION 6.13. BILINGUAL PAY. In accordance with administrative policies and procedures, employees in the unit required to speak or write in Spanish, or other eligible languages in addition to English, and including sign language, as part of the regular duties of his/her position shall be compensated at the following monthly rates in addition to the employee's rate of pay:

Verbal Skills Only	\$50.00
Written Skills Only	\$75.00
Verbal and Written Skills	\$100.00

The City Manager shall designate which languages shall be eligible for bilingual pay based on community needs and will determine the number of employees who will be eligible for bilingual pay based on community needs and will determine the number of employees who will be eligible for bilingual assignments.

SECTION 6.14. PAYROLL INFORMATION. City agrees to make good faith efforts to revise its payroll information system to show increased detail of deductions and pay types, including specialty pays and assignment pays.

SECTION 6.15. SPECIALTY PAY FOR DISRUPTIVE AREA RESPONSE TEAM. Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), an employee in the class of Police Officer who is assigned to the Disruptive Area Response Team (DART) shall be paid an additional amount per month equal to three percent (3%) of the officer's monthly base rate of pay. Appointment to DART shall be for a five (5) year period. After any period of assignment, the

employee's supervisor shall make a written recommendation to the Police Chief regarding extension of the assignment. Assignments to investigative duty, DART, GVSU, FTO, MMNTF, and MMGTF are not stackable. As used herein, "assigned" means performing the duty for thirty (30) or more consecutive workdays pursuant to an order or directive from a superior officer either verbally or in writing.

SECTION 6.16. SPECIALTY PAY FOR GANG VIOLENCE SUPPRESSION UNIT.

Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), an employee in the class of Police Officer who is assigned to the Gang Violence Suppression Unit (GVSU) shall be paid an additional amount per month equal to three percent (3%) of the officer's monthly base rate of pay. Appointment to GVSU shall be for a three (3) year period. After any period of assignment, the employee's supervisor shall make a written recommendation to the Police Chief regarding extension of the assignment. Two year extensions may be made at the discretion of the Police Chief. Appointees may re-apply and compete for appointment at the expiration of their appointment. Assignments to investigative duty, DART, GVSU, FTO, MMNTF, and MMGTF are not stackable. As used herein, "assigned" means performing the duty for thirty (30) or more consecutive workdays pursuant to an order or directive from a superior officer either verbally or in writing.

SECTION 6.17. SPECIALTY PAY FOR MERCED/MARIPOSA NARCOTICS TASK

FORCE. Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), an employee in the class of Police Officer who is assigned to the Merced/Mariposa Narcotics Task Force (MMNTF) shall be paid an additional amount per month equal to three percent (3%) of the officer's monthly base rate of pay. Appointment to the MMNTF shall be at the discretion of the Police Chief. Assignments to investigative duty, DART, GVSU, FTO, MMNTF, and MMGTF are not stackable. As used herein, "assigned" means performing the duty for thirty (30) or more consecutive workdays pursuant to an order or directive from the Police Chief.

SECTION 6.18. SPECIALTY PAY FOR MERCED/MARIPOSA GANG TASK FORCE.

Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), an employee in the class of Police Officer who is assigned to the Merced/Mariposa Gang Task Force (MMGTF) shall be paid an additional amount per month equal to three percent (3%) of the officer's monthly base rate of pay. Appointment to the MMGTF shall be at the discretion of the Police Chief. Assignments to investigative duty, DART, GVSU, FTO, MMNTF, and MMGTF are not stackable. As used herein, "assigned" means performing the duty for thirty (30) or more consecutive workdays pursuant to an order or directive from the Police Chief.

SECTION 6.19. DISPATCHER TRAINING PAY. Effective the first day of the full pay period following City Council approval of this MOU (no retroactivity), a Dispatcher shall be paid an additional amount per month equal to one and one half percent (1.5%) of the Dispatcher's monthly base rate of pay only when assigned by the Police Chief or designee to train a newly hired probationary Dispatcher.

ARTICLE VII VACATION AND SICK LEAVE

SECTION 7.01. CONTINUOUS SERVICE. For the purpose of this article, continuous service means service without any authorized break or interruption during the period for which the employee has been employed by the City. A break or interruption in continuous service shall be construed as a deliberate severance of employment initiated by either the City or the employee for periods of more than fifteen (15) calendar days.

SECTION 7.02. VACATION ACCRUAL. After the effective date of this agreement, all eligible employees shall earn vacation benefits in accordance with their length of continuous service as follows:

During the first 5 years of continuous service, full-time regular employees earn vacation benefits at the rate of 3.696 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 192.00 hours.

After the completion of 5 years of continuous service, full-time regular employees earn vacation benefits at the rate of 4.616 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 240.00 hours.

After the completion of 9 years of continuous service, full-time regular employees earn vacation benefits at the rate of 6.160 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 320.00 hours.

After the completion 15 years of continuous service, full-time regular employees earn vacation benefits at the rate of 6.928 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 360 hours. The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of the MOU by the City Council, but no sooner than the first full pay period after the City Council approval.

After the completion of 20 years of continuous service, full-time regular employees earn vacation benefits at the rate of 7.696 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 400.00 hours.

After the completion of 25 years of continuous service, full-time regular employees earn vacation benefits at the rate of 9.232 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 480.00 hours.

Part-time regular employees earn vacation benefits at a prorata rate.

SECTION 7.03. MAXIMUM VACATION ACCRUAL. When the maximum number of vacation hours is accumulated by an employee, vacation hours cease to accrue to that employee.

SECTION 7.04. VACATION PAYMENT. All employees of the unit will have the option to cash out up to a maximum of twenty (20) hours of accrued vacation time. Employees who elect to cash out vacation shall have a minimum balance of 100 accrued vacation hours prior to the cash out pay period and shall have completed their initial probationary period with the City of Merced. Vacation payment will take place once per year in the first period of December.

The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than first full pay period after City Council approval.

SECTION 7.05. HOLIDAYS DURING VACATION. A holiday which occurs during a scheduled vacation period, and which would have excused the employee from work, and for which no other compensation is made, shall be considered as taking the holiday and shall not be counted as a day of vacation.

SECTION 7.06. PAYMENT UPON SEPARATION. Employees who leave City employment shall be compensated for vacation accrued but not taken up to the date of separation.

SECTION 7.07. VACATION USE. Vacation used by an employee shall be charged against the vacation accrued on an hour-for-hour basis.

SECTION 7.08. SICK LEAVE ACCRUAL. All eligible employees shall earn sick leave benefits in accordance with their length of continuous service as follows:

Full-time regular employees shall earn sick leave benefits from the first day of employment at the rate of 3.696 hours each biweekly pay period of continuous service. Employees may accumulate sick leave benefits to a maximum of 1056.00 accrued sick leave hours.

Part-time employees shall earn sick leave benefits at a prorata rate.

SECTION 7.09. MAXIMUM SICK LEAVE ACCRUAL. When the maximum number of sick leave hours is accumulated by an employee, sick leave hours shall cease to accrue to that employee until they fall below accrual cap.

SECTION 7.10. SICK LEAVE DURING FIRST SIX MONTHS OF PROBATION. Sick leave with pay shall be used or authorized during the first thirteen (13) biweekly pay

periods of continuous service with the provision that, if the employee does not complete the probationary period, any sick leave used in excess of 3 days or 24 hours, whichever is greater, will be repaid at the pay rate that it was paid out.

SECTION 7.11. SICK LEAVE FOR IMMEDIATE FAMILY CARE. Each member of the unit eligible to use sick leave may use up to one-half of their annual accrued sick leave for the required care of a spouse, domestic partner, parent, child, sibling, grandparent, grandchildren, or domestic partner's child who is ill as defined by statute. Leave for this purpose may not be taken until it has actually accrued.

SECTION 7.12. SICK LEAVE UPON RESIGNATION OR DISMISSAL. An employee who resigns or is dismissed forfeits all further eligibility to any accrued but unused sick leave.

SECTION 7.13. SICK LEAVE UPON RETIREMENT. To the extent permitted by law, an employee who retires on an industrial disability, regardless of length of service, or an employee who is eligible for and retires in accordance with the PERS benefit plan shall be paid at the straight time hourly rate for fifty percent (50%) of the hours of accrued but unused sick leave. The remaining fifty percent (50%) of the hours of accrued but unused sick leave will be forfeited.

SECTION 7.14. PAYMENT OF EXCESS ACCRUED SICK LEAVE. In January of each year, employees who have accrued sick leave hours in excess of 960 as of the last pay period in the preceding December shall be paid at their straight time hourly rate for fifty percent (50%) of said hours in excess of 960, but the remaining fifty percent (50%) of hours in excess of 960 shall be forfeited.

SECTION 7.15. HOLIDAYS DURING SICK LEAVE. Holidays that occur during sick leave, and which would have excused the employee from work, and for which no other compensation is made, shall be considered as taking the holiday and shall not be counted as a day of sick leave.

SECTION 7.16. SICK LEAVE USE. Sick leave used by an employee shall be charged against the sick leave accrued on an hour-for-hour basis.

SECTION 7.17. SICK LEAVE VERIFICATION. Sick leave is intended to be used only when actually required to recover from illness or injury, or as time off for medical and dental appointments to the extent that such appointments cannot be scheduled outside of the workday. Employees may request accrued vacation time off to cover other personal absences not covered by this policy. The City will not tolerate abuse or misuse of sick leave privileges. In order to assure compliance by employees of the sick leave privilege and to refrain from creating undue requirements on all employees for the actions of a few, the City will consider and require verification of potential sick leave abuse on a case-by-case basis in accordance with the law. In instances where abuse is suspected, or sick leave use indicates a pattern of abuse, the department head may require written verification by means of a physician's statement.

In determining whether or not sick leave abuse exists with respect to this Article, no verified illness will be considered.

Abuse of sick leave may be subject to disciplinary actions.

SECTION 7.18. FAMILY AND MEDICAL LEAVE ACT. In accordance with administrative policies and procedures, employees in the unit shall be entitled to family and medical leave required by federal and state law.

ARTICLE VIII HEALTH AND WELFARE

SECTION 8.01. BENEFITS PROVIDED AND REQUIRED. City shall provide a “cafeteria” plan. Each employee shall be required to participate in the following five plans to a level that provides for the employee:

- Hospital/medical care plan,
- Dental care plan,
- Vision care plan,
- Disability insurance plan,
- Life insurance plan.

Employees may request a waiver for medical, dental, or vision coverage from the Support Services Department. Such waiver may be granted only if the employee shows proof of other coverage through the employee’s spouse, or registered domestic partner as defined in City of Merced Administrative Policy P-27, effective December 1, 2006. Should an employee who has obtained a waiver to this provision lose such alternative coverage, the employee shall provide proof to the Support Services Department within five (5) business days and enroll in a City-provided insurance program. If waiver of coverage is granted the allowances as outlined in Section 9.03 will be adjusted accordingly.

Participation for the employee’s dependents, and participation in other coverages offered, is optional.

SECTION 8.02. PLAN SELECTION AND EMPLOYEE BENEFIT COMMITTEE. The City shall provide a selection of employee health and welfare benefit coverages for eligible employees and retirees, including but not limited to at least two options each for hospital/medical care plan, dental care plan, vision care plan, life insurance plan, and disability insurance plan. The plans shall be selected solely by the City following review of proposals by the Employee Benefits Committee. For the purpose of this section, it is understood that the role of the Employee Benefits Committee is advisory to the City Council. The Committee shall be comprised of representatives of each of the City’s bargaining units and management.

SECTION 9.03. SCHEDULE OF ALLOWANCES PER PAY PERIOD. The City shall contribute an amount per bi weekly pay period (based on twenty-six pay periods annually) as the Cafeteria Allowance Per Pay Period.

Effective December 18, 2017 (PP1) the per pay period cafeteria allowances are as follows:

Medical

Employee Only	\$230.84
Employee plus one	\$472.71
Employee plus two or more	\$694.89

Dental, Vision, Disability, and Life

Employee Only	\$33.28
Employee plus one	\$46.75
Employee plus two or more	\$66.54

Future health and welfare plan costs over the current cost (if any) will be shared by both the City and the employee. Any increase in the sum of core premiums necessary to purchase the above listed coverages will be shared (55/45) between the City and the employee with City paying 55% of the increase and the employee paying 45% of the increase. The City's portion shall reflect an increase in the Cafeteria Per Pay Period. The employee shall be responsible for the balance of the premiums, if any, beyond the Cafeteria Allowance Per Pay Period. This applies for all insurance coverages selected, whether those coverages are part of the five (5) basic offerings in the cafeteria, or other selections.

Employee contributions may be made on a pre-tax basis if the employee elects to participate in the Section 125 plan.

"Core" means the basic offerings in the cafeteria listed in Section 9.01.

In order to avoid issues of adverse selection and recognizing the mutual interest of the City and the Association in avoiding escalation of insurance premium expenses, no employee shall receive cash back for having waived required coverage under Section 9.01, except that a unit member who is married and whose spouse is also a current City of Merced employee, accepted for waiver of medical coverage, shall receive cash back equal to twenty-five percent (25%) of the core medical premium for a single individual.

SECTION 8.04. MEDICAL/HEALTH, DENTAL AND VISION CARE COVERAGE AFTER RETIREMENT.

- A. In accordance with Administrative Policy and Procedure No. P-17 the City shall provide a hospital/medical care plan for eligible retirees. The hospital/medical care plan shall be selected solely by the City and shall provide essentially the same benefits to retirees as are provided to full-time employees. An employee shall be considered a retiree of the City if the employee retires in the California

Public Employees' Retirement System and his/her last active place of full-time employment within the system was with the City. All retirees are eligible except as provided below and shall receive hospital/medical care coverage under the following conditions:

1. The retiree is age 50 or over with at least ten (10) years of service with the City; or
2. Retiree is retired because of a service-connected disability; or
3. Retiree is retired because of a non-service connected disability with at least ten (10) years of service.

Spouse of eligible retiree may remain on the plan until the retiree is deceased. The spouse and retiree shall be responsible for payment of the premium for coverage of spouse.

New unit employees hired after December 31, 2002 will not be entitled to receive the City's health/medical plan coverage after retirement.

- B. **City Contribution.** For those eligible retirees in retirement status prior to January 1, 2007, the City agrees to contribute the amount necessary to provide a comparable hospital/medical plan for each eligible retiree.

For those active unit members who retire after January 1, 2007, the City agrees to contribute the monthly premium for each eligible retiree capped at the following amounts: \$390.55 monthly for Retirees over 65, and \$546.51 monthly for Retirees under 65. The Retiree shall pay any amount over the capped premium.

- C. **Supplemental Retirement Medical Allowance.** An employee retiring on or after January 1, 1999, and eligible for retirement medical benefits as provided in this Section, said retired employee and spouse and/or other dependents shall continue to be covered under the City's medical plan until both persons reach age 65. The City shall pay the premium for the retired employee, and the dependent(s) premium shall be the responsibility of the retired employee. At the age of 65, the City's medical plan shall be secondary to Medicare medical coverage or any other benefit coverage available to the retired employee and eligible spouse.
- D. An eligible employee who retires after August 1, 1998, and his/her spouse and/or dependents, shall be eligible to continue coverage under the City's dental and vision plans. The premiums shall be the responsibility of the retired employee. At the age of 65, or upon the dropping of coverage by the employee, or the death of the eligible employee, the City's dental and vision plans will no longer be available to the retired employee and his/her eligible spouse and/or dependents.

ARTICLE IX
LEAVE FOR COURT APPEARANCE

SECTION 9.01. LEAVE FOR COURT APPEARANCE. An employee may be granted leave to perform jury duty or to appear as a witness under subpoena, as provided by law. Section 15.02 of the Personnel Rules and Regulations shall govern compensation of subpoenaed employees.

ARTICLE X
LEAVES OF ABSENCE

SECTION 10.01. ARMED FORCES LEAVE. Leaves of absence for armed forces service shall be granted employees in accordance with State and Federal law.

SECTION 10.02. BEREAVEMENT LEAVE. In the event of a death in the immediate family, an employee, upon request, shall be granted up to twenty-four (24) hours bereavement leave with pay without charge to accumulated sick leave or vacation. An additional twenty-four (24) hours bereavement leave shall be granted upon request of the employee, if sufficient accrued hours are available, in cases where extensive travel is required to attend the funeral, or where other extenuating circumstances require attendance of the employee for additional time. Such additional bereavement leave shall be charged against the employee's accumulated sick leave.

SECTION 10.03. DEFINITION OF IMMEDIATE FAMILY. For the purposes of Section 10.02, the immediate family shall be restricted to father, mother, spouse, domestic partner, child, brother, sister, or grandparent related by blood, marriage, or adoption, or a stepchild of the employee's current spouse.

SECTION 10.04. OTHER FUNERAL LEAVE. In the event of the death of a person not immediately related to an employee, as defined above, upon request, the employee's department head may grant up to sixteen (16) hours bereavement leave which shall be charged against the employee's sick leave credits.

SECTION 10.05. LEAVE OF ABSENCE WITHOUT PAY. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that it is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence.

SECTION 10.06. ELIGIBILITY. Employees may be eligible for a leave of absence without pay for compelling personal or medical reasons. Leave time shall not be considered time worked.

SECTION 10.07. APPROVAL. All requests for leaves of absence without pay shall be in writing. All leaves of absence without pay must be recommended by the department head and approved by the City Manager. No such leave may extend beyond twelve (12) months. Leaves of absence without pay may only be approved following the expiration of entitlements of sick leave and vacation where applicable.

SECTION 10.08. FRINGE BENEFITS DURING LEAVE OF ABSENCE (EXCLUDING MILITARY/ARMED FORCES LEAVE). Rights accrued to an employee at the time a leave of absence without pay is granted shall be retained by the employee. Benefits including, but not limited to, health/medical insurance, vision care, dental care, vacation, sick leave, holidays, retirement, time in step, seniority accrual, salary increases, salary range/step increases, uniform allowance, and other similar benefits shall not be granted or accrued to a person on an approved leave of absence without pay during the period of absence, and the City shall neither pay nor be required to pay any premiums or other costs which it would pay if the employee was at work. The employee may obtain health/medical insurance coverage through COBRA at their own expense.

SECTION 10.09. ABSENCE WITHOUT OFFICIAL LEAVE (AWOL). Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked or cancelled, or at the expiration of a leave, shall be considered an absence without official leave.

SECTION 10.10. VOLUNTARY RESIGNATION. Any employee in this unit absent without official leave for two (2) or more consecutive days or absent an aggregate of sixteen (16) hours in any calendar month without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Merced.

ARTICLE XI UNIFORMS

SECTION 11.01. UNIFORM MAINTENANCE ALLOWANCE. Effective June 17, 2019 (pay period 14), the City agrees to provide a uniform maintenance allowance of \$40.38 biweekly for Senior Police Officers and Police Officers, and \$32.92 bi-weekly for all other uniformed personnel. All applicable deductions will be subtracted from payments for uniform maintenance allowance and paid by employee.

Probationary employees will be provided two uniform pants, two short-sleeved shirts, two long-sleeved shirts, and a jacket at the time of hire. At the new-hire employee's one-year anniversary, the City shall provide the balance of the uniform allowance, if any, from the prior year. Thereafter, the employee shall receive the appropriate bi-weekly allowance commencing with the first full pay period following the anniversary of the date of hire.

SECTION 11.02. SPECIAL UNIFORM/EQUIPMENT FURNISHED. The City agrees to furnish initially one set of the required special equipment of helmet, boots, gloves, jacket

or riding suit, and two pair of pants to each police officer assigned to motorcycle duty. The equipment shall remain the property of the City. Replacement of worn or damaged equipment shall be the responsibility of the employee. In addition, on an annual basis for the term of this agreement, City agrees to purchase and provide one pair of pants to each police officer assigned to motorcycle duty.

ARTICLE XII GRIEVANCE PROCEDURE

SECTION 12.01. DEFINITIONS. The following words used in this Article are defined as follows:

Grievance. A claimed violation, misapplication or misinterpretation of a specific provision of this Memorandum of Understanding which adversely affects the grievant.

Grievant. An employee who is filing a grievance. Any alleged violation, misapplication or misinterpretation that affects more than one employee in a similar manner may be consolidated and thereafter represented by a single grievance. The Association shall have the option to be considered as the grievant on any grievance that affects more than one employee.

Workday. A day in which the City's main administrative office is open for business.

SECTION 12.02. TIME LIMIT FOR FILING GRIEVANCE. A grievance shall be barred and not considered if based upon a condition or event which occurred or existed more than ten (10) workdays immediately prior to the date on which the grievance is first presented.

SECTION 12.03. PROCEDURE. The City and the Association agree to the following exclusive procedure of presenting and adjusting grievances that must be processed in accordance with the following steps, time limits and condition.

SECTION 12.04. STEP ONE. The aggrieved employee shall discuss the matter with the employee's immediate supervisor. If the grievance is not settled within five (5) workdays following this discussion, the grievance, within such time, shall be reduced to writing on the form provided by the Personnel Department and submitted to the grievant's immediate supervisor. Within ten (10) workdays after receipt of the written grievance, the immediate supervisor shall answer the grievance in writing.

SECTION 12.05. STEP TWO. The answer from the immediate supervisor shall be final unless the grievance is appealed in writing to the involved department head within five (5) workdays from the date of the supervisor's written answer. The department head shall investigate and provide a written answer to the grievant within twenty (20) days.

SECTION 12.06. STEP THREE. The answer from the department head shall be final unless the grievance is appealed in writing to the Director of Support Services or designee within five (5) workdays from the date of the department head's written answer to Step Two. The Director of Support Services or designee shall discuss the grievance with the grievant or the Association representative at a time mutually agreeable to both parties. Within five (5) workdays after the close of discussion, the Director of Support Services or designee shall give his written answer.

SECTION 12.07. STEP FOUR. The answer from the Director of Support Services or designee shall be final unless the grievance is appealed in writing to the Personnel Board Chairperson within five (5) workdays after receipt of the Director of Support Services' or designee's written answer in Step Three. The Personnel Board, after conducting such hearing, shall forward its recommendation to the City Manager for final determination. The City Manager, after consideration of the Personnel Board's recommendation, shall provide his written final determination to the aggrieved employee within ten (10) workdays.

SECTION 12.08. EFFECT OF TIME LIMITS. The parties agree to follow each of the foregoing steps in the processing of a grievance and if, in any step, the City's representative fails to give his/her written answer within the time limit therein set forth, the grievance shall automatically be transferred to the next step at the expiration of such time limit. Any grievance not moved by the grievant or the Association to the next step within the time limits provided following the City's answer will be considered settled on the basis of the City's last answer.

SECTION 12.09. EXTENSION OF TIME LIMITS. Extensions of days to answer or move a grievance may be extended by mutual written agreement.

SECTION 12.10. REPRESENTATION. Nothing contained in this Article shall be interpreted to preclude an employee from requesting a representative to be present at each step in the grievance procedure.

ARTICLE XIII CITY RIGHTS

SECTION 13.01. CITY RIGHTS. It is understood and agreed that management reserves and retains all its inherent managerial rights, powers, functions, and authorities which management had prior to entering into this Memorandum of Understanding, limited by those provisions of this Memorandum of Understanding which specifically curtail or limit such rights, powers, functions, and authorities, and by the Meyers-Milias-Brown Act; and subject to the right of an employee to grieve the practical consequences of a management right/decision on wages, hours, and other terms and conditions of employment.

SECTION 13.02. NO ABROGATION OF RIGHTS. The City and Association acknowledge that the management rights, including but not limited to those set forth in Section 1.05 of the Employer-Employee Organizations Relations Policy of the City of Merced, and all applicable State laws are neither abrogated nor made subject to negotiation by adoption of this Memorandum of Understanding.

SECTION 13.03. SUPREMACY OF CHARTER. In the event of any conflict between the provisions of this Memorandum of Understanding and the Merced City Charter, the provisions of the Merced City Charter shall govern.

ARTICLE XIV PERFORMANCE EVALUATION

SECTION 14.01. PERFORMANCE EVALUATION. The City and the Association agree that the appropriate supervisory personnel of the City are responsible for preparing periodic reports as to the progress, capacity, efficiency, competency, suitability, conduct and merit of its employees. It is the responsibility of each supervisor to establish realistic achievement levels.

SECTION 14.02. PERFORMANCE REPORT REVIEW OF EMPLOYEE. The City and the Association agree that one of the prime benefits of a performance reporting system is that it can bring together the employee and the supervisor in a frank and constructive discussion and appraisal of the employee's work, achievement levels, and the specific ways in which they may be improved. The City and the Association agree that each performance report shall be discussed with the employee to point out areas of successful performance and areas where performance can be improved or where it is unacceptable. The City and the Association agree that the employee shall be encouraged to comment about his/her work performance, either in a written statement attached to the report or verbally.

SECTION 14.03. ADDITIONAL REVIEW OF PERFORMANCE REPORT. The City and the Association agree that when an employee has concerns about one or more ratings of the performance report developed by the supervisor, the employee shall be granted an opportunity to review and discuss the performance report with appropriate supervisors in the chain of command, up to and including the department head. The conclusions of the department head shall be final and shall not be appealable or reviewable as a grievance.

SECTION 14.04. SIGNATURE ON PERFORMANCE REPORT. The City and the Association agree that the employee's signature on the performance report acknowledges that he/she is aware of its contents and has discussed the report, but does not necessarily mean the employee agrees fully with the contents of the report and may so state on the report before signing it.

SECTION 14.05. PUNITIVE ACTION. The City and the Association agree that the City shall not take punitive action against an employee solely because of a performance evaluation. For purposes of this agreement, punitive action consists of dismissal, suspension, demotion, an official letter of reprimand, or reduction in class or salary.

ARTICLE XV NON-SWORN EMPLOYEE RIGHTS

SECTION 15.01. POLYGRAPH. The City and the Association agree that an employee shall not be compelled to submit to a polygraph examination against his/her will. No disciplinary action or other recrimination shall be taken against an employee refusing to submit to a polygraph examination, nor shall any testimony or evidence be admissible at a subsequent hearing, trial, or proceeding, judicial or administrative, to the effect that employee refused to take a polygraph examination.

SECTION 15.02. LOCKER SEARCH. The City and the Association agree that the City shall have the right to search an employee's locker or other space provided to him/her by City for storage. No search shall take place unless in the employee's presence or with his/her consent, or unless the employee has received notice that a search will be conducted.

SECTION 15.03. PERSONNEL FILE. The City and the Association agree that an employee shall not have any comment adverse to his/her interest entered in his/her personnel file without the employee having first read and signed the instrument containing the adverse comment indicating he is aware of such comment, except that such entry may be made if after reading such instrument the employee refuses to sign it. Should an employee refuse to sign, that fact shall be noted on that document. An employee shall have 5 (five) business days within which to file a written response to any adverse comment entered in his/her personnel file. Such written response shall be attached to, and shall accompany, the adverse comment.

SECTION 15.04. INTERROGATION. The City and the Association agree that when any employee is under investigation and subjected to interrogation by his/her supervisor, or any other member of the City, which could lead to disciplinary action, such interrogation shall be conducted under the following conditions. For the purpose of this section, disciplinary action is defined as any action that may lead to dismissal, demotion or suspension.

- A. Upon the filing of a formal written statement of charges, or whenever an interrogation focuses on matters which could result in disciplinary action against any employee, that employee, at his/her request, shall have the right to be represented by a representative of his/her choice who may be present at all times during such interrogation. The representative shall not be a person subject to the same investigation. The representative shall not be required to disclose,

or be subject to, any disciplinary action for refusing to disclose any information received from the employee under investigation for non-criminal matters.

- B. This section shall not apply to any interrogation of an employee in the normal course of duty, counseling, instruction, or informal verbal admonishment by, or other routine or unplanned contact with, a supervisor or any other employee, nor shall this section apply to an investigation concerned solely and directly with alleged criminal activities.

ARTICLE XVI NO STRIKE – ASSOCIATION OBLIGATIONS

SECTION 16.01. NO STRIKE. The Association, its officers, agents, members, and employees covered by this Agreement agree that so long as this Agreement is in effect, there shall be no strikes, partial or complete, sit-downs, slowdowns, mass absenteeism, stoppages or cessation of work, including any unlawful acts of any kind that interfere with the City's operations. In the event that any concerted action as described above occurs, Association will notify the members that such activity is in violation of this Memorandum of Understanding and the Association will notify the members that such concerted action shall cease and the members shall return to work. Any violation of this provision may be made the subject of disciplinary action, including discharge. Only the fact as to whether or not an employee engaged in a violation of this article may be subject to the grievance provisions of this Agreement.

SECTION 16.02. OBLIGATIONS OF ASSOCIATION. In the event of any failure of Section 16.01 to operate effectively in any work stoppage, the Association, its officers, stewards and agents, agree that they will immediately take and continue to take all reasonable steps to restore full operations.

ARTICLE XVII SCOPE OF AGREEMENT

SECTION 17.01. SCOPE OF AGREEMENT.

- A. For the term of this Agreement, this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire understanding between the parties regarding the provisions contained in this MOU; provided, however, that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.
- B. Any agreement, alteration, understanding, waiver or modification of any of the terms or provisions contained in this Memorandum shall not be binding on the

parties unless made and signed by all of the parties to this Memorandum, and approved and implemented by the City Council.

- C. The waiver of any breach, term or condition of this Memorandum by either party shall not constitute a precedent in the future enforcement of any or all of its terms and provisions.

ARTICLE XVIII SEPARABILITY

SECTION 18.01. SEPARABILITY OF PROVISIONS. Every clause of this Agreement shall be deemed separable from every other clause of this Agreement and in the event that any clause or clauses shall be finally determined to be in violation of any law by judgment or decree of any court of competent jurisdiction, then any such clause or clauses only, to the extent only that any may be in violation, shall be deemed unenforceable without impairing the validity and enforceability of the rest of this Agreement.

ARTICLE XIX PERSONNEL RULES AND REGULATIONS

SECTION 19.01. PERSONNEL RULES AND REGULATIONS. The City and the Association have met and conferred on the March 1989 Personnel Rules and Regulations and exceptions to those Rules and Regulations are contained in this Memorandum of Understanding.

ARTICLE XX DURATION OF AGREEMENT

SECTION 20.01. DURATION OF AGREEMENT. Except as otherwise set forth in this Memorandum of Understanding, the specific provisions of this Agreement shall be effective following City Council approval of new terms and conditions of employment. and shall remain in full force and effect to and including December 31,2019.

ARTICLE XXI LAYOFF

SECTION 21.01. LAYOFF.

1. In lieu of being laid off an employee may elect demotion ("bumping") to:
 - A. Any class in the same class series with a lower maximum salary;

- B. A class in the same line of work (as determined by the City) as the class of layoff, but of lesser responsibility, and with substantially the same or a lower maximum salary.
- 2. In order to bump to a new classification, the employee must have more seniority than the employee that will be displaced.
- 3. The employee bumping to a new classification must have held that classification at some time in his/her career.
- 4. Seniority is determined by the time in the class from which the employee is bumping, plus time in any higher classification in the same series. The following provisions apply in computing seniority:
 - A. Time spent on military leave shall count as service in the event the leave was taken subsequent to employment;
 - B. Time worked in regular and/or probationary status shall count as service;
 - C. Time worked in an extra help, seasonal, provisional, temporary, grant or other limited term status, shall not count as service.
- 5. To be considered for demotion in lieu of layoff, an employee must notify the Personnel Manager within seven (7) calendar days of receipt of the notice of layoff.
- 6. In cases where there are two or more employees in a class from which the layoff is to be made, such employees shall be laid off in inverse order of seniority, with seniority defined as time in the class from which the layoff is to be made plus time in any higher classification in the same series.
- 7. Employees bumping to a lower or similar class shall be placed at the salary step representing the least loss of pay, without exceeding the employee's current rate of pay.
- 8. The names of persons laid off or demoted in accordance with this policy shall be entered upon a re-employment list in the order of lay off. Such list shall be used by the City Manager and each department head when a vacancy arises in the same or lower class.
- 9. Names of persons laid off shall be carried on a re-employment list for two (2) years, except that persons appointed to regular positions of the same or higher level shall be dropped from the list upon such appointment. Persons re-employed in a lower class, or on a temporary basis, shall be continued on the list for the higher position for the two (2) years.

10. Refusal of a person to accept the first offer of re-employment with the same classification or a classification at the same or higher range shall cause the name of the person to be dropped from the re-employment list. Failure of a person to respond within seven (7) work days to the offer of re-employment shall be considered a refusal.
11. If the provisions of this policy are in conflict with the provisions of a memorandum of understanding, the MOU shall be controlling without further action.
12. An employee may not demote to a frozen position or a position that is being eliminated as part of the layoff, and an employee electing demotion must meet the minimum qualifications for the new classification.
13. Non-unit employees may only bump into previously held classifications.

ARTICLE XXII RETIREEES' MEDICAL TRUST

SECTION 22.01 RETIREEES' MEDICAL TRUST. The City and the Association agree to meet and confer during the contract term with respect to the possible establishment, by the Association, of a retiree medical trust, to be administered by the Association for the benefit of its separated employees. Such a trust may be implemented by the Association during the contract term if agreed upon by the parties, and if the Association's plan results in no cost to the City (other than minor costs associated with payroll deductions and transmittals of such funds to the trust) and the plan presented is legally sound. The Association agrees to incorporating a clause indemnifying, defending and holding harmless the City, if the retiree medical trust is agreed upon and established.

ARTICLE XIII SMOKING AND TOBACCO PRODUCT USE

SECTION 23.01. SMOKING AND TOBACCO PRODUCT USE. The City of Merced declares a hiring policy which disqualifies habitual users of tobacco products from eligibility for employment. Employees hired for positions in the bargaining unit after January 1, 2006 (except reinstatements and re-hires after layoff after the effective date of this agreement) shall not be permitted to habitually use any tobacco products, consistent with this policy. Failure to follow this policy will lead to disciplinary action, up to and including dismissal.

Employees hired into the bargaining unit prior to December 31, 2005 will be permitted to use tobacco products in a manner consistent with any restrictions established by State law and this agreement.

Under no circumstances shall any tobacco product be used at any time inside a City building or vehicle.

ATTACHMENT A
MPOA WAGE SUMMARY
Effective PP14 - 6/17/2019

<u>CLASS</u>	<u>GRADE</u>	<u>TITLE</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>
PD	538	ANIMAL CONTROL OFFICER I	\$ 2,919	\$ 3,065	\$ 3,218	\$ 3,379	\$ 3,548
PD	591	ANIMAL CONTROL OFFICER II	\$ 3,649	\$ 3,831	\$ 4,023	\$ 4,224	\$ 4,435
PD	593	COMMUNITY SERVICES OFFICER	\$ 4,240	\$ 4,452	\$ 4,675	\$ 4,909	\$ 5,154
PD	571	DISPATCHER I	\$ 3,494	\$ 3,669	\$ 3,852	\$ 4,045	\$ 4,247
PD	592	DISPATCHER II	\$ 3,851	\$ 4,044	\$ 4,246	\$ 4,459	\$ 4,681
PD	593	LEAD DISPATCHER	\$ 4,240	\$ 4,452	\$ 4,675	\$ 4,909	\$ 5,154
PD	548	PARKING ENFORCEMENT OFFICER I	\$ 2,997	\$ 3,147	\$ 3,305	\$ 3,470	\$ 3,643
PD	568	PARKING ENFORCEMENT OFFICER II	\$ 3,305	\$ 3,470	\$ 3,644	\$ 3,826	\$ 4,017
PD	591	POLICE COMMUNITY AIDE	\$ 3,649	\$ 3,831	\$ 4,023	\$ 4,224	\$ 4,435
PD	642	POLICE CORPORAL	\$ 6,455	\$ 6,778	\$ 7,117	\$ 7,473	\$ 7,846
PD	620	POLICE OFFICER	\$ 5,310	\$ 5,576	\$ 5,855	\$ 6,147	\$ 6,455
PD	588	POLICE OFFICER TRAINEE	\$ 3,439	\$ 3,611	\$ 3,791	\$ 3,981	\$ 4,180
PD	640	SENIOR POLICE OFFICER	\$ 5,860	\$ 6,153	\$ 6,460	\$ 6,783	\$ 7,122

All numbers have been rounded to the
nearest \$1

DATED: _____

FOR THE ASSOCIATION:

GARY MESSING
MPOA BUSINESS AGENT

NATHANIEL MCKINNON
MPOA PRESIDENT

COURTNEY BOHANAN
REPRESENTATIVE

TIM GACHES
MPOA REPRESENTATIVE

DATED: _____

FOR THE CITY:

STEVE CARRIGAN
CITY MANAGER

STEPHANIE DIETZ
ASSISTANT CITY MANAGER

DENEEN L. PROCTOR
DIRECTOR OF SUPPORT SERVICES

SHELLINE BENNETT
CITY SPOKESPERSON

SIDE LETTER TO THE JANUARY 1, 2019 ,MOU
BETWEEN
THE CITY OF MERCED
AND
MERCED POLICE OFFICERS ASSOCIATION

This is a side letter to the January 1, 2019 Memorandum of Understanding ("MOU") between the City of MPOA.

This side letter is only effective for the terms of the January 1, 2019 MOU and shall sunset on December 31, 2019 and have no force or effect following this date.

During the term of the January 1, 2019 MOU and contingent upon the City possibly having a final, completed compensation study being conducted by an outside vendor, upon written notice to the other party, either the City or Union may reopen negotiations for the sole purpose of discussing base wage increases only.

DATED: _____

DATED: _____

FOR THE ASSOCIATION:

FOR THE CITY:

GARY MESSING
MPOA BUSINESS AGENT

STEVE CARRIGAN
CITY MANAGER

NATHANIEL MCKINNON
MPOA PRESIDENT

STEPHANIE DIETZ
ASSISTANT CITY MANAGER

COURTNEY BOHANAN
REPRESENTATIVE

DENEEN L. PROCTOR
DIRECTOR OF SUPPORT SERVICES

TIM GACHES
MPOA REPRESENTATIVE

SHELLINE BENNETT
CITY SPOKESPERSON



ADMINISTRATIVE REPORT

Agenda Item H.15.

Meeting Date: 5/20/2019

Report Prepared by: John Tresidder, Assistant City Clerk, City Clerk's Office

SUBJECT: Authorization to Seek Applicants for Boards and Commissions Annual Vacancies

REPORT IN BRIEF

Authorizes staff to seek applicants for vacancies for terms expiring July 1, 2019 and for current vacant seats on all Boards and Commissions.

RECOMMENDATION

City Council - Adopt a motion directing the Clerk's Office to notice all current vacant seats and upcoming vacancies for all Boards and Commissions.

ALTERNATIVES

1. Direct staff to notice the vacancies and to seek applicants for the positions; or
2. Give staff specific instructions regarding how to advertise for the vacancies.

AUTHORITY

City of Merced Charter Sections 700, 702, and 702.1.

CITY COUNCIL PRIORITIES

As provided for in the 2018-19 Adopted Budget.

DISCUSSION

The Clerk's Office has conducted the annual review of appointments to the City Boards and Commissions to determine the terms of office expiring on July 1, 2019. Those board members and commissioners who have served two consecutive terms of office are not eligible to serve another term per the City of Merced Charter.

Unless other directions are necessary, the vacancies will be posted in accordance with Government Code Section 54970, et seq., and the matter of appointment placed on a future City Council agenda. If Council Members have any direction regarding how to advertise for the vacancies other than the usual notice to the newspaper, website, social media and Civic Center posting boards, and if Council feels certain areas of expertise and/or experience are necessary for these appointees, please advise. Attached is the vacancy list maintained by the Clerk's Office.

ATTACHMENTS

1. Vacancy List

Boards & Commissions

ARTS AND CULTURE ADVISORY COMMISSION

The purpose of the Arts and Culture Advisory Commission is to serve as an advisory body to the City Council on matters having to do with public art, art projects, cultural programs and activities and the promotion of the arts within the City of Merced.

Current Vacancies



Immediate Vacancy Term Ends: Jul 01, 2022

Appointing Authority: City Council

Position: Commissioner

Category: District 2

Upcoming Vacancies

No upcoming vacancies

BICYCLE ADVISORY COMMISSION

The Commission serves as an advisory body to the City Council on matters relating to improving safety conditions for bicyclists, while promoting bicycling as a means of transportation to improve air quality. The Commission also helps to implement policy, programs, and bike routes. Regular meetings are held on the fourth Tuesday of every even numbered month at 3:00 PM.

Current Vacancies



Immediate Vacancy Term Ends: Jul 01, 2021
Appointing Authority: City Council
Position: Commissioner



Immediate Vacancy Term Ends: Jul 01, 2019
Appointing Authority: City Council
Position: Commissioner



Immediate Vacancy Term Ends: Jul 01, 2021
Appointing Authority: City Council
Position: Commissioner



Immediate Vacancy Term Ends: Jul 01, 2018
Appointing Authority: City Council
Position: Ex-Officio

Upcoming Vacancies



Ann W Thurston
Term Ends: Jul 01, 2019
Appointing Authority: City Council
Position: Commissioner



Justin Hicks
Term Ends: Jul 01, 2019
Appointing Authority: City Council
Position: Commissioner

BUILDING AND HOUSING BOARD OF APPEALS

The Board hears and decides appeals of orders, decisions, or determinations made by the Chief Building Official relative to the application and interpretation of the Merced Municipal Code. The Board consists of five voting members, three of whom are registered or licensed professionals in the trades of design, engineering, construction, or inspection of buildings. In addition, the Chief Building Official serves as a non-voting, ex-officio member and acts as Secretary to the Board. Members meet as needed.

Current Vacancies



Immediate Vacancy Term Ends: Jul 01, 2020



Immediate Vacancy Term Ends: Jul 01, 2020

Upcoming Vacancies

No upcoming vacancies

CITIZENS OVERSIGHT COMMITTEE - MEASURE C

The Committee reviews projected revenues created by the voter-approved Measure C, a one-half-cent Sales Tax. The Committee recommends proposed expenditures to City Council. Regular meetings are held the second Tuesday in February, May, August, and November at 6:00 PM.

Current Vacancies



Immediate Vacancy Term Ends: Jan 01, 2020
Appointing Authority: City Council
Position: Member
Office/Role: Northern District



Immediate Vacancy Term Ends: Jan 01, 2020
Appointing Authority: City Council
Position: Member
Office/Role: Southern District



Immediate Vacancy Term Ends: N/A
Appointing Authority: AFSME
Position: Ex-Officio

Upcoming Vacancies



Spencer Davies
Term Ends: Jan 01, 2020
Appointing Authority: City Council
Position: Member
Office/Role: Central District

PERSONNEL BOARD

The Board recommends to the City Council the adoption, amendment, or repeal of civil service rules and regulations; hears appeals of any person in the classified service relative to any suspension, demotion, or dismissal; and makes any investigation which it may consider desirable concerning the administration of City personnel. Regular meetings are held the second Monday of every month at 4:00 PM.

Current Vacancies



Immediate Vacancy Term Ends: Jul 01, 2022
Appointing Authority: City Council
Position: Member
Office/Role: Direct Council Appointee

Upcoming Vacancies



Theresa (Terri) L Lucas
Term Ends: Jul 01, 2019
Appointing Authority: City Council
Position: Member
Category: Employee Nominated

PLANNING COMMISSION

The Commission holds public hearings to periodically update the City's General Plan and to review applications for discretionary development within the City, including recommendations for projects requiring final City Council action. In doing so, it studies land subdivisions, planning, and zoning matters, and recommends to the City Council the adoption, amendment, or repeal of the City's General Plan for the physical development of the City. The Planning Commission also serves as the Design Review/Historic Preservation Commission and as the Board of Zoning Adjustment. Regular meetings are held on the first and third Wednesdays each month at 7:00 PM.

Current Vacancies

No Current Vacancies

Upcoming Vacancies



Jeremy J Martinez

Term Ends: Jul 01, 2019

Appointing Authority: City Council

Position: Vice-Chair

Office/Role: Vice Chair



Peter Padilla

Term Ends: Jul 01, 2019

Appointing Authority: City Council

Position: Commissioner

RECREATION AND PARKS COMMISSION

The Commission serves in an advisory capacity to the City Council in all matters pertaining to recreation and parks; considers the annual budget for recreation and parks during the process of its preparation, and makes recommendations with respect thereto to the City Manager and to the City Council; and assists in the planning of a recreation program for the citizens of Merced. Regular meetings are held on the fourth Monday of each month at 5:30 PM.

Current Vacancies



Immediate Vacancy Term Ends: Jul 01, 2022

Appointing Authority: City Council

Position: Commissioner

Office/Role: Commissioner

Upcoming Vacancies



Justin J Anderson

Term Ends: Jul 01, 2019

Appointing Authority: City Council

Position: Commissioner

Office/Role: Commissioner

REGIONAL AIRPORT AUTHORITY

The Authority was created for the provision and maintenance of public airports and landing places for the use of the public. Regular meetings are held on the third Tuesday of every month at 7:00 PM.

Current Vacancies



Immediate Vacancy Term Ends: Jul 01, 2019

Appointing Authority: City Council

Position: Member

Upcoming Vacancies



William A Rudd

Term Ends: Jul 01, 2019

Appointing Authority: City Council

Position: Member



Alvin Osborn, Jr.

Term Ends: Jul 01, 2019

Appointing Authority: City Council

Position: Member



ADMINISTRATIVE REPORT

Agenda Item I.1.

Meeting Date: 5/20/2019

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

SUBJECT: Adoption of Resolution Approving General Plan Amendment #19-01 to Amend the Merced Vision 2030 General Plan Transportation and Circulation Element to Eliminate a Portion of Mission Avenue, Between S. Coffee Street and State Highway 99, Includes Adopting a CEQA Categorical Exemption Pursuant to Section 15061(b)(3) of the CEQA Guidelines and Adoption of Resolution Declaring the Intent to Abandon the Same Parcel and Setting a Public Hearing on June 17, 2019, for the Vacation Process (Vacation #18-01)

REPORT IN BRIEF

Considers adopting a resolution to amend the Merced Vision 2030 General Plan Transportation and Circulation Element to eliminate the portion of Mission Avenue, between S. Coffee Street and State Highway 99 and adopting a CEQA Categorical Exemption pursuant to Section 15061(b)(3) of the CEQA Guidelines. In addition, the Council will consider adopting a resolution declaring the intent to vacate this area (Mission Avenue, between S. Coffee Street and Highway 99) and Setting a Public Hearing on June 17, 2019, for the vacation process.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2019-25**, a Resolution of the City Council of the City of Merced, California, for General Plan Amendment #19-01 to amend the Merced General Plan Transportation and Circulation Element, which would modify the City of Merced Circulation Plan (Figures 4.1 and 4.2) and all associated maps and descriptions throughout the General Plan, to eliminate Mission Avenue, between Coffee Street and State Highway 99 and adopting a CEQA Categorical Exemption pursuant to Section 15061(b)(3) of the CEQA Guidelines; and,
- B. Adopting **Resolution 2019-24**, a Resolution of the City Council of the City of Merced, California, declaring its intention to abandon a portion of Mission Avenue, between Coffee Street and State Highway 99 [approximately 400 feet long] (Vacation #18-01) and setting time and place for public hearing.

ALTERNATIVES

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

AUTHORITY

Under California Government Code Section 65358(a), a legislative body may amend, after a public hearing, all or part of an adopted General Plan if the body deems the amendment to be in the public's interest.

Part 3, Chapter 3 of the Streets and Highways Code of the State of California authorizes the City Council to vacate a right-of-way or easement. The vacation shall be made by adoption of a resolution setting a public hearing pursuant to Section 8320 of the Streets and Highways Code, and shall be recorded pursuant to Section 8325. The City of Merced Administrative Policies and Procedures No. A-6 provides direction to staff for processing vacation requests, and City Resolution 86-80 establishes a policy concerning costs associated with the vacation.

CITY COUNCIL PRIORITIES

Not applicable.

DISCUSSION

Mission Avenue is a 6-mile stretch of road on the southernmost boundary of the City limits that goes between City and County jurisdictions, and in certain areas, is solely located within County jurisdiction (Attachment 4). Mission Avenue is oriented to facilitate traffic traveling east and west, from S. Tower Road to S. West Avenue. Mission Avenue traffic flow was disrupted around 2011, when Caltrans completed the Mission Avenue/Campus Parkway interchange. This new interchange prevented traffic on Mission Avenue from traveling directly across Highway 99.

The portion of Mission Avenue that the City is proposing to vacate (described at Attachment 2 and shown at Attachment 3) was highly impacted by the realignment of Highway 99, and the creation of the Mission Avenue/Campus Parkway interchange. The subject site is a mostly undeveloped 400-foot portion of Mission Avenue with limited public improvements that spans between S. Coffee Street and Highway 99. If this portion of Mission Avenue were to be constructed, it would come to a terminus along the N. Highway 99 off-ramp. This portion of Mission Avenue can no longer facilitate traffic over Highway 99 like originally intended. Instead, drivers wanting to travel over Highway 99 can use the nearby Campus Parkway/Mission Avenue overpass (shown at Attachment 1) to drive to the other side of Mission Avenue. City staff, including the Engineering Department, have reviewed this request and have concluded that this portion of Mission Avenue is no longer needed to help facilitate traffic or significantly improve the Level of Service/Vehicle Miles Traveled in this area when the surrounding parcels are eventually fully developed with commercial projects. Vacating the subject site would give the City the added fiscal benefit of having less roads to maintain.

Vacating a Portion of Mission Avenue

If the street vacation is to be approved by the City Council, the portion of Mission Avenue, between S. Coffee Street and Highway 99 would be transferred to the parcel to the north. The property owner of this site is Shemoil Moradzadeh and he intends to use his adjacent 7.5-acre site to develop a commercial center. Mr. Moradzadeh is currently in the process of submitting plans for his commercial center. Attachment 6 shows Mr. Moradzadeh's draft proposal which includes a 5-story hotel (with 134

rooms) directly adjacent to the vacation site. The commercial center would also include 3 fast food restaurants, 2 sit-down restaurants, and one gas station at the corner of Campus Parkway and S. Coffee Street. The commercial center would have 3 driveways from S. Coffee Street, including one from the vacation site. The applicant would like to utilize the vacated portion of Mission Avenue to provide more parking for his commercial center. Mr. Moradzadeh believes that the added parking stalls can be of significant value to his development given that the hotel is expected to have grand ball rooms for parking intensive events such as conferences, weddings, quinceaneras, family reunions, and other functions.

Mr. Moradzadeh's proposal would be consistent with the site's Zoning Classification and General Plan designation, which is Thoroughfare Commercial (CT). The CT designation allows uses that are commonly seen along highways. Because of the development's consistency with land use, it is likely that this proposal can go before the City's Site Plan Review Committee for review. However, before submitting plans, Mr. Moradzadeh and his architect would like to know if they can include the vacation area on their site plan for official consideration. The developer would like to begin this project as soon as possible. Certain other elements of Mr. Moradzadeh's commercial center might be brought to the Planning Commission or City Council in the future for special land use approvals, such as alcohol sales for off-site consumption and a large freeway freestanding sign.

Planning Commission Action

On April 3, 2019, the Planning Commission considered the General Plan Amendment and Vacation. After the public hearing on the General Plan Amendment, the Planning Commission voted 6-0-1 (6 ayes, 1 absent) to recommend approval of General Plan Amendment #19-01 and made a finding of General Plan consistency (contingent on Council approval of GPA). The Planning Commission Resolution and minute excerpts can be found at Attachment 8.

Environmental Clearance

Planning staff conducted an environmental review of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Categorical Exemption is being recommended (Attachment 7).

Amendments to the *Merced Vision 2030 General Plan*

The adoption of the Resolution found at Attachment 9 would modify the Merced Vision 2030 General Plan Figure 4.1 ("City of Merced Circulation Plan") and Figure 4.2 ("Major Regional Routes"), as shown at Attachments 4 and 5. These figures would be amended to eliminate the portion of Mission Avenue, between S. Coffee Street and State Highway 99.

Vacation

The adoption of the Resolution found at Attachment 10 would set a public hearing for Vacation #18-01 on June 17, 2019.

Environmental Clearance

Planning staff conducted an environmental review of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Categorical Exemption is being recommended (Attachment 7).

IMPACT ON CITY RESOURCES

There would be no impact on City resources with this action.

ATTACHMENTS

1. Location Map
2. Legal Description
3. Vacation Map
4. City of Merced Circulation Plan (Figure 4.1)
5. City of Merced Major Regional Route (Figure 4.2)
6. Proposed Adjacent Development
7. Categorical Exemption
8. Planning Commission Resolution and Minute Excerpts
9. Draft City Council Resolution for General Plan Amendment #19-01
10. Draft City Council Resolution for Vacation #18-01
11. Presentation



EXHIBIT A

SUMMARY VACATION OF EXCESS RIGHT OF WAY AND EASEMENTS ALONG MISSION AVENUE BETWEEN COFFEE STREET AND STATE HIGHWAY 99

LEGAL DESCRIPTION

All that certain real property being portions of Mission Avenue as shown on the Map of Merced Colony, recorded in Volume 4 of Official Plats at Page 24, Merced County Records, lying in the southeast quarter of Section 33, Township 7 South, Range 14 East, Mount Diablo Base and Meridian, as shown on the Map of Smith's Merced Tract recorded in Volume 5 of Official Plats at Page 4, Merced County Records, lying in the northeast quarter of Section 4, Township 8 South, Range 14 East, Mount Diablo Base and Meridian, as shown on the Parcel Map for L. J. Steiner, LLC recorded in Volume 99 of Parcel Maps at Pages 25-27, Merced County Records, lying in the southeast quarter of Section 33, Township 7 South, Range 14 East, Mount Diablo Base and Meridian and Record of Survey for Department of Transportation recorded Volume 49 of Record of Surveys at Pages 45-50, Merced County Records, in the City of Merced and the County of Merced, State of California, described as follows:

COMMENCING at the southeast corner of said Section 33, thence along the south line of said Section 33 and the center line of Mission Avenue as shown on said Map of Smith's Merced Tract, North 89° 57' 17" West a distance of 55.00' to the **TRUE POINT OF BEGINNING** of this description; thence to a point on the south line of Mission Avenue as shown on said Map of Smith's Merced Tract, South 0° 15' 23" East a distance of 30.00'; thence along the south line of said Mission Avenue to point on the east line of State Highway 99, North 89° 57' 17" West a distance of 379.09'; thence along the east line of State Highway 99 to the southwest corner of Parcel 4 of said Parcel Map for L. J. Steiner, LLC, North 20° 42' 03" West a distance of 71.65'; thence along the south line of said Parcel 4 to the southerly southeast corner of said Parcel 4, South 89° 57' 17" East a distance of 391.97'; thence along the southeasterly diagonal line of said Parcel 4, North 44° 53' 52" East a distance of 12.90'; thence to the **TRUE POINT OF BEGINNING**, South 0° 15' 23" East a distance of 46.15'.

Containing 26,078 square feet, more or less.
As shown on Exhibit B attached hereto.
Subject to rights of record, if any.

All that certain easements defined as Public Utility Easement, Landscaping Strip Easement, Tree Planting Easement and Sidewalk Easement, 5.486 in width, northerly and adjacent to the south line of Parcel 4 as shown on the Parcel Map for L. J. Steiner, LLC recorded in Volume 99 of Parcel Maps at Pages 25-27, Merced County Records, lying in the southeast quarter of Section 33, Township 7 South, Range 14 East, Mount Diablo Base and Meridian, in the City of Merced and the County of Merced, State of California, described as follows:

COMMENCING at the southeast corner of said Section 33, thence along the south line of said Section 33 and the center line of Mission Avenue as shown on the Map of Smith's Merced Tract recorded in Volume 5 of Official Plats at Page 4, Merced County Records, North 89° 57' 17" West a distance of 55.00'; thence to the **TRUE POINT OF BEGINNING** of this description, a point on the southeasterly diagonal line of said Parcel 4 of said Parcel Map for L. J. Steiner, LLC, North 0° 15' 23" West a distance of 46.15'; thence along the southeast diagonal line of said Parcel 4 to the southerly southeast corner of said Parcel 4 and a point on the north line of Mission Avenue, South 44° 53' 52" West a distance of

12.90'; thence along the south line of said Parcel 4 to the southwest corner of said Parcel 4 and a point on the east line of State Highway 99, North 89° 57' 17" West a distance of 391.97'; thence along the west line of said Parcel 4 and the east line of State Highway 99, North 20° 42' 03" West a distance of 19.25'; thence parallel and offset 18.00' northerly with the south line of said Parcel 4, South 89° 57' 17" East a distance of 391.31'; thence along a diagonal parallel and offset 18.00' northwesterly with the southeast diagonal of said Parcel 4 to a point on the west line of 18.00' wide easements as shown as shown on said Parcel 4, North 44° 53' 52" East a distance of 23.32'; thence to the **TRUE POINT OF BEGINNING**, along the west line extension of said 18.00' wide easement as shown on said Parcel Map for L. J. Steiner, LLC, South 0° 15' 23" East a distance of 25.39'.

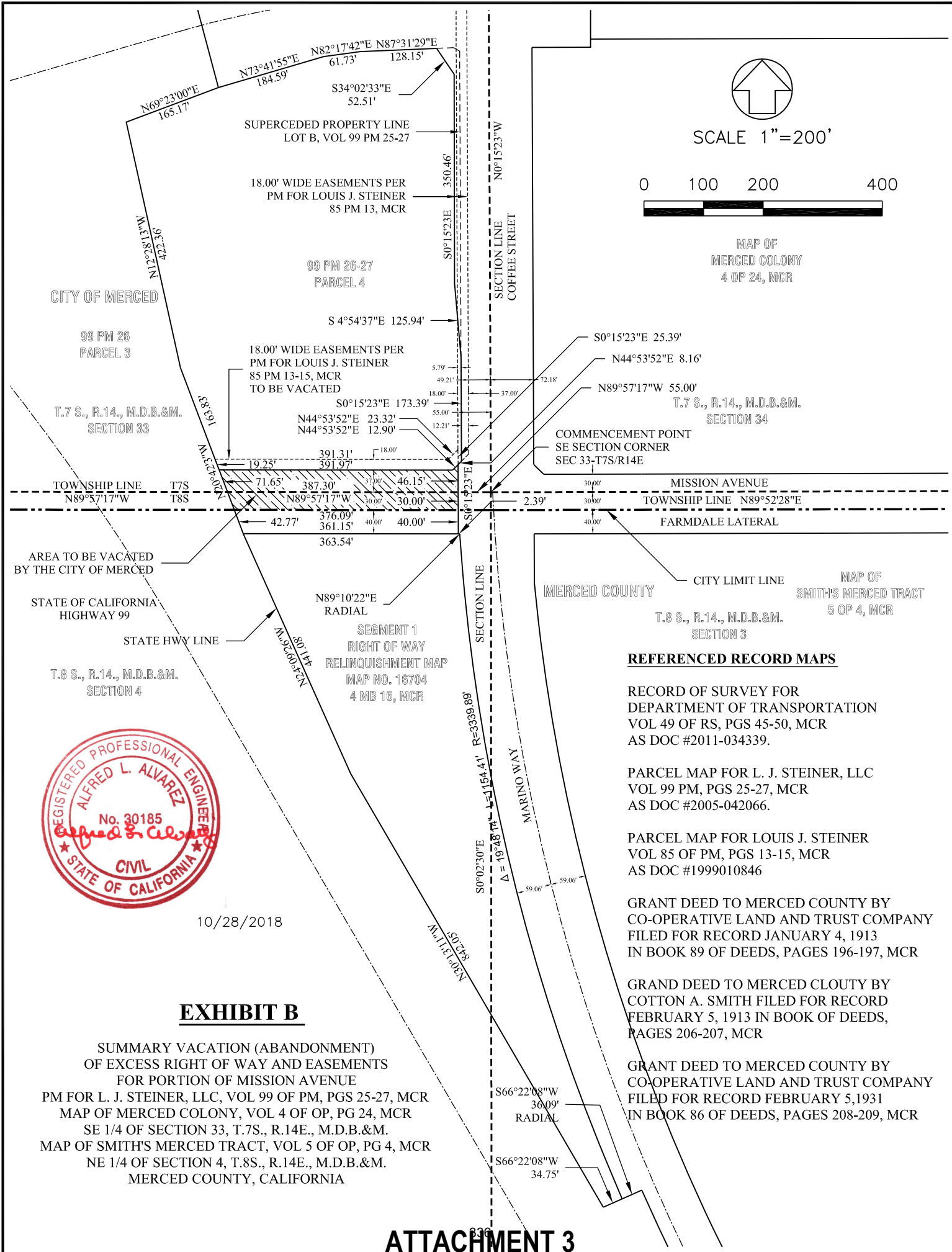
Containing 7,375 square feet, more or less.

As shown on Exhibit B attached hereto.

Subject to rights of record, if any.



REV 10/28/2018



10/28/2018

EXHIBIT B

SUMMARY VACATION (ABANDONMENT)
 OF EXCESS RIGHT OF WAY AND EASEMENTS
 FOR PORTION OF MISSION AVENUE
 PM FOR L. J. STEINER, LLC, VOL 99 OF PM, PGS 25-27, MCR
 MAP OF MERCED COLONY, VOL 4 OF OP, PG 24, MCR
 SE 1/4 OF SECTION 33, T.7S., R.14E., M.D.B.&M.
 MAP OF SMITH'S MERCED TRACT, VOL 5 OF OP, PG 4, MCR
 NE 1/4 OF SECTION 4, T.8S., R.14E., M.D.B.&M.
 MERCED COUNTY, CALIFORNIA

REFERENCED RECORD MAPS

RECORD OF SURVEY FOR
 DEPARTMENT OF TRANSPORTATION
 VOL 49 OF RS, PGS 45-50, MCR
 AS DOC #2011-034339.

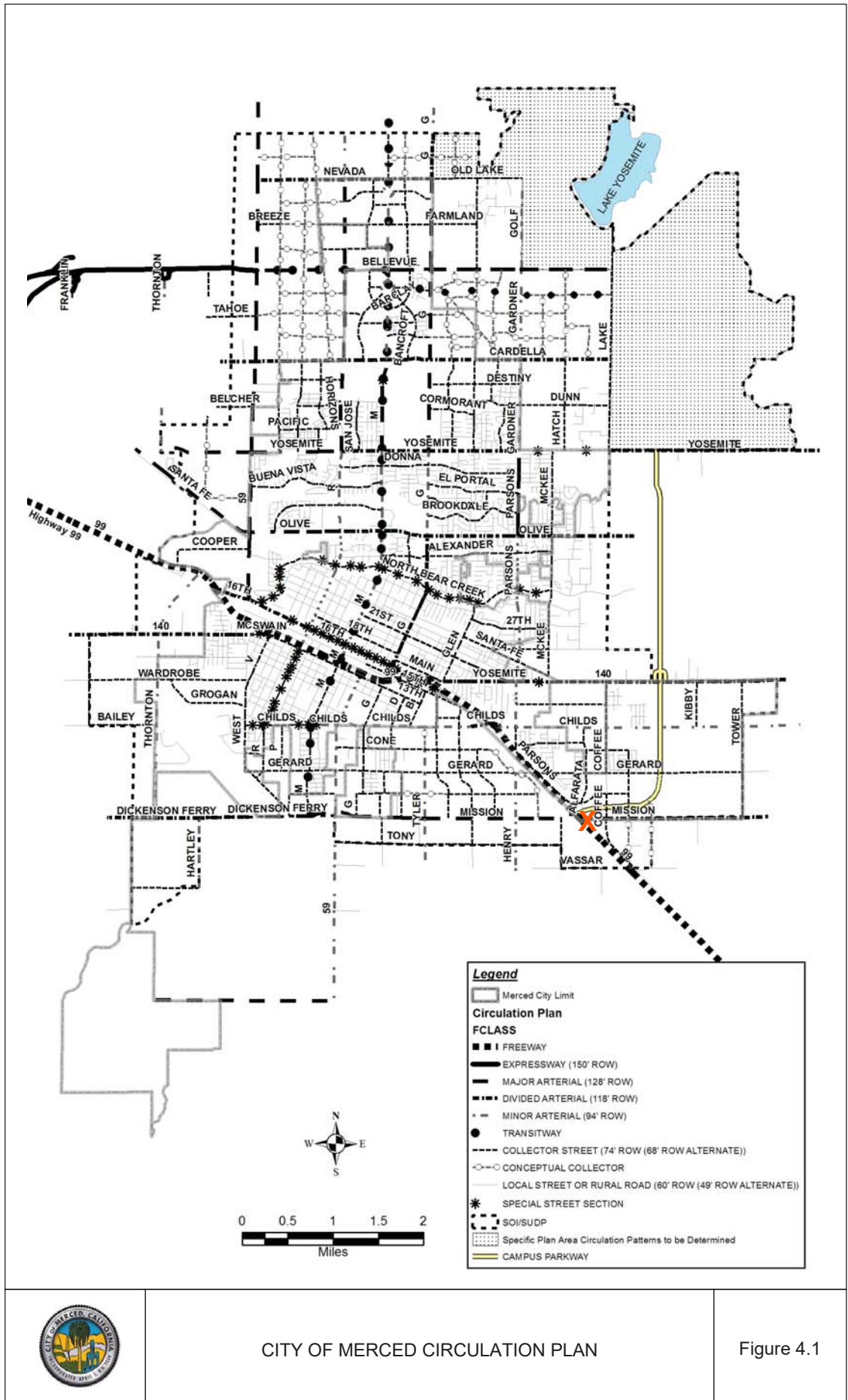
PARCEL MAP FOR L. J. STEINER, LLC
 VOL 99 PM, PGS 25-27, MCR
 AS DOC #2005-042066.

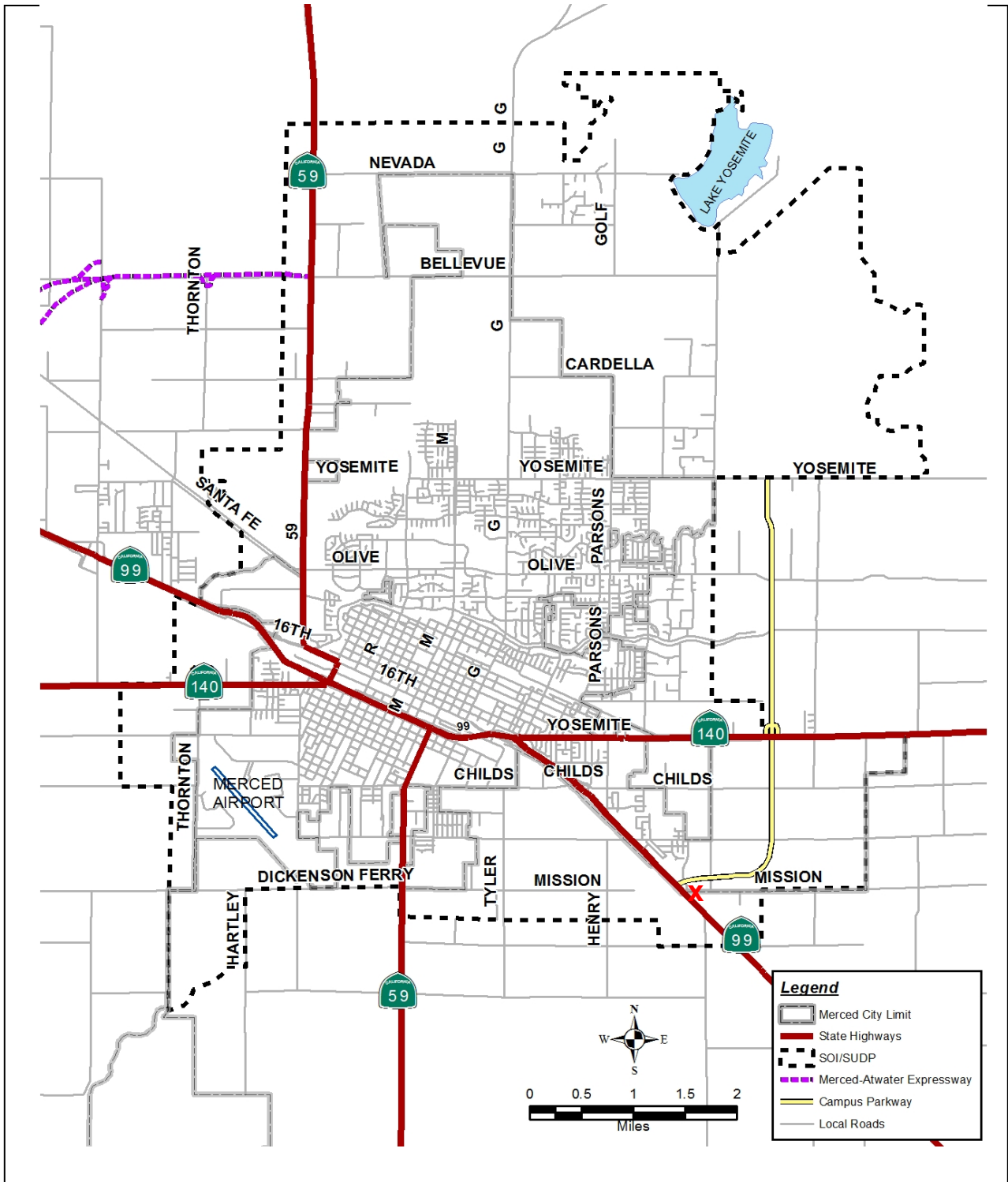
PARCEL MAP FOR LOUIS J. STEINER
 VOL 85 OF PM, PGS 13-15, MCR
 AS DOC #1999010846

GRANT DEED TO MERCED COUNTY BY
 CO-OPERATIVE LAND AND TRUST COMPANY
 FILED FOR RECORD JANUARY 4, 1913
 IN BOOK 89 OF DEEDS, PAGES 196-197, MCR

GRAND DEED TO MERCED CLOUTY BY
 COTTON A. SMITH FILED FOR RECORD
 FEBRUARY 5, 1913 IN BOOK OF DEEDS,
 PAGES 206-207, MCR

GRANT DEED TO MERCED COUNTY BY
 CO-OPERATIVE LAND AND TRUST COMPANY
 FILED FOR RECORD FEBRUARY 5, 1931
 IN BOOK 86 OF DEEDS, PAGES 208-209, MCR





MAJOR REGIONAL ROUTES

Figure
4.2

NOTICE OF EXEMPTION

To: _____ Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

From: (Public Agency)
City of Merced
678 West 18th St.
Merced, CA 95340

 X County Clerk
County of Merced
2222 M Street
Merced, CA 95340

Project Title: GPA #19-01 (Environmental Review #19-07)

Project Applicant: City of Merced

Project Location (Specific): Mission Avenue, between S. Coffee St. and Highway 99

Project Location - City: Merced

Project Location - County: Merced

Description of Nature, Purpose, and Beneficiaries of Project: This application involves the review and recommendation to the City Council for a request to modify the City of Merced Circulation Plan (Figures 4.1 and 4.2) and all associated maps and descriptions throughout the General Plan, to vacate excess right-of-way and easements along Mission Avenue, between Coffee Street and State Highway 99.

Name of Public Agency Approving Project: City of Merced

Name of Person or Agency Carrying Out Project: City of Merced

Exempt Status: (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☐ Categorical Exemption. State Type and Section Number: 15301 (a)
☐ Statutory Exemptions. State Code Number: _____
☒ X General Rule (Sec. 15061 (b)(3))

Reasons why Project is Exempt: As defined under the above referenced Section, the proposed project is exempt from CEQA by the general rule that if it can be seen with certainty that there is no possibility that the activity in question can have a significant effect on the environment. This project involves a change to the City's General Plan as described above. Such regulations by themselves do not have a direct effect on the environment as there is no physical change to the environment proposed at this time.

Lead Agency: City of Merced

Contact Person: Francisco Mendoza-Gonzalez

Area Code/Telephone: (209) 385-6858

Signature:  **Date:** 2-18-2019 **Title:** Planner

 X Signed by Lead Agency

Date Received for Filing at OPR: _____
(If applicable)

Authority Cited: Sections 21083 and 21110. Public Resources Code
Reference: Sections 21108, 21152, and 21152.1. Public Resources Code

CITY OF MERCED
Planning Commission

Resolution #4019

WHEREAS, the Merced City Planning Commission at its regular meeting of April 3, 2019, held a public hearing and considered **General Plan Amendment #19-01**, initiated by the City of Merced. This application involves the review and recommendation to the City Council for a request to modify the City of Merced Circulation Plan (Figures 4.1 and 4.2) and all associated maps and descriptions throughout the General Plan, to vacate excess right-of-way and easements along Mission Avenue, between Coffee Street and State Highway 99; and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through D of Staff Report #19-09; 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 recommend to City Council adoption of a Categorical Exemption regarding Environmental Review #19-07, and approval of General Plan Amendment #19-01.

Upon motion by Commissioner HARRIS, seconded by Commissioner DREXEL, and carried by the following vote:

AYES: Commissioners Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: Commissioner Camper

ABSTAIN: None

PLANNING COMMISSION RESOLUTION #4019

Page 2

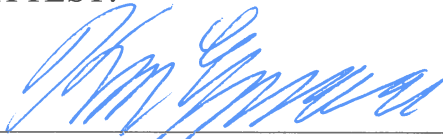
April 3, 2019

Adopted this 3rd day of April 2019



Chairperson, Planning Commission of
the City of Merced, California

ATTEST:



Secretary

n:\shared\planning\PC Resolutions\GPA#19-01

Planning Commission Minutes Excerpt
APRIL 3, 2019

- 4.3 General Plan Amendment #19-01 and Vacation #18-01, initiated by the City of Merced. This application involves a request to modify the City of Merced Circulation Plan (Figures 4.1 and 4.2) and all associated maps and descriptions throughout the General Plan, for the purpose of vacating excess right-of-way and easements along Mission Avenue, between Coffee Street and State Highway 99.

Associate Planner MENDOZA-GONZALEZ reviewed the report. For further information, refer to Staff Report #19-09.

Public testimony was opened at 7:25 p.m.

Speaker from the Audience in Favor:

GREGORY WELLMAN, Merced, representing the applicant

No one spoke in opposition to the project.

Public testimony was closed at 7:30 p.m.

The Commission asked for clarification from staff on the motion they would need to make. Staff indicated that a motion should be made on the General Plan Amendment and a separate one on the vacation.

Commissioner PADILLA inquired about the ownership of the land described in the proposed vacation.

Chief Deputy City Attorney FINCHER clarified that ownership could not be determined before they received a title report, but that it would not affect the decision before the Commission.

Commissioner PADILLA expressed concern over how the land would be transferred and suggested postponing the decision.

Planning Manager ESPINOSA explained that issues related to the ownership of the property are reserved for City Council, and should not affect the Commission's recommendation on whether the roadway is needed in the future.

M/S HARRIS-DREXEL, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #19-07, and to recommend approval of General Plan Amendment #19-01 (RESOLUTION #4019).

AYES: Commissioners Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: Commissioner Camper

ABSTAIN: None

M/S HARRIS-RASHE, and carried by the following vote, to find that the proposed Vacation (to vacate Mission Avenue, west of Coffee Street), is consistent with the *Merced Vision 2030 General Plan*.

AYES: Commissioners Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: Commissioner Camper

ABSTAIN: None

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MERCED, CALIFORNIA,
APPROVING GENERAL PLAN
AMENDMENT #19-01 TO AMEND THE
MERCED GENERAL PLAN
TRANSPORTATION AND CIRCULATION
ELEMENT, WHICH WOULD MODIFY THE
CITY OF MERCED'S CIRCULATION PLAN
(FIGURES 4.1 AND 4.2) AND ALL
ASSOCIATED MAPS AND DESCRIPTIONS
THROUGHOUT THE GENERAL PLAN, TO
ELIMINATE MISSION AVENUE, BETWEEN
COFFEE STREET AND STATE HIGHWAY 99
AND ADOPTING A CEQA CATEGORICAL
EXEMPTION PURSUANT TO SECTION
15061(b)(3) OF THE CEQA GUIDELINES**

WHEREAS, the City is processing an application for a General Plan Amendment to amend the Merced General Plan Transportation and Circulation Element, which would modify the City of Merced Circulation Plan [Figures 4.1 (Exhibit "C") and 4.2 (Exhibit "D")] and all associated maps and descriptions throughout the General Plan, to eliminate Mission Avenue, between Coffee Street and State Highway 99. The area of interest is shown at Exhibit "B" and described at Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, the Planning Commission of the City of Merced held a noticed public hearing on April 3, 2019, at which time all those interested in the matter were provided the opportunity to speak or provide written or oral testimony regarding the application; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA), Staff recommended the adoption of a Categorical Exemption pursuant to Section 15061(b)(3) of the CEQA Guidelines; and

WHEREAS, after hearing all of the evidence and testimony and after exercising its independent judgment and review, the Planning Commission adopted Resolution #4019, attached hereto as Exhibit "E," and incorporated herein by reference, recommending that the City Council adopt a CEQA Categorical

Exemption, to wit: Section 15061(b)(3) of the CEQA Guidelines and approve General Plan Amendment #19-01; and

WHEREAS, the City Council held a noticed public hearing on May 20, 2019, at which time all those interested in the matter were provided the opportunity to speak or to provide written or oral testimony regarding the application.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCED AS FOLLOWS:

SECTION 1. GENERAL PLAN AMENDMENT ADOPTION. The General Plan of the City of Merced is hereby amended by approving General Plan Amendment #19-01, which changes the General Plan to amend the Merced General Plan Transportation and Circulation Element, which would modify the City of Merced Circulation Plan [Figures 4.1 (Exhibit "C") and 4.2 (Exhibit "D")] and all associated maps and descriptions throughout the General Plan, to eliminate Mission Avenue, between Coffee Street and State Highway 99. The area of interest is shown at Exhibit "B" and described at Exhibit "A" attached hereto.

SECTION 2. CEQA CATEGORICAL EXEMPTION. The General Plan Amendment #19-01, which changes the General Plan to amend the Merced General Plan Transportation and Circulation Element, modifies the City of Merced Circulation Plan and all associated maps and descriptions throughout the General Plan is categorically exempt pursuant to Section 15061(b)(3) of the CEQA Guidelines.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2019, 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 J. Moore 5-9-19
City Attorney Date

EXHIBIT A

SUMMARY VACATION OF EXCESS RIGHT OF WAY AND EASEMENTS ALONG MISSION AVENUE BETWEEN COFFEE STREET AND STATE HIGHWAY 99

LEGAL DESCRIPTION

All that certain real property being portions of Mission Avenue as shown on the Map of Merced Colony, recorded in Volume 4 of Official Plats at Page 24, Merced County Records, lying in the southeast quarter of Section 33, Township 7 South, Range 14 East, Mount Diablo Base and Meridian, as shown on the Map of Smith's Merced Tract recorded in Volume 5 of Official Plats at Page 4, Merced County Records, lying in the northeast quarter of Section 4, Township 8 South, Range 14 East, Mount Diablo Base and Meridian, as shown on the Parcel Map for L. J. Steiner, LLC recorded in Volume 99 of Parcel Maps at Pages 25-27, Merced County Records, lying in the southeast quarter of Section 33, Township 7 South, Range 14 East, Mount Diablo Base and Meridian and Record of Survey for Department of Transportation recorded Volume 49 of Record of Surveys at Pages 45-50, Merced County Records, in the City of Merced and the County of Merced, State of California, described as follows:

COMMENCING at the southeast corner of said Section 33, thence along the south line of said Section 33 and the center line of Mission Avenue as shown on said Map of Smith's Merced Tract, North 89° 57' 17" West a distance of 55.00' to the **TRUE POINT OF BEGINNING** of this description; thence to a point on the south line of Mission Avenue as shown on said Map of Smith's Merced Tract, South 0° 15' 23" East a distance of 30.00'; thence along the south line of said Mission Avenue to point on the east line of State Highway 99, North 89° 57' 17" West a distance of 379.09'; thence along the east line of State Highway 99 to the southwest corner of Parcel 4 of said Parcel Map for L. J. Steiner, LLC, North 20° 42' 03" West a distance of 71.65'; thence along the south line of said Parcel 4 to the southerly southeast corner of said Parcel 4, South 89° 57' 17" East a distance of 391.97'; thence along the southeasterly diagonal line of said Parcel 4, North 44° 53' 52" East a distance of 12.90'; thence to the **TRUE POINT OF BEGINNING**, South 0° 15' 23" East a distance of 46.15'.

Containing 26,078 square feet, more or less.
As shown on Exhibit B attached hereto.
Subject to rights of record, if any.

All that certain easements defined as Public Utility Easement, Landscaping Strip Easement, Tree Planting Easement and Sidewalk Easement, 5.486 in width, northerly and adjacent to the south line of Parcel 4 as shown on the Parcel Map for L. J. Steiner, LLC recorded in Volume 99 of Parcel Maps at Pages 25-27, Merced County Records, lying in the southeast quarter of Section 33, Township 7 South, Range 14 East, Mount Diablo Base and Meridian, in the City of Merced and the County of Merced, State of California, described as follows:

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12.90'; thence along the south line of said Parcel 4 to the southwest corner of said Parcel 4 and a point on the east line of State Highway 99, North 89° 57' 17" West a distance of 391.97'; thence along the west line of said Parcel 4 and the east line of State Highway 99, North 20° 42' 03" West a distance of 19.25'; thence parallel and offset 18.00' northerly with the south line of said Parcel 4, South 89° 57' 17" East a distance of 391.31'; thence along a diagonal parallel and offset 18.00' northwesterly with the southeast diagonal of said Parcel 4 to a point on the west line of 18.00' wide easements as shown as shown on said Parcel 4, North 44° 53' 52" East a distance of 23.32'; thence to the **TRUE POINT OF BEGINNING**, along the west line extension of said 18.00' wide easement as shown on said Parcel Map for L. J. Steiner, LLC, South 0° 15' 23" East a distance of 25.39'.

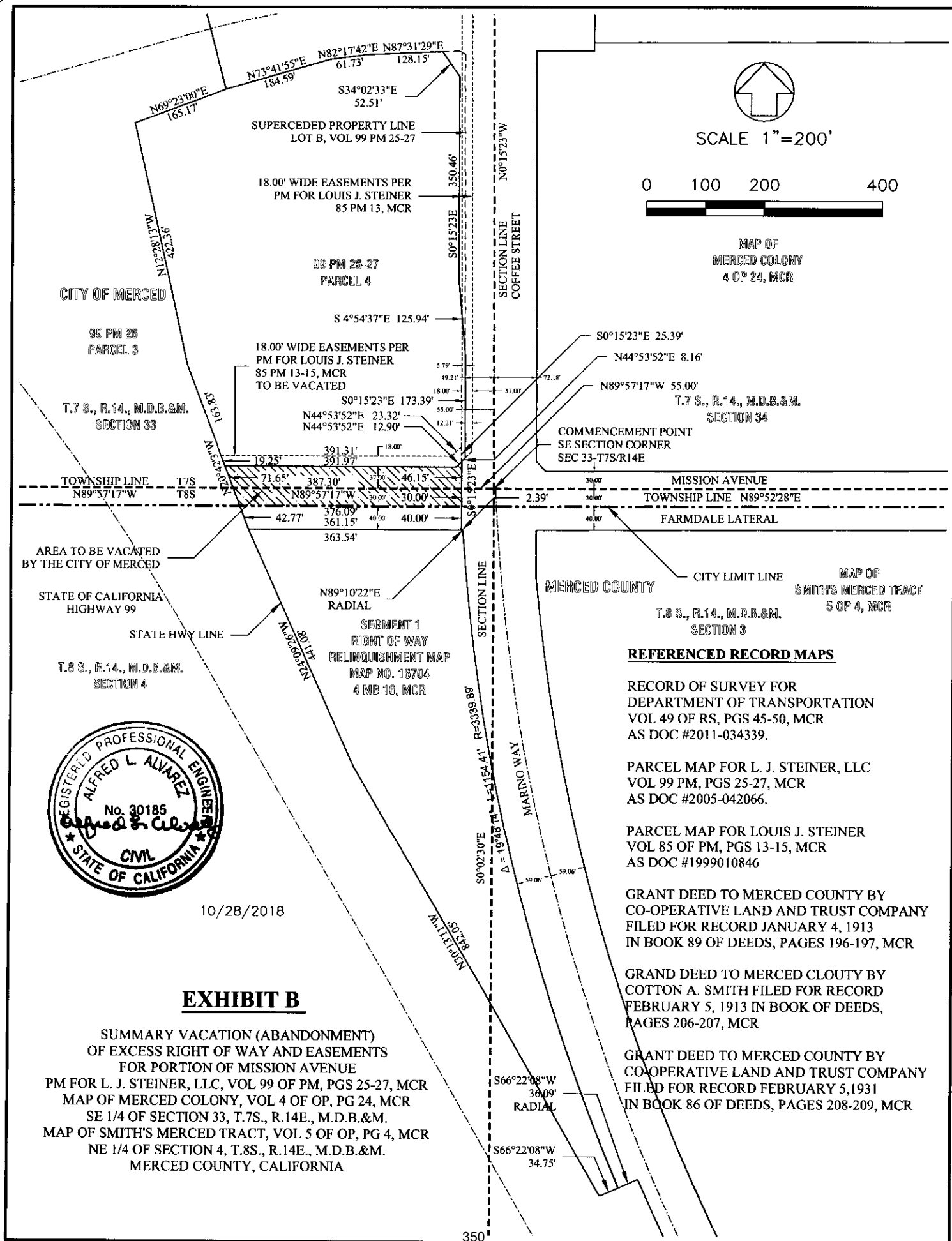
Containing 7,375 square feet, more or less.

As shown on Exhibit B attached hereto.

Subject to rights of record, if any.



REV 10/28/2018



10/28/2018

EXHIBIT B

SUMMARY VACATION (ABANDONMENT)
OF EXCESS RIGHT OF WAY AND EASEMENTS
FOR PORTION OF MISSION AVENUE
PM FOR L. J. STEINER, LLC, VOL 99 OF PM, PGS 25-27, MCR
MAP OF MERCED COLONY, VOL 4 OF OP, PG 24, MCR
SE 1/4 OF SECTION 33, T.7S., R.14E., M.D.B.&M.
MAP OF SMITH'S MERCED TRACT, VOL 5 OF OP, PG 4, MCR
NE 1/4 OF SECTION 4, T.8S., R.14E., M.D.B.&M.
MERCED COUNTY, CALIFORNIA

REFERENCED RECORD MAPS

RECORD OF SURVEY FOR
DEPARTMENT OF TRANSPORTATION
VOL 49 OF RS, PGS 45-50, MCR
AS DOC #2011-034339.

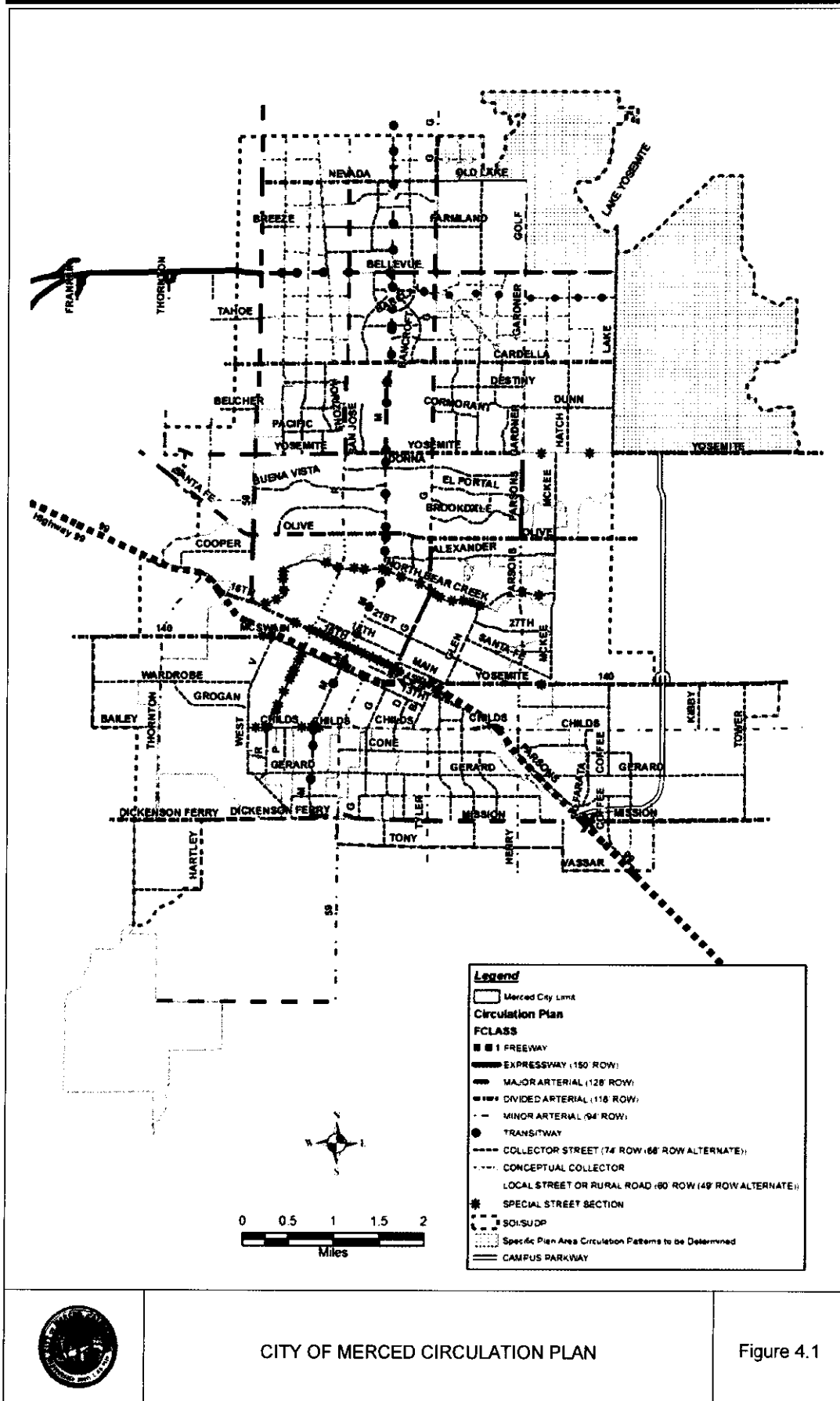
PARCEL MAP FOR L. J. STEINER, LLC
VOL 99 PM, PGS 25-27, MCR
AS DOC #2005-042066.

PARCEL MAP FOR LOUIS J. STEINER
VOL 85 OF PM, PGS 13-15, MCR
AS DOC #1999010846

GRANT DEED TO MERCED COUNTY BY
CO-OPERATIVE LAND AND TRUST COMPANY
FILED FOR RECORD JANUARY 4, 1913
IN BOOK 89 OF DEEDS, PAGES 196-197, MCR

GRAND DEED TO MERCED CLOUTY BY
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FILED FOR RECORD FEBRUARY 5, 1931
IN BOOK 86 OF DEEDS, PAGES 208-209, MCR



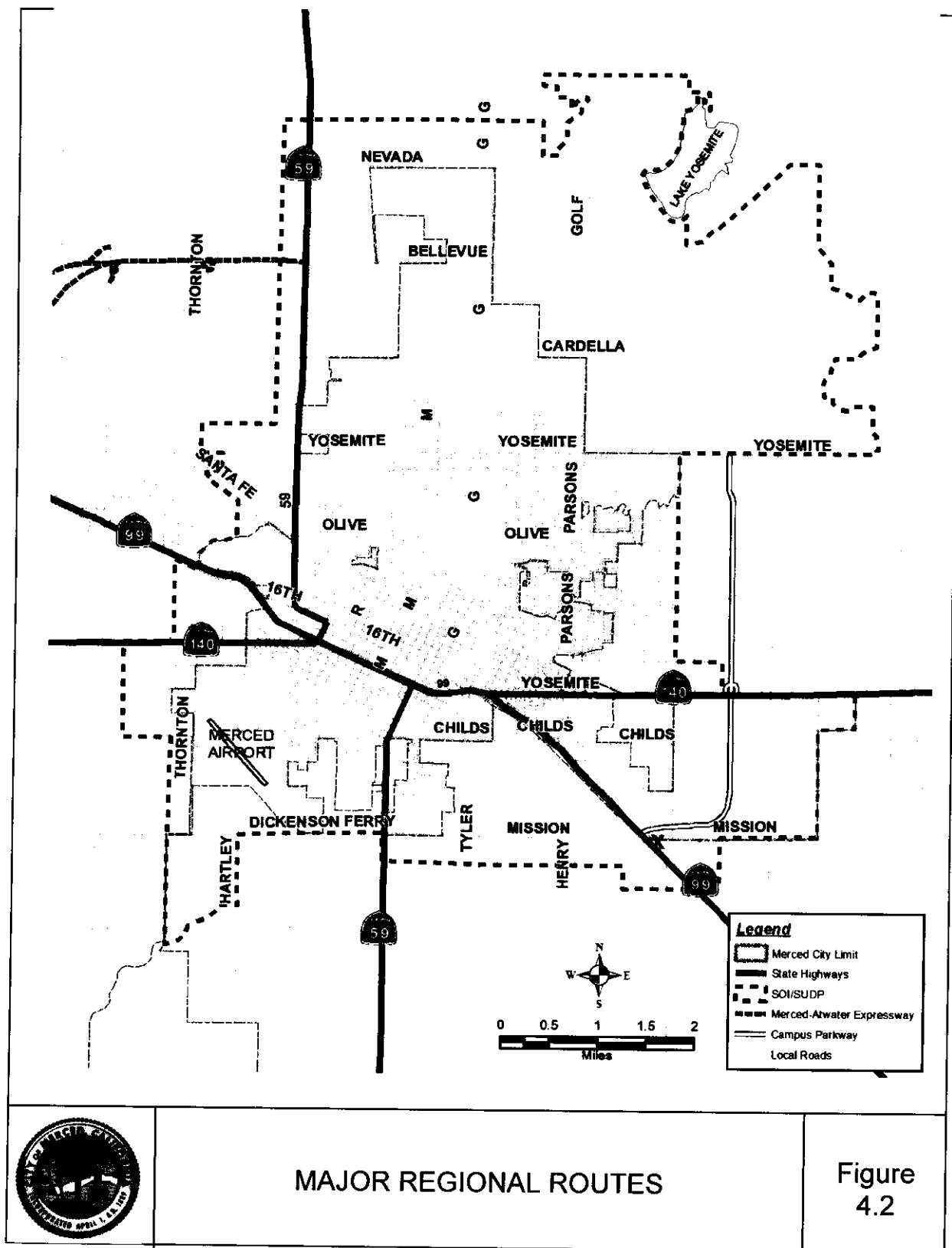


Figure 4.2

CITY OF MERCED
Planning Commission

Resolution #4019

WHEREAS, the Merced City Planning Commission at its regular meeting of April 3, 2019, held a public hearing and considered **General Plan Amendment #19-01**, initiated by the City of Merced. This application involves the review and recommendation to the City Council for a request to modify the City of Merced Circulation Plan (Figures 4.1 and 4.2) and all associated maps and descriptions throughout the General Plan, to vacate excess right-of-way and easements along Mission Avenue, between Coffee Street and State Highway 99; and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through D of Staff Report #19-09; 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 recommend to City Council adoption of a Categorical Exemption regarding Environmental Review #19-07, and approval of General Plan Amendment #19-01.

Upon motion by Commissioner HARRIS, seconded by Commissioner DREXEL, and carried by the following vote:

AYES: Commissioners Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: Commissioner Camper

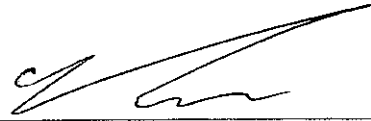
ABSTAIN: None

PLANNING COMMISSION RESOLUTION #4019

Page 2

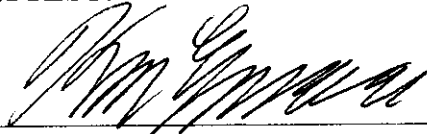
April 3, 2019

Adopted this 3rd day of April 2019



Chairperson, Planning Commission of
the City of Merced, California

ATTEST:



Secretary

n:\shared\planning\PC Resolutions\GPA#19-01

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
DECLARING ITS INTENTION TO ABANDON A
PORTION OF MISSION AVENUE, BETWEEN
COFFEE STREET AND STATE HIGHWAY 99
[APPROXIMATELY 400 FEET LONG]
(VACATION #18-01) AND SETTING TIME AND
PLACE FOR PUBLIC HEARING**

WHEREAS, the City Engineer of the City of Merced has recommended that the hereinafter described portion of public right-of-way is unnecessary for prospective public purposes; and

WHEREAS, the City Engineer has filed maps or plans with the City Clerk of the City of Merced showing the portion of the public right-of-way to be vacated at a specific time that will be determined.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. The City Council of the City of Merced declares its intention to proceed under the provisions of Part 3 of the Streets and Highways Code of the State of California, being the Public Streets, Highways, and Service Easements Vacation Law, Chapter 3, to vacate a portion of Mission Avenue (the full right-of-way), between Coffee Street and State Highway 99 [approximately 400 feet long] (Vacation #18-01), as described in Exhibit "A" and shown in Exhibit "B" attached hereto and incorporated herein by this reference.

SECTION 2. Reference is made to the maps and plans which are filed in the office of the City Clerk of the City of Merced for further particulars as to the proposed vacation and reservation.

SECTION 3. June 17, 2019, at the hour of 6:00 p.m. of said day in the Council Chamber of the City Council, 678 West 18th Street, Merced, California, is fixed as the time and place for hearing all persons interested in or objecting to the proposed vacation. Said hearing may be postponed or continued.

SECTION 4. The City Engineer is directed to post or cause to be posted at least two weeks before the date set for hearing not less than two (2) notices of vacation of a portion of public right-of-way, conspicuously along the lines of said portion of the public lot proposed to be vacated, stating adoption of this resolution and the time and place of the hearing herein called. Posting a copy of this resolution shall constitute the posting of the required notice.

SECTION 5. The City Clerk is directed to cause a copy of this Resolution to be published once each week for two successive weeks prior to the public hearing in the official newspaper.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2019, 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 Emmer 5-9-19
City Attorney Date

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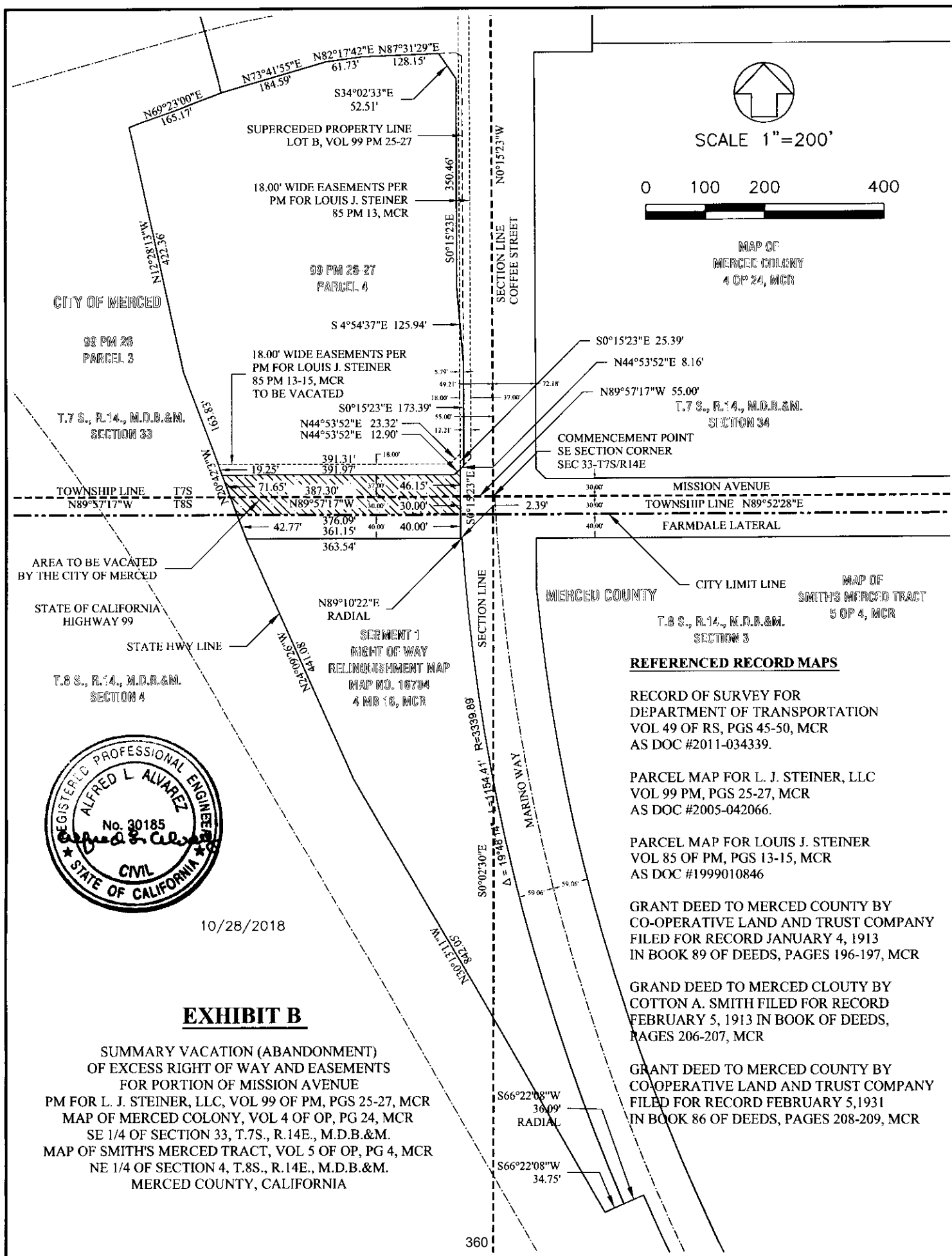
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Subject to rights of record, if any.



REV 10/28/2018



SCALE 1"=200'

0 100 200 400

MAP OF
MERCED COUNTY
4 OP 24, MCR

MAP OF
SMITH'S MERCED TRACT
5 OP 4, MCR

REFERENCED RECORD MAPS

RECORD OF SURVEY FOR
DEPARTMENT OF TRANSPORTATION
VOL 49 OF RS, PGS 45-50, MCR
AS DOC #2011-034339.

PARCEL MAP FOR L. J. STEINER, LLC
VOL 99 PM, PGS 25-27, MCR
AS DOC #2005-042066.

PARCEL MAP FOR LOUIS J. STEINER
VOL 85 OF PM, PGS 13-15, MCR
AS DOC #1999010846

GRANT DEED TO MERCED COUNTY BY
CO-OPERATIVE LAND AND TRUST COMPANY
FILED FOR RECORD JANUARY 4, 1913
IN BOOK 89 OF DEEDS, PAGES 196-197, MCR

GRAND DEED TO MERCED CLOUTY BY
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PAGES 206-207, MCR

GRANT DEED TO MERCED COUNTY BY
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IN BOOK 86 OF DEEDS, PAGES 208-209, MCR

EXHIBIT B

SUMMARY VACATION (ABANDONMENT)
OF EXCESS RIGHT OF WAY AND EASEMENTS
FOR PORTION OF MISSION AVENUE
PM FOR L. J. STEINER, LLC, VOL 99 OF PM, PGS 25-27, MCR
MAP OF MERCED COLONY, VOL 4 OF OP, PG 24, MCR
SE 1/4 OF SECTION 33, T.7S., R.14E., M.D.B.&M.
MAP OF SMITH'S MERCED TRACT, VOL 5 OF OP, PG 4, MCR
NE 1/4 OF SECTION 4, T.8S., R.14E., M.D.B.&M.
MERCED COUNTY, CALIFORNIA

10/28/2018



Vacation #18-01 & GPA #19-01

Amend the Merced Vision 2030 General Plan
Transportation and Circulation Element

City-Wide Context



Location Map

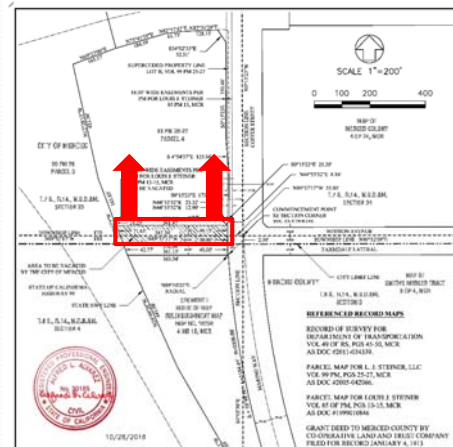


Review Comments/Action

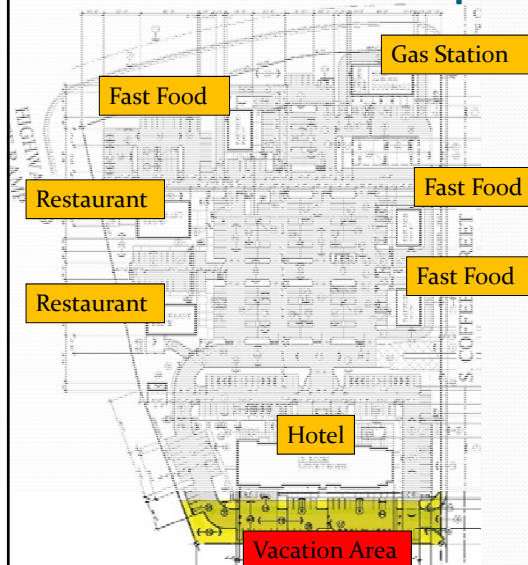
- **Staff Comments:** The City's Engineering Department does not contest this request and they have noted that this portion of Mission Avenue is not needed to improve the Level of Service in this area.
- **Planning Commission:** On April 2019, the Planning Commission recommended approval of GPA #19-01 and adopted a Finding of General Plan Consistency for Vacation #18-01.

Allocation of Mission Ave. Land

- If approved, Mission Ave. would be transferred to the 7.5-acre parcel to the North (zoned Thoroughfare Commercial).



Future Development

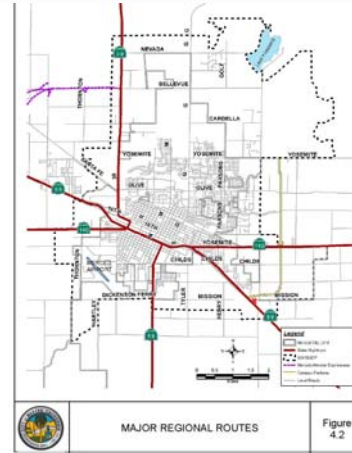


- Vacation area to be used for additional parking to accommodate the hotel's ball rooms.
- The owner and his designer need to know if they can include the vacation area before submitting plans to the Site Plan Review Committee.
- The Planning Commission or City Council would look at certain aspects of this project, such as consideration for a large free standing sign and alcohol sales for off-site consumption.

General Plan Maps to be Revised



Circulation Plan



Major Regional Routes

Action

- The City Council may adopt a Resolution for Approval/Denial/Modification:
- GPA #19-01
- Vacation #18-01 – Set Public Hearing for June 17, 2019.



CITY OF MERCED

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

ADMINISTRATIVE REPORT

Agenda Item J.1.

Meeting Date: 5/20/2019

Report Prepared by: Steven S. Carrigan

SUBJECT: City of Merced Fiscal Year 2019-20 Budget

REPORT IN BRIEF

Review of the City Manager's proposed FY 2019-20 Budget.

RECOMMENDATION

For information and discussion only.

AUTHORITY

Charter of the City of Merced, Section 1104.

CITY COUNCIL PRIORITIES

As provided for by the City Council during priority setting session.

DISCUSSION

The City Council and the Public to be presented the City Manager's proposed FY 2019-20 budget.

ATTACHMENTS

1. Presentation

City of Merced Budget 2019-20



1

City Manager's Future Outlook

- ▲ RDA Dissolution
- ▲ CalPERS Contributions
- ▲ Operational Increases
 - ▲ Workers Compensation
 - ▲ Vehicle Maintenance and Fuel costs
 - ▲ Deferred Maintenance
 - ▲ ERP Phased funding
- ▲ Special Revenue
 - ▲ Measure C Extension
 - ▲ Measure Y Receipts
- ▲ On-going Projects

FY 2019/20 Budget

3

- ▶ Budget Process
- ▶ Five Year Forecast Summary
- ▶ City Budget Overview
- ▶ General Fund
- ▶ Staffing Recommendations
- ▶ Pending Direction



Budget Process

4

- ▲ December - Budget Calendar distributed
- ▲ January/February – Town Hall meetings
- ▲ February/March
 - Council Priority Setting session
 - Department Heads submit budgets for consideration

Budget Process (cont'd)

5

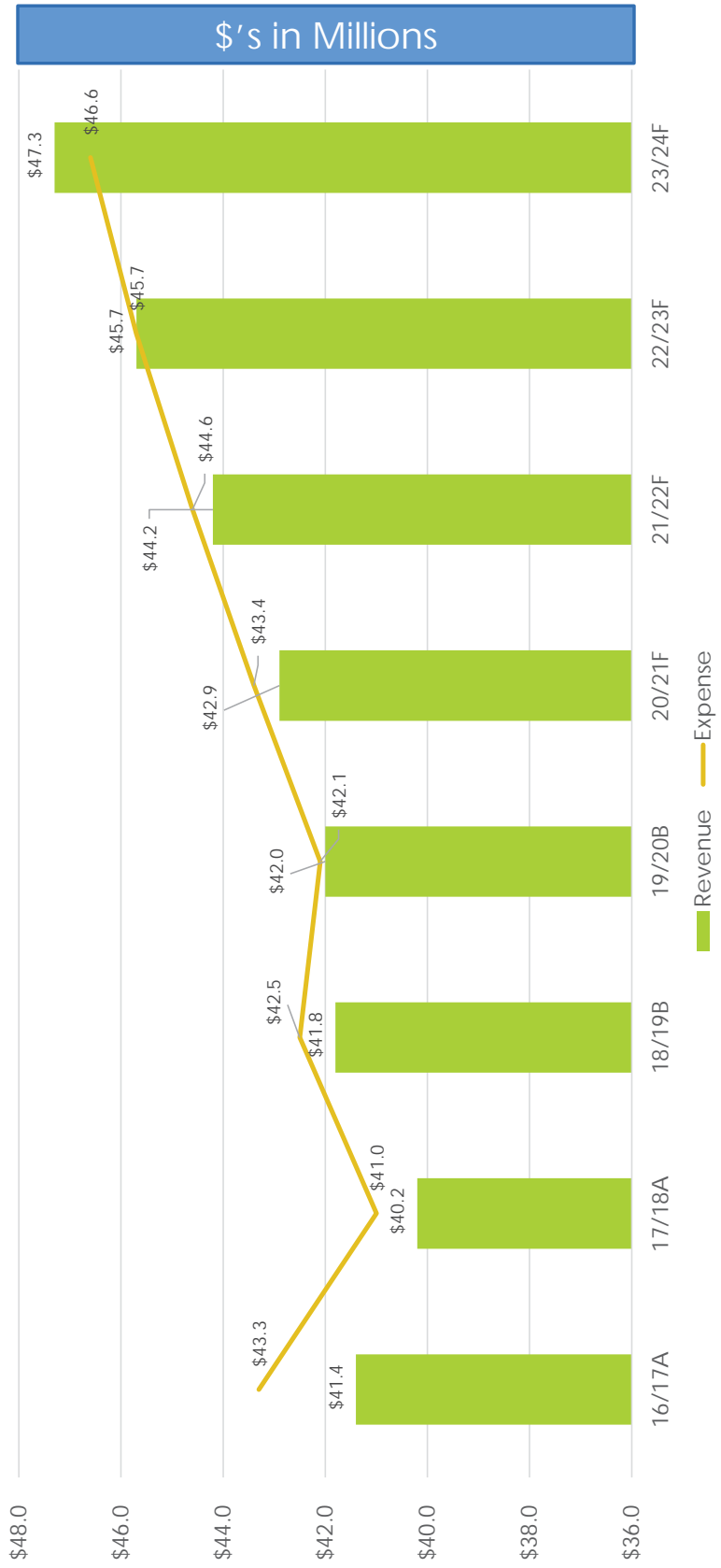
- ▶ April
 - City Manager meets with Departments
 - City Manager meets with Finance Officer
 - Distribute Internal Calculation
 - City Manager meets with Finance Officer
- ▶ May
 - Finalize City Manager Recommended Budget
 - Hold Budget Study Session

Five Year Forecast-General Fund

6

	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Revenue	\$41.4	\$42.8	\$44.2	\$45.7	\$47.2
% of Change from Prior Year	1.51%	3.60%	3.21%	3.41%	3.34%
Expenditures	\$42.0	\$43.3	\$44.6	\$45.7	\$46.6
% of Change from Prior Year	(1.03%)	3.22%	2.82%	2.40%	1.99%
Receipts over Expense	(\$0.6)	(\$0.5)	(\$0.4)	\$0.0	\$0.6
Fund Balance	\$ 7.8	\$ 7.7	\$ 7.7	\$ 8.2	\$ 9.2
GFOA Recommended	\$ 6.9	\$ 7.2	\$ 7.4	\$ 7.6	\$ 7.8
Difference	\$ 0.9	\$ 0.5	\$ 0.3	\$ 0.6	\$ 1.4

General Fund-Revenue vs Expense



CalPERS-Current Forecast Estimate (based on latest actuarial)

8



City Manager Adjustments

9

\$ (2,798,794)

Department Head Budget Deficit

Expenses

CalPERS correction	\$	234,476
Fire budget	\$	656,447
Police budget	\$	319,583
Parks budget	\$	81,989
Parks and Recreation transfer	\$	47,826
Airport transfer	\$	19,958
Transfer .50 Park Worker to CFD-Parks	\$	34,506
UAL Lump Sum vs. Monthly	\$	99,691
Workers Compensation	\$	227,375
Health Benefits	\$	35,446
Salary Refresh	\$	180,156
General Liability	\$	76,412
Information Technology	\$	170,975
Facilities	\$	136,620
Data Storage one-time cost	\$	117,975

Revenues

Administration increase	\$	87,549
Direct Service Charges increase	\$	202,002
Total Adjustments	\$	2,728,986

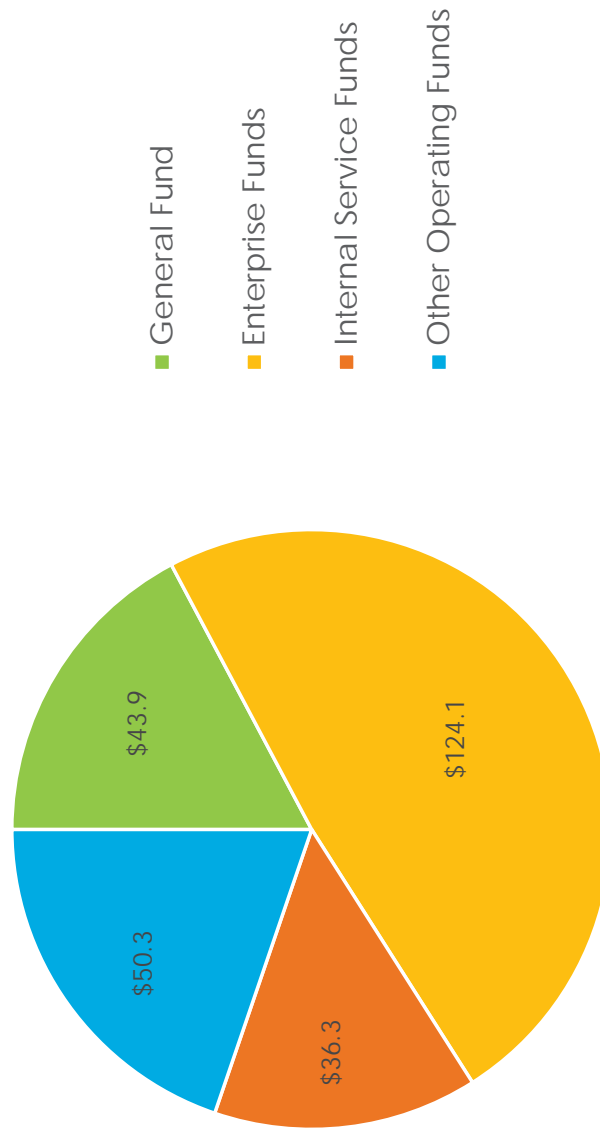
\$ (69,808)

City Manager Budget Deficit

FY 2019-20 Budget Overview

10

Total City Budget \$255 million



FY 2019/20 General Fund

11

Est. Fund Balance – July 1, 2019*	\$9,280,900
Budgeted Revenue	\$42,014,881
Budgeted Expenses	\$40,451,510
Budgeted Transfers	\$1,633,179
Total Operating Expenditures	\$42,084,689
Revenue over (under) Expense	\$(69,808)
Below the Line (Non-operating)	\$624,594
Future Planning	\$900,000
Prior Year Projects	\$327,098
Adj. Fund Balance – June 30, 2020*	\$7,359,400

*Meets GFOA recommended minimum

General Fund Summary

12



General Fund Balance

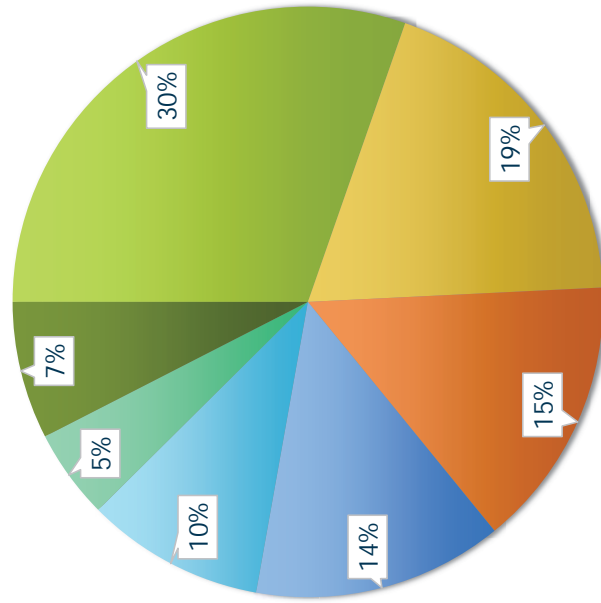
13



General Fund Revenues

14

Total Revenues of \$42 million



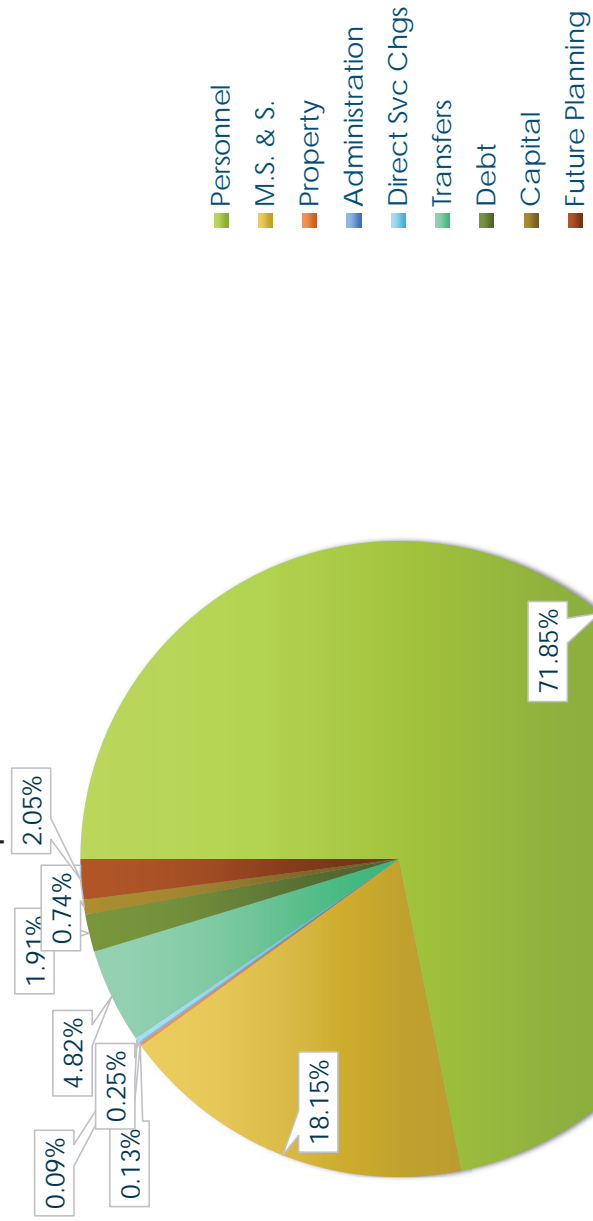
Sales Tax
Property Tax
Vehicle in Lieu
Other Taxes
Administration
Direct Svc Chgs
Other

\$'s in Millions

General Fund Expenses

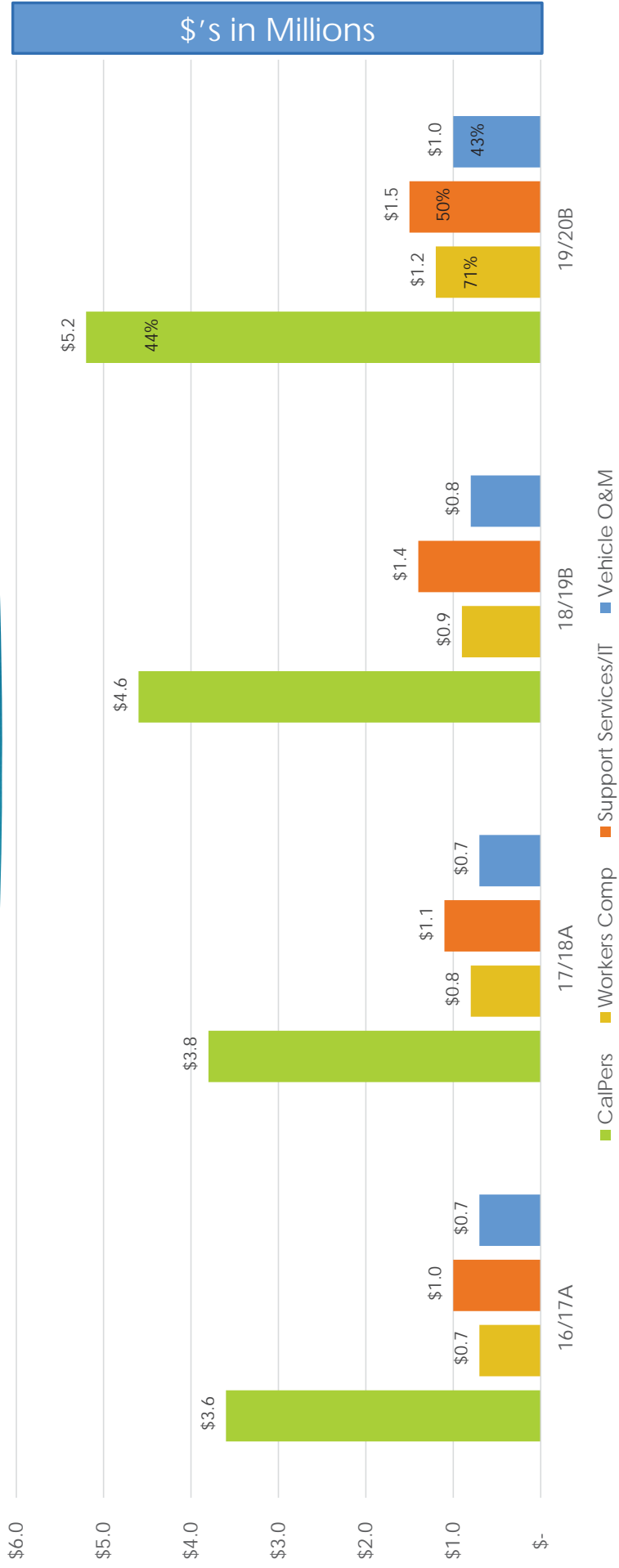
15

Total Expenses \$43.9 million



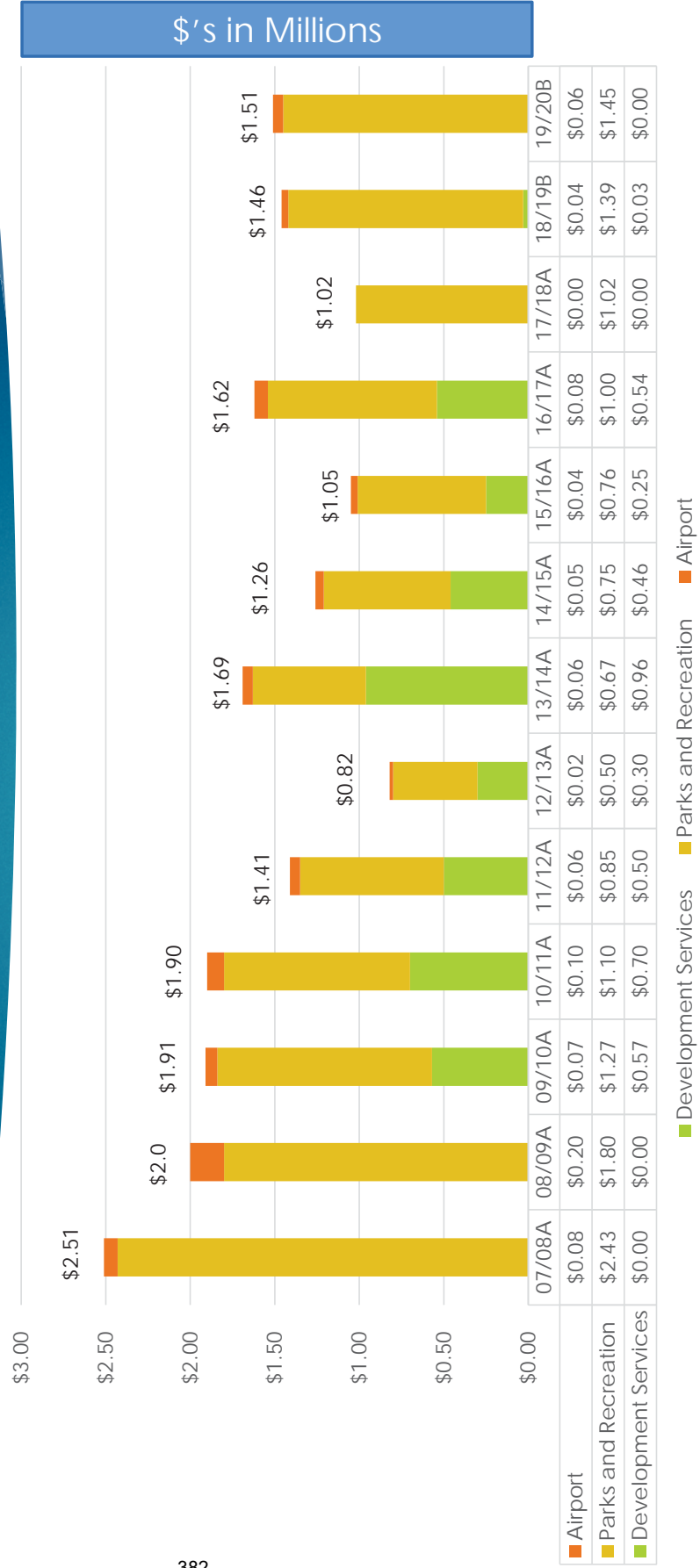
Largest Cost Drivers

16



General Fund Transfers

17



Below the Line Expenses (Non-Operating)

18

Ballot Measure	\$20,000
Citywide Data Storage System	\$117,975
Enterprise Resource Planning (ERP) System	\$486,619
Revenue Stabilization Fund	\$360,000
Economic Development Opportunity Fund	\$180,000
Trust 115 - Pension	\$360,000
Total	<hr/> \$1,524,594

Future Planning (Reserves)

19



Recommended Total Staffing

Functional Area	Add	Delete	Total
Finance	2	(1)	1
Public Works Administration	1	(2)	(1)
Development Services	2	(2)	0
Storm Drains	1	(1)	0
Water	1	(1)	0
Fleet	1	(1)	0
Total	8	(8)	0

Recommended Total Staffing

21

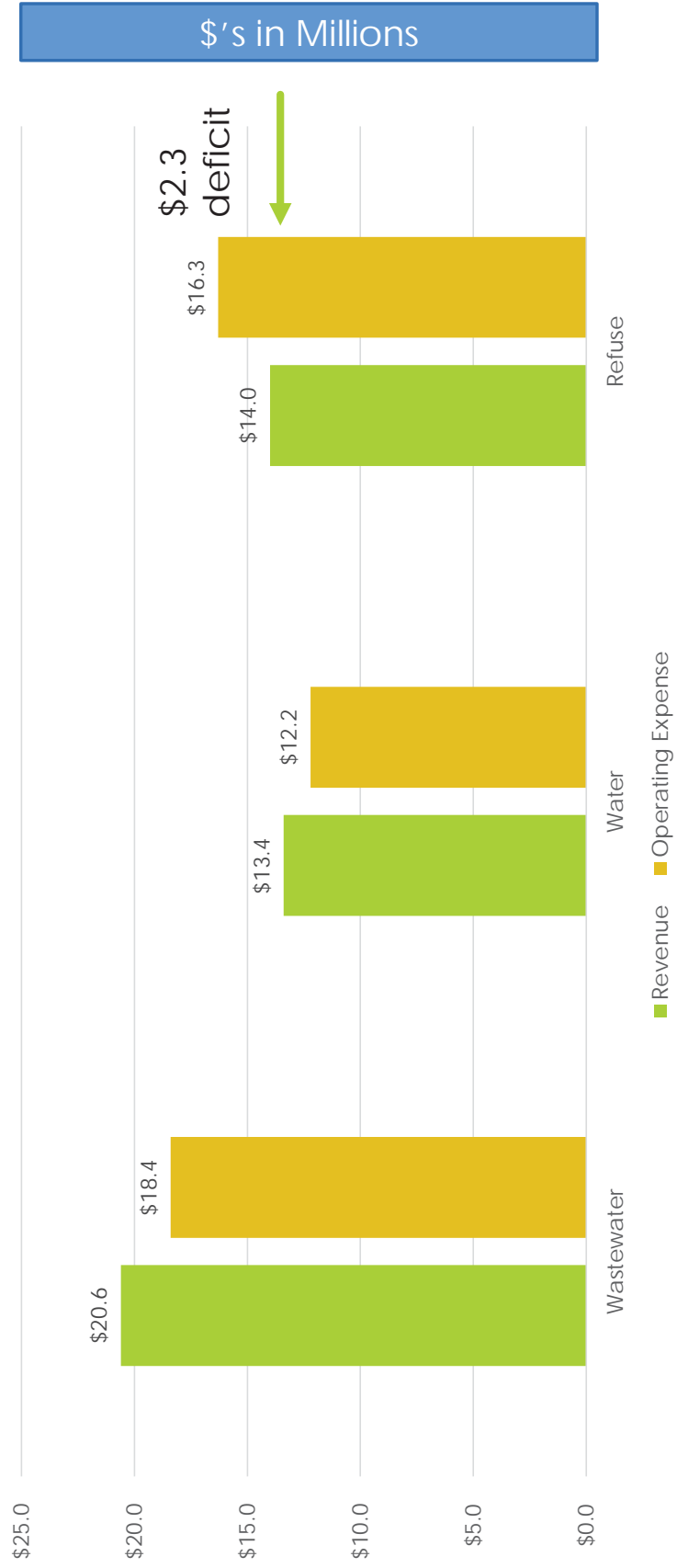
- ▶ Finance Administration
 - ▶ Remove Accountant III
 - ▶ Add Revenue and Customer Service Supervisor
 - ▶ Add Accountant I
- ▶ Public Works Administration
 - ▶ Remove Account Clerk
 - ▶ Remove Clerk Typist
 - ▶ Add Secretary I

Recommended Total Staffing

- ▲ Development Services
 - ▲ Remove Two Engineering Technicians
 - ▲ Add Associate Engineer
 - ▲ Add Development Services Technician II
- ▲ Public Works
 - ▲ Remove Collection Systems Worker-Storm Drains
 - ▲ Add Maintenance Electrician-Storm Drains
 - ▲ Remove Mechanic-Fleet
 - ▲ Add Lead Mechanic-Fleet
 - ▲ Remove Water Engineer-Water
 - ▲ Add Backflow Technician-Water

Enterprise Fund Summary

23



Public Safety

24

- ▲ Measure C – Transfer .50 of a Police Officer to CFD
- ▲ Measure C – Transfer .50 of a Firefighter to CFD
- ▲ One full-time position transitioned out of Measure C



Parks/Parks & Recreation

25

- ▲ Parks –Transfer .50 of a Park Worker from General Fund to CFD
- ▲ Community Funding - \$23,000
 - Multicultural Arts Center \$5,000
 - Bicycle Coalition \$5,000
 - UC Merced STEM \$2,500
 - Boys & Girls Club \$2,500
 - Play Adventure \$2,500
 - Youth Connect \$2,500
 - Youth Scholarships \$3,000



Administration

26



▲ Ballot Measure for March Primary

▲ Replace Data Storage System \$405K

- \$117k – General Fund
- \$288k – Other Funds

▲ Enterprise Resource Planning System (Phase 2) \$1.3 m

- \$486k – General Fund
- \$814k – Other Funds

Public Works Department

27

- ▲ Refuse- Purchase two refuse trucks due to growth
- ▲ Water-Implementation of Backflow Program
- ▲ Wastewater- Bloss Ranch Annexation



Recommended Measure V Projects

- ▲ Glen Ave (Santa Fe to Bear Creek) Improvement
- ▲ 18th St. (R to V) Improvement
- ▲ R St. (Olive to Northwood) Improvement
- ▲ 26th St (Glen to 7th) Improvement
- ▲ Yosemite Ave (Parsons to Mansionette) Grind and Overlay
- ▲ M St (13th to Childs) Grind and Overlay
- ▲ Road Maintenance & Rehab at Various Locations
- ▲ Crack Filling Phase I at Various Locations

Council Direction

29

- ▲ Options to Balance
- ▲ Council Requests
- ▲ Next Steps

Options to Balance General Fund

30

Option 1 Option 2 Option 3

City Manager Budget Deficit	\$ (69,808)	\$ (69,808)	\$ (69,808)
Remove Community Funding		23,000	
Reduce Maintenance, Supplies, and Services			
City Council	1,842	1,235	
City Manager	3,454	2,316	
City Attorney	1,413	948	
Finance	9,534	6,393	
Police	27,498	18,438	
Fire	10,175	6,823	
Parks	7,800	5,230	
Economic Development	2,016	1,352	
Parks and Recreation	4,515	3,027	
Airport	1,560	1,046	
Move operating budget to Measure C			
Police			50,953
Fire			18,855
City Council Approved Deficit	\$ -	\$ -	\$ -



ADMINISTRATIVE REPORT

Agenda Item K.1.

Meeting Date: 5/20/2019

Report Prepared by: John Tresidder, Assistant City Clerk, City Clerk's Office

SUBJECT: Council Discussion on Items to be Reviewed by Newly Formed Citizens Advisory Charter Review Committee

REPORT IN BRIEF

This item allows for Council discussion on possible amendments to the City of Merced Charter and to provide the newly appointed Citizens Advisory Charter Review Committee with direction.

RECOMMENDATION

City Council - Provide direction to the Citizens Advisory Charter Review Committee and staff on specific sections of the Charter for review.

ALTERNATIVES

1. Provide direction as recommended; or,
2. Continue to a future meeting; or,
3. Deny.

AUTHORITY

City of Merced Charter, Section 200 and Government Code Section 34450.

CITY COUNCIL PRIORITIES

Placing Charter Amendments on the March 2020 Primary Ballot

DISCUSSION

At the March 18, 2019 City Council Meeting, Mayor Murphy brought forward an item to discuss possible amendments to the City Charter. Council directed staff to return with a timeline and list of milestones in order to place possible amendments on the March 2020 Primary Election.

At the April 1, 2019 City Council meeting, staff reported on a timeline and set of milestones that would need to be met in order to place possible Charter Amendments on the March 2020 Primary Election. At the same meeting, Council directed staff to begin the process that would lead to that end.

Upon appointment of the committee, it is appropriate for the City Council to provide direction to the committee on sections of the Charter for review. Mayor Murphy previously suggest a review of Section 400 subdivision B (Mayor's term) and Charter Section 1112 regarding the Cash Basis Fund.

This task should be completed in the suggested timeline attached.

IMPACT ON CITY RESOURCES

N/A

ATTACHMENTS

1. Updated Timeline
2. Updated Election Calendar

Milestones to meet November deadline for March Primary

May 20th Council Meeting – Council appoints Charter Review Committee members from applications received. Discussion on charge to be given to Charter Review Committee

Week of May 27 - Staff schedules meeting with newly appointed Charter Review Committee for first meeting and orientation (facilitated by City Manager, City Attorney and Assistant City Clerk)

Week of June 10 - Charter Review Committee first working meeting – scoping/issue identification

Week of June 24 - Charter Review Committee second working meeting

July 1st Council Meeting – Initial report to Council by Charter Review Committee to update and/or clarify charge

Week of July 8 - Charter Review Committee third working meeting – text review & redraft

Week of July 22 - Charter Review Committee fourth working meeting – text review

Week of August 5 – Charter Review Committee fifth working meeting – text review and development of recommendations to City Council

Week of August 19 – Charter Review Committee sixth working meeting – finalize recommendations to City Council

September 3rd Council Meeting – City Council receives final report from Charter Review Committee and considers recommendations and approval of same

Staff to create final documents for ballot questions and create Resolutions calling for and consolidating election (September 4 thru 30)

October 7th Council Meeting – Council to consider and adopt Resolutions calling election/requesting consolidation

October 21st Council Meeting – Final meeting to adopt Resolutions for November deadline per the Registrar of Voters

MEASURE CALENDAR

PRESIDENTIAL PRIMARY ELECTION

MARCH 3, 2020

Code references, unless otherwise stated, refer to California Election Code (EC) & Government Code (GC).

<p style="text-align: center;">Last Day for Measure Consolidation</p> <p style="text-align: center;">November 4, 2019 E-120</p>	<p>Resolution Requesting Measure Consolidation - must be submitted to the Board of Supervisors; a copy of the resolution is to be provided to the Registrar of Voters (ROV).</p> <p>Resolution to include: Request for ROV to provide services, ballot question (75 word limit), passage requirements, full text (including Tax Rate Statement and Fiscal Impact Report, if applicable). Cities - Impartial Analysis to be filed with resolution. Schools & Districts – County elections official will request Analysis.</p> <p style="text-align: right;"><i>Date required by Merced County Registrar of Voters Department EC§9160, 9222, 9280, 9313, 9500, 10403</i></p>
<p style="text-align: center;">November 4 – November 11 E-120 – E-113</p>	<p>Publication – Notice of election date, ballot question, primary & rebuttal argument deadlines:</p> <ul style="list-style-type: none"> County, School & Special District Measures, the required notice will be published by the Registrar of Voters. <i>EC§9163, 9502</i> Municipal Measures, the City Clerk will publish the required notice. <i>Date required by Merced County Registrar of Voters Department EC§9286, 12102</i>
<p style="text-align: center;">November 4 – November 14 E-120 – E-110</p>	<p>10-Day Public Examination Period of Measure</p> <p style="text-align: right;"><i>Date required by Merced County Registrar of Voters Department EC§9190, 9380, 9286, 9295, 9509</i></p>
<p style="text-align: center;">November 11, 2019 E-113</p>	<p>Deadline: Amendment or Withdrawal of Measure</p> <p>The governing body may amended or withdrawn a measure by filing of a resolution with the elections official. If the measure qualified by the initiative or referendum process, a written withdrawal notice signed by all proponents must be filed.</p> <p style="text-align: right;"><i>Date required by Merced County Registrar of Voters Department EC§9604, 9605</i></p>
<p style="text-align: center;">November 14, 2019 5:00 p.m. on E-110</p>	<p>Deadline: Primary Arguments In Favor or Against</p> <p>Argument deadlines may be different for City Measures, in non-statewide elections, check with the City Clerk.</p> <p style="text-align: right;"><i>Date required by Merced County Registrar of Voters Department GC§57146; EC§9162, 9286(b), 9316, 9502</i></p>
<p style="text-align: center;">November 15– November 25 E-109– E-99</p>	<p>10-Day Public Examination Period for Primary Arguments</p> <p style="text-align: right;"><i>Date required by Merced County Registrar of Voters Department EC§9190, 9380, 9286, 9295, 9509</i></p>
<p style="text-align: center;">November 25, 2019 5:00 p.m. on E-99</p>	<p>Deadline: Rebuttal to Arguments In Favor or Against</p> <p>There will only be a rebuttal argument filing period, if both an argument in favor <u>and</u> an argument against are filed during the primary argument period.</p> <p style="text-align: right;"><i>Date required by Merced County Registrar of Voters Department EC§9163, 9167, 9285, 9286, 9316, 9317, 9502, 9504</i></p>
<p style="text-align: center;">November 26 – December 6 E-98 – E-88</p>	<p>10-Day Public Examination Period for Rebuttal Arguments</p> <p style="text-align: right;"><i>Date required by Merced County Registrar of Voters Department EC§9190, 9380, 9286, 9295, 9509</i></p>
<p style="text-align: center;">January 3, 2020 E-60</p>	<p>Military & Overseas Voter Information & Ballot Mailing starts</p> <p style="text-align: right;"><i>EC§3105</i></p>
<p style="text-align: center;">March 3, 2020</p>	<p>Election Day</p> <p style="text-align: right;"><i>EC§1000</i></p>

*When a deadline falls on a weekend or holiday, such act may be performed on the next business day. *EC§15; GC§6700, 6701*

This calendar is for general information only and does not have the force and effect of law, regulations or rule. In case of conflict, the law, regulation or rule will apply.



ADMINISTRATIVE REPORT

Agenda Item K.2.

Meeting Date: 5/20/2019

Report Prepared by: John Tresidder, Assistant City Clerk, City Clerk's Office

SUBJECT: Appointments to the Citizens Advisory Charter Review Committee with 6 Members by District and 3 Members in At-Large Seats

REPORT IN BRIEF

Considers the appointment of individuals to the Citizens Advisory Charter Review Committee.

RECOMMENDATION

City Council - Adopt a motion accepting nominations and appointing one individual to each of the six City Council Districts and three individuals to at-large seats on the Citizens Advisory Charter Review Committee.

ALTERNATIVES

1. Approve and appoint individuals as recommended by staff; or,
2. Continue to a future meeting and direct staff to continue recruitment of applicants; or,
3. Deny the item.

AUTHORITY

City of Merced Charter, Section 200.

CITY COUNCIL PRIORITIES

Placing Charter Amendments on the March 2020 Primary Election.

DISCUSSION

At the March 18, 2019 City Council Meeting, Mayor Murphy brought forward an item to discuss possible amendments to the City Charter. Council directed staff to return with a timeline and list of milestones in order to place possible amendments on the March 2020 Primary Election.

At the April 1, 2019 City Council meeting, staff reported on a timeline and set of milestones that would need to be met in order to place possible Charter Amendments on the March 2020 Primary Election. At the same meeting, Council directed staff to begin the process that would lead to that end.

The Council also agreed at the April 1, 2019 meeting that a Citizens Advisory Charter Review Committee should be used, similar to the last comprehensive Charter review in 2007. This committee would have the sole purpose to carry out the charge of the City Council in reviewing all or part of the

City of Merced Charter and making a recommendation to the City Council when the task is complete.

At the City Council Meeting of April 15, 2019 Council discussed the makeup of the committee and directed staff to recruit for applicants with the use of newspaper publications, radio spots, a social media campaign, and connecting with local service groups and organizations.

Staff participated in several radio interviews to assist in the recruitment process, published notices in the local newspaper, and created a social media campaign designed to educate and create public interest. In addition, staff reached out to several local service groups including but not limited to Rotary, Sunrise Rotary, Kiwanis, the League of Women Voters, the Merced Chamber of Commerce, the Hispanic Chamber of Commerce, and Building Healthy Communities in order to engage more citizens in the process.

Several applications have been submitted to the City Clerk's Office at the time of agenda production and are attached. Should more applications be submitted before the 5 p.m. deadline on May 20th, they will be placed at the Council dais at the meeting.

District 1 - 1 applications
District 2 - 0 applications
District 3 - 3 applications
District 4 - 2 applications
District 5 - 2 applications
District 6 - 1 application

The matter of appointment is now before the Council.

IMPACT ON CITY RESOURCES

Staffing will be the primary impact with members from the City Manager, City Attorney, and City Clerk's Office assisting the committee.

ATTACHMENTS

1. Applications

Profile

Bernadette

First Name

M

Middle Initial

Soares

Last Name

Merced County Human Services
Agency

Employer

Social Service Program Worker

Job Title

Email AddressPrimary PhoneAlternate Phone

Are you 18 years of age or older? (Required)☒ Yes ☐ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)☒ Yes ☐ NoStreet AddressCitySuite or AptStatePostal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)☒ Yes ☐ No

Which Council district do you live in?☒ District 1

Are you currently serving on a Board or Commission? If so, please list:

Which Boards would you like to apply for?

Citizens Advisory Charter Review Committee: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *☒ Some College, No Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

☒ Yes ☐ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

I am passionate about the future of Merced. I care about the decisions, policy and practice that our community. I work in public service and get to interact with the most vulnerable on a day-to-day basis. I would like the opportunity to give back to the community through the logistics of city government like ballot measures, term limits, and other issues critical to the city.

Please list your current employer and relevant volunteer experience.

Human Services Agency Social Service Branch- current employer MCOE Head Start Policy Council- volunteer Child and Family Services Citizen Review Panel-volunteer

What is your understanding of the roles and responsibilities of this Board or Commission?

The roles and responsibility of this commission is to review and make recommendations to the City Council on the City of Merced Charter for possible revisions to be placed on the 2020 Primary ballot. This would involve discussion, consideration, review of prevalent materials and make informed contributions.

Do you have experience or special knowledge pertaining to this Board or Commission?

I do have experience with being on a Citizen Review Panel, which made recommendations to the state regarding policy around Child and Family Services.

Any other comments you would like to add that may assist the City Council in their decision?

I deeply care about the safety and well being of our community. I would like to thank the members of the City Council for considering my application.

 Upload a Resume

Requirements

Statement of Economic Interests - FPPC Form 700

☒ I Agree *

How did you hear about this vacancy? *

☒ A Friend

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☒ Other

Gender

☒ Female

Date of Birth

Submission

BMS

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledge.

Profile

Wayne

First Name

A

Middle Initial

Eisenhart

Last Name

Retired

Employer

Job Title

Email AddressPrimary PhoneAlternate Phone

Are you 18 years of age or older? (Required)☒ Yes ☐ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)☒ Yes ☐ NoStreet AddressCitySuite or AptStatePostal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)☒ Yes ☐ No

Which Council district do you live in?☒ District 3

No

Are you currently serving on a Board or Commission? If so, please list:

Which Boards would you like to apply for?

Citizens Advisory Charter Review Committee: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *☒ Professional Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

☒ Yes ☐ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

I have an interest in legal matters, and in the efficient and fair operation of city government.

Please list your current employer and relevant volunteer experience.

Retired. Previously served on Merced City Planning Commission, Ad hoc Committee on Carbon Reduction (probably had a different name), Ad hoc Committee for Planning in the Area of the High Speed Rail Station (maybe I'm still on this committee: it hasn't met for about three years.) Also currently board chair of Alliance for Community Transformation; Merced Downtown Neighborhood Assn, Secretary; Community Social Model Advocates, Inc, board member; Merced County Law Library, member board of trustees.

What is your understanding of the roles and responsibilities of this Board or Commission?

To review, evaluate and make recommendations regarding proposed changes to the Merced City Charter.

Do you have experience or special knowledge pertaining to this Board or Commission?

No really. I never studied Municipal Corporations in law school.

Any other comments you would like to add that may assist the City Council in their decision?

Upload a Resume

Requirements

Statement of Economic Interests - FPPC Form 700

☒ I Agree *

How did you hear about this vacancy? *

☒ A Friend

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☒ Caucasian/Non-Hispanic

Gender

☒ Male



Date of Birth

Submission

WE

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledge.

Profile

Dorothea Lynn

First Name

White

Middle Initial

Last Name

California Department of
Corrections and Rehabilitation

Employer

Employee Relations Officer

Job Title

Email AddressPrimary PhoneAlternate Phone

Are you 18 years of age or older? (Required)☒ Yes ☐ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)☒ Yes ☐ NoStreet AddressCitySuite or AptStatePostal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)☒ Yes ☐ No

Which Council district do you live in?☒ District 3

No

Are you currently serving on a Board or Commission? If so, please list:

Which Boards would you like to apply for?

Personnel Board: Submitted

Building and Housing Board of Appeals: Submitted

Regional Airport Authority: Submitted

Citizens Oversight Committee - Measure C: Submitted

Arts and Culture Advisory Commission: Submitted

Citizens Advisory Charter Review Committee: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *

☒ Some College, No Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

☒ Yes ☐ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

Currently the Employee Relations Officer (ERO), Staff Services Manager I (SSMI) with the California Department of Corrections and Rehabilitation (CDCR) at Valley State Prison (VSP) in Chowchilla, California with twenty-two years of State Service. As the ERO, I provide guidance to management and supervisors involving employee job performance and administer the department's disciplinary process for VSP. Prior to becoming the ERO, I served as the Labor Relations Advocate where I was responsible for managing all areas involving employee grievances, arbitrations, and labor negotiations and acted as the liaison between Management and the Unions. Received the California Department of Human Resources (CalHR) Credentialing Certificates in Employee Performance Management and Civil Rights. In addition, is certified as a Training for Trainers (T4T) Instructor, Cultural Diversity in the Workplace Master Trainer, Equal Employment Opportunity Counselor, and Certified Skelly Hearing Officer. I is the recipient of the Employee of the year in 2014 for outstanding job performance contributing to the mission of VSP. Prior to working for CDCR, I worked for the California Department of Motor Vehicles (DMV) for 16 years. I was the Administrative/Operations Manager II in the Merced Field Office where I was responsible for the administrative duties and daily operations of the office. I helped develop, mentor, and train new employees and managers as well as training existing managers in use of newly developed programs and reports used in the region. In Addition, I represented DMV at the quarterly CDCR, Division of Adult Parole Operations (DAPO), Parole and Community Team (PACT) meetings held to assist parolee's transition into the community and lead DMV's team at the Annual Stand Down Events to assist homeless and in-need veterans and their families. I received the Supervisors Recognition Award in 2013 for Outstanding Job Performance that contributed to the mission and goals of the Department. I has served as California Organization of Licensing Registration Examiners (COLRE) Vice-President, an affiliate within the California Statewide Law Enforcement Association that represents approximately 7,000 California State employees in bargaining unit 7 (BU07). I represented BU07 employees at State Legislative Hearing before the Committee on public employees, retirement, and social security on Senate Bill 9 - State employees' retirement, and State safety membership. As a civically engaged member in her community is serving as the Community Relations Committee chairperson for the Merced branch of the National Association for the Advancement of Colored People (NAACP), Merced County District 2 Participatory Budget Committee member, and Chicano Correctional Workers Association (CCWA) member. I was selected to serve on the current Proposition 47 Scoring Panel for The Board of State and Community Corrections. In which; "The Board of State and Community Corrections has released a Request for Proposals for a grant program that will be funded by the second round of savings from Proposition 47. Under the voter-approved initiative, eligible applicants are public agencies that partner with local community-based organizations to provide mental health services, substance-use disorder treatment or diversion programs for people involved with the criminal justice system. Additional legislation (AB 1056, Chap. 438, Stats. of 2015) requires that the grants be awarded competitively, that funds may serve both adults and juveniles, and that funds be used for housing-related assistance and other community-based supportive services, including job skills training, case management or civil legal services. The BSCC further requires that at least 50 percent of the award made to grantees be passed through to community-based service providers. About \$96 million will be available for a grant cycle scheduled to run Aug. 15, 2019 through May 15, 2023. This cycle will be funded from Prop 47 savings deposits in Fiscal Years 2019-20 and 2020-21." I am also the proud mother of three children, one that works with adults with developmental disabilities with a history of forensic involvement, one that manages a level twelve girl's group home and the youngest recently graduated from high school.

Please list your current employer and relevant volunteer experience.

What is your understanding of the roles and responsibilities of this Board or Commission?

The commission has the responsibility of providing recommendations to the City Council and other appointed bodies and City departments. The purpose of the Measure C- Citizens' Oversight Committee is to review projected revenues created by the voter-approved Measure C, a one-half cent Sales Tax. The Personnel Board, created by the City Charter, recommends to the City Council the adoption, amendment, or repeal of civil service rules and regulations, hears appeals of any person in the classified service relative to any suspension, demotion or dismissal, and makes any investigation which it may consider desirable concerning the administration of personnel in the municipal service and reports its findings to the City Council and the City Manager. The Committee reviews requests related to traffic issues, including matters relating to parking regulations, speed limits, traffic signs, loading zones, safety, and handicapped zones. The Traffic Committee may approve or deny these requests or may make recommendations to the City Council.

Do you have experience or special knowledge pertaining to this Board or Commission?

Any other comments you would like to add that may assist the City Council in their decision?



Upload a Resume

Requirements

Question applies to multiple boards

AB 1234 Ethics Training

☒ I Agree *

Question applies to multiple boards

Attendance Policy

☒ I Agree *

Statement of Economic Interests - FPPC Form 700

☒ I Agree *

Question applies to multiple boards

Oath of Office

☒ I Agree *

Question applies to multiple boards

Public Scrutiny

☒ I Agree *

How did you hear about this vacancy? *

☒ A Friend

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☒ African American

Gender

☒ Female

Date of Birth

Submission

DLW

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledge.

Profile

Jeanne

First Name

Johnson

Middle Initial

Last Name

Creative Alternatives

Employer

Administrator/Facility Supervisor

Job Title

Email AddressPrimary PhoneAlternate Phone

Are you 18 years of age or older? (Required)☒ Yes ☐ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)☒ Yes ☐ NoStreet AddressCitySuite or AptStatePostal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)☒ Yes ☐ No

Which Council district do you live in?☒ District 3

No

Are you currently serving on a Board or Commission? If so, please list:

Which Boards would you like to apply for?

Citizens Advisory Charter Review Committee: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *☒ Some College, No Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

☒ Yes ☐ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

I was interested in what would be on the primary ballot and how it would affect our community. I am a lifelong resident of Merced.

Please list your current employer and relevant volunteer experience.

I have worked with foster youth, youth on probation and at risk/mentally ill youth for 25 years. I currently work for Creative Alternatives since 1999 and worked for Youth Organization previously. I am also a member and volunteer with NAMI

What is your understanding of the roles and responsibilities of this Board or Commission?

To review the recommendations given by the city council members.

Do you have experience or special knowledge pertaining to this Board or Commission?

No

Any other comments you would like to add that may assist the City Council in their decision?

Upload a Resume

Requirements

Statement of Economic Interests - FPPC Form 700

☒ I Agree *

How did you hear about this vacancy? *

☒ Other

Facebook post

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☒ Hispanic

Gender

☒ Female



Date of Birth

Submission

JJ

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledge.

Profile

Kahlyn

First Name

M

Middle Initial

Moody

Last Name

Exit Realty Consultant

Employer

Realtor

Job Title

Email Address

Primary Phone

Alternate Phone

Are you 18 years of age or older? (Required)☒ Yes ☐ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)☐ Yes ☐ No

Street Address

City

Suite or Apt

State

Postal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)☐ Yes ☐ No

Which Council district do you live in?☒ District 4

Are you currently serving on a Board or Commission? If so, please list:

Which Boards would you like to apply for?

Citizens Advisory Charter Review Committee: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *

None Selected

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

☒ Yes ☐ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

I want to get involved in the city

Please list your current employer and relevant volunteer experience.

What is your understanding of the roles and responsibilities of this Board or Commission?

I understand is that I will help city with decisions

Do you have experience or special knowledge pertaining to this Board or Commission?

Any other comments you would like to add that may assist the City Council in their decision?

Upload a Resume

Requirements

Statement of Economic Interests - FPPC Form 700

☒ I Agree *

How did you hear about this vacancy? *

☒ Other

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

None Selected

Gender

None Selected

Date of Birth

Submission

KM

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledge.

Profile

Casey

First Name

Steed

Middle Initial

Last Name

self

Employer

Job Title

Email AddressPrimary PhoneAlternate Phone

Are you 18 years of age or older? (Required)☒ Yes ☐ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)☒ Yes ☐ NoStreet AddressCitySuite or AptStatePostal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)☒ Yes ☐ No

Which Council district do you live in?☒ District 4

No

Are you currently serving on a Board or Commission? If so, please list:

Which Boards would you like to apply for?

Planning Commission: Submitted

Citizens Advisory Charter Review Committee: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *☒ Some College, No Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

☒ Yes ☐ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

Lived in the area for a while. Contribute to the process.

Please list your current employer and relevant volunteer experience.

Self, none

What is your understanding of the roles and responsibilities of this Board or Commission?

I understand the information as posted on the city website about the position.

Do you have experience or special knowledge pertaining to this Board or Commission?

No

Any other comments you would like to add that may assist the City Council in their decision?

No

Upload a Resume

Requirements

Question applies to multiple boards

AB 1234 Ethics Training

☒ I Agree *

Question applies to multiple boards

Attendance Policy

☒ I Agree *

Statement of Economic Interests - FPPC Form 700

☒ I Agree *

Question applies to multiple boards

Oath of Office

☒ I Agree *

Question applies to multiple boards

Public Scrutiny

☒ I Agree *

How did you hear about this vacancy? *

☒ Newspaper

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☒ Unknown

Gender

☒ Male

Date of Birth

Submission

C.S.

I declare under penalty of disqualification or termination
that all statements in this application are true and
complete to the best of my knowledge.

Profile**Peter**

First Name

Schuerman

Middle Initial

Last Name

University of California, Merced

Employer

**Associate Vice Chancellor for
Research and Economic
Development**

Job Title

Email Address

Primary Phone

Alternate Phone

Are you 18 years of age or older? (Required)☒ Yes ☐ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)☒ Yes ☐ No

Street Address

City

Suite or Apt

State

Postal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)☒ Yes ☐ No

Which Council district do you live in?☒ District 5**Merced County Workforce
Development Board**Are you currently serving on a Board or Commission? If
so, please list:

Which Boards would you like to apply for?

Citizens Advisory Charter Review Committee: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *☒ Doctoral Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

☒ Yes ☐ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

My field is understanding the informational basis of complex systems. Regardless of whether the informational basis is contract language, codes, committee charges, charters, policies, rules, laws, etc., the complex systems that arise from these can all improved by understanding their informational basis. I would like to lend my capabilities to the continuation of the City of Merced's upward trajectory. We are a city on the rise and we want to make sure that we have a city charter that supports this.

Please list your current employer and relevant volunteer experience.

Current employer: University of California, Merced - Office of Research and Economic Development
Member, Merced County Workforce Development Board

What is your understanding of the roles and responsibilities of this Board or Commission?

To review and advise on the content of the city charter.

Do you have experience or special knowledge pertaining to this Board or Commission?

I am experienced and highly proficient in the interpretation, creation, and negotiation of legal, contractual, and policy language.

Any other comments you would like to add that may assist the City Council in their decision?

Often, in our efforts to grow we can neglect the existing pillars of our community. Creating a charter that respects the investments of those who are currently part of our community while also opening our arms to those who want to become part of our community will be crucial to strengthening and diversifying our civic portfolio. I look forward to the possibility of serving through helping the city, and peers on the committee, strike this balance.



Upload a Resume

Requirements

Statement of Economic Interests - FPPC Form 700

☒ I Agree *

How did you hear about this vacancy? *

☒ Other

Tweet from Mayor Murphy

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☒ Caucasian/Non-Hispanic

Gender

☒ Male

Date of Birth

Submission

PS

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledge.

Profile

Amelia

First Name

Ann

Middle Initial

Johnson

Last Name

UC Merced

Employer

Projects Manager

Job Title

Email AddressPrimary PhoneAlternate Phone

Are you 18 years of age or older? (Required)☒ Yes ☐ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)☒ Yes ☐ NoStreet AddressCitySuite or AptStatePostal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)☒ Yes ☐ No

Which Council district do you live in?☒ District 5

Are you currently serving on a Board or Commission? If so, please list:

Which Boards would you like to apply for?

Citizens Advisory Charter Review Committee: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *☒ Master's Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

☒ Yes ☐ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

I grew up in Turlock and after living in the Bay Area for almost 10 years, returned to the Central Valley after graduate school in 2014. I take pride in my community involvement and feel the opportunity to serve on this commission would allow me to use my knowledge of government processes for the potential benefit of our city.

Please list your current employer and relevant volunteer experience.

I work as a Projects Manager for the Health Sciences Research Institute at UC Merced. I am a current member of the League of Women Voters of Merced County, and the ICE Out of Merced Coalition, and previously served on the Merced County Library Commission. My campus activities include the Chancellor's Advisory Committee on the Status of Women and the Staff and Faculty Wellness Committee.

What is your understanding of the roles and responsibilities of this Board or Commission?

This group will be recommending updates to the charter for the City Council to place on the 2020 ballot. The charter addresses all areas of operation of the city from zoning to health and safety.

Do you have experience or special knowledge pertaining to this Board or Commission?

I have a long history of work experience in public service and have learned more about this city through my involvement with the League of Women Voters.

Any other comments you would like to add that may assist the City Council in their decision?


Upload a Resume

Requirements

Statement of Economic Interests - FPPC Form 700

☒ I Agree *

How did you hear about this vacancy? *

☒ A Friend

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☒ Caucasian/Non-Hispanic

Gender

☒ Female

Date of Birth

Submission

AJ
I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledge.

Profile

Tim

First Name

ONeill

Middle Initial

Last Name

Image Masters

Employer

CEO

Job Title

Email AddressPrimary PhoneAlternate Phone

Are you 18 years of age or older? (Required)☒ Yes ☐ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)☒ Yes ☐ NoStreet AddressCitySuite or AptStatePostal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)☒ Yes ☐ No

Which Council district do you live in?☒ District 6

No

Are you currently serving on a Board or Commission? If so, please list:

Which Boards would you like to apply for?

Citizens Advisory Charter Review Committee: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *☒ Master's Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

☒ Yes ☐ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

30 year resident of Merced who cares about the community and wants to continue it to be business-friendly.

Please list your current employer and relevant volunteer experience.

Image Masters. See resume.

What is your understanding of the roles and responsibilities of this Board or Commission?

Advise on possible City Charter revisions.

Do you have experience or special knowledge pertaining to this Board or Commission?

See resume

Any other comments you would like to add that may assist the City Council in their decision?

I take my commitments seriously and will do whatever I say that I will do.



Upload a Resume

Requirements

Statement of Economic Interests - FPPC Form 700

☒ I Agree *

How did you hear about this vacancy? *

☒ Other

Merced Boosters

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☒ Caucasian/Non-Hispanic

Gender

☒ Male

Date of Birth

Submission

TO

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledge.