



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, December 18, 2017

6:00 PM

A. CLOSED SESSION ROLL CALL

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

Absent: 0

B. CLOSED SESSION

Mayor MURPHY called the Closed Session to order at 5:02 PM.

Clerk's Note: Council Member PEDROZO arrived to the Closed Session at 5:03 PM.

B.1. **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organization: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703; International Association of Fire Fighters, Local 1479; Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6

B.2. **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section 54957.6

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

C. CALL TO ORDER

Mayor MURPHY called the Regular Meeting to order at 6:05 PM.

C.1. Invocation - David Sherrill, Kingdom Ranch Ministries' Cowboy Church of Merced

The invocation was delivered by Pastor David SHERRILL from the Kingdom Ranch Ministries' Cowboy Church of Merced.

C.2. Pledge of Allegiance to the Flag

Mayor MURPHY led the Pledge of Allegiance to the Flag.

D. ROLL CALL

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

Absent: 0

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority and the Public Financing and Economic Development Authority. City Council members receive a monthly stipend of \$20.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$50.00 each month as a part of the adopted budget and Resolution 1975-37. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

E. REPORT OUT OF CLOSED SESSION

There was no report.

F. CEREMONIAL MATTERS

F.1. **SUBJECT:** Donation of Funds by the International Association of Fire Fighters (IAFF) Local #1479 to UC Davis Cancer Center

REPORT IN BRIEF

The City of Merced International Association of Fire Fighters Local #1479, will donate funds from their annual Breast Cancer Awareness T-Shirt sales to the UC Davis Cancer Center.

The City of Merced International Association of Fire Fighters presented a donation of funds from their annual Breast Cancer Awareness T-Shirt sales to the UC Davis Cancer Center.

G. WRITTEN PETITIONS AND COMMUNICATIONS

The Clerk's Office received letters from Clarence CHANCE and Richard HARRIMAN for items listed on the agenda and placed them on the dais.

H. ORAL COMMUNICATIONS

Jorge GARIBAY, Merced - spoke on the issues he is having at Stephen Leonard Park.

Debbie MACIAS, AFSCME Council 57, introduced herself to Council.

I. CONSENT CALENDAR

Items I.9. Consulting and Professional Services Contracts for as Needed

Plan Checking, Inspection, and Other Building Related Services: 4 Leaf Inc., Bureau Veritas of Northern America, CSG Consultants Inc., and Interwest Consulting Group, I.12. Renewal of Lease Agreement with Rachelle Abril/MOJO for McNamara Park Community Center Building, I.15. Approve Budget Transfer to Support Professional Services Agreements to Facilitate a Public Opinion Survey, I.18. Professional Services Agreement with Davey Resource Group Inc., to Prepare an Urban Forest Tree Inventory and Management Plan, I.21. Approval of an Agreement with PMAM Corporation for Management and Administration of the City's Burglar Alarm Systems and False Alarm Ordinance, and I.22. Introduction of Ordinance Amending Chapter 8.28 of the Merced Municipal Code Pertaining to Burglar Alarm and False Alarms, were pulled for separate consideration.

Approval of the Consent Agenda

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

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

No: 0

Absent: 0

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

REPORT IN BRIEF

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

RECOMMENDATION

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

This Consent Item was approved.

I.2. **SUBJECT: Information Only - Traffic Committee Minutes of March 14, May 9, July 11, and September 12, 2017**

RECOMMENDATION

For information only.

This Consent Item was approved.

- I.3. **SUBJECT:** Information Only - Recreation and Parks Commission
Minutes of October 23, 2017

REPORT IN BRIEF

For information only.

This Consent Item was approved.

- I.4. **SUBJECT:** City Council/Public Financing and Economic
Development/Parking Authority Meeting Minutes of November 16,
2017

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

**City Council/Public Financing and Economic
Development/Parking Authority** - Adopt a motion approving the
meeting minutes of November 16, 2017.

This Consent Item was approved.

- I.5. **SUBJECT:** Minimum Wage Increase

REPORT IN BRIEF

Approve minimum wage increase in accordance with Senate Bill 3.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2017-63**, a
Resolution of the City Council of the City of Merced, California,
amending the salary ranges for the temporary classifications of
Lifeguard I, Lifeguard II, Pool Manager, Recreation Coordinator,
Recreation Leader, and Recreation Specialist; and, authorizing the City
Manager or Assistant City Manager to execute the necessary
documents.

This Consent Item was approved.

- I.6. **SUBJECT:** Authorization of Signing Authority for City Bank
Accounts and Local Agency Investment Fund

REPORT IN BRIEF

Consider granting the City's Deputy Finance Officer signing authority for City bank accounts and Local Agency Investment Fund.

RECOMMENDATION

**City Council/Public Financing and Economic Development
Authority/Parking Authority** - Adopt a motion:

- A. Adopting **Resolution 2017-65**, a Resolution of the City Council of the City of Merced, California, authorizing signature of City checks; and,
- B. Adopting **Resolution 2017-66**, a Resolution of the City Council of the City of Merced, California, authorizing investment of City of Merced monies in Local Agency Investment Fund; and,
- C. Adopting Resolution **PFA 2017-09**, a Resolution of the City of Merced Public Financing and Economic Development Authority authorizing signature of Authority checks; and,
- D. Adopting Resolution **PFA 2017-10**, a Resolution of the City of Merced Public Financing and Economic Development Authority authorizing investment of City of Merced monies in Local Agency Investment Fund; and,
- E. Adopting Resolution **PA 2017-10**, a Resolution of the Parking Authority of the City of Merced, California, authorizing signature of Parking Authority checks; and,
- F. Adopting Resolution **PA 2017-11**, a Resolution of the Parking Authority of the City of Merced, California authorizing investment of City of Merced monies in Local Agency Investment Fund.

This Consent Item was approved.

I.7.

SUBJECT: Set a Public Hearing for January 16, 2018 for Vacation #17-01: Abandonment of Old Public Utilities Easement at 1297 Ahwahnee Drive.

REPORT IN BRIEF

The City Council will be asked to set a public hearing for January 16, 2018, to abandon a 5-foot wide public utilities easement near the eastern property line of 1297 Ahwahnee Drive.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2017-68**, A Resolution of the City Council of the City of Merced, California, declaring its intention to vacate a 5-foot wide public utilities easement near the eastern property line of 1297 Ahwahnee Drive, approximately 850 feet east of Joerg Avenue (Vacation #17-01) and setting time and place for public hearing.

This Consent Item was approved.

I.8.

SUBJECT: Urgency Ordinance and Introduction of Ordinance for the Reauthorization of State Franchise Holder PEG Fee

REPORT IN BRIEF

Consider adoption of an urgency and regular Ordinance amending the Merced Municipal Code to allow the reauthorization for the state Franchise Holder Fee per section 3.50.010.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Ordinance 2482**, an Ordinance of the City Council of the City of Merced, California, Amending Section 3.50.010, "Fee for Support of Local Cable Usage," of the Merced Municipal Code - Urgency; and,

B. Introducing **Ordinance 2483**, an Ordinance of the City Council of the City of Merced, California, Amending Section 30.50.010, "Fee for Support of Local Cable Usage," of the Merced Municipal Code.

This Consent Item was approved.

I.10.

SUBJECT: Funding Agreement with Merced County Association of Governments (MCAG) for a Pavement Management System

REPORT IN BRIEF

Considers approving a Funding Agreement with Merced County Association of Governments for a countywide Pavement Management System.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Funding Agreement for Pavement Management

System with the Merced County Association of Governments (MCAG) in the amount not to exceed \$67,000; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents; and,

B. Authorizing the Interim Finance Officer to make the necessary budget adjustment.

This Consent Item was approved.

I.11.

SUBJECT: Requesting a Supplemental Appropriation of Program Income from Fund 059 Neighborhood Stabilization in the Amount of \$251,186 to Close Out the Program

REPORT IN BRIEF

Consider Authorizing a Supplemental Appropriation to close out the Neighborhood Stabilization Program Grant with the State of California since the City is required to return all program income currently in Fund 059.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a supplemental appropriation in the amount of \$251,186 in Fund 059 Neighborhood Stabilization to allow forwarding funds to the State of California; and,

B. Authorizing the City Manager or Assistant City Manager to execute, and if necessary, make minor modifications to the requests described above as attached to this report and all associated documents; and,

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

This Consent Item was approved.

I.13.

SUBJECT: CP-42 Lease Agreement with Seth Rossow

REPORT IN BRIEF

Lease agreement with Seth Rossow to decrease amount of leasable land.

RECOMMENDATION

City Council - Adopt a motion approving the lease agreement with

Seth Rossow; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

I.14.

SUBJECT: Approve Final Design for McNamara Park All Wheels/Skate Park

REPORT IN BRIEF

Asking Council to Consider Approval of the Final Design for McNamara Park All Wheels/Skate Park

RECOMMENDATION

Approve Final Design for McNamara Park All Wheels/Skate Park

This Consent Item was approved.

I.16.

SUBJECT: Professional Services Agreement with Stantec Consulting Services, Inc., for Water Rate Study

REPORT IN BRIEF

Consider approving a Professional Services Agreement with Stantec Consulting Services, Inc., to conduct a Water Rate Study.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a Professional Services Agreement with Stantec Consulting Services, Inc., in the amount of \$69,931, to prepare a comprehensive water rate study for water service charges, water connection charges, and related services; and,

B. Authorize the City Manager or Assistant City Manager to sign the necessary documents.

This Consent Item was approved.

I.17.

SUBJECT: Card-Lock Fuel Station Service Agreement with Tesei Petroleum, Inc., and Fuel Delivery Services Agreement with Pazin and Meyers, Inc.

REPORT IN BRIEF

Considers approval of separate three-year service agreements with

Tesei Petroleum, Inc., and Pazin and Myers, Inc., to provide fueling services for City vehicles.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a Service Agreement with Tesei Petroleum, Inc., to provide card-lock fueling services for City vehicles, and;

B. Approving a Service Agreement with Pazin and Myers, Inc., to provide fuel delivery services to all City dispensing stations or various generator sites, and;

C. Authorizing the City Manager or Assistant City Manager to sign the necessary documents and execute future amendments.

This Consent Item was approved.

I.19.

SUBJECT: Amendment to Agreement for the School Resource Officers With Merced Union High School District to Change the Language in the Indemnification/ Hold Harmless Provision

REPORT IN BRIEF

Considers approving an Amendment to the City's existing Memorandum of Understanding (MOU) with the Merced Union High School District.

RECOMMENDATION

City Council - Adopt a motion approving an addendum to the City's MOU with Merced Union High School District and authorizing the City Manager or Assistant City Manager to sign the necessary documents.

This Consent Item was approved.

I.20.

SUBJECT: Agreement with Merced County Office of Education for School Resource Officer Services

REPORT IN BRIEF:

Considers approving an Agreement between the City and the Merced County Office of Education (MCOE) for a School Resource Officer at Valley Community School.

RECOMMENDATION:

City Council - Adopt a motion:

A. Approving a contract between the City and Merced County Office of Education for an School Resource Officer at Valley Community School; and,

B. Authorizing the City Manager or Assistant City Manager to execute the agreement; and,

C. Authorizing the Interim Finance Officer to make the appropriate budget adjustments.

This Consent Item was approved.

I.23.

SUBJECT: Second Reading of an Ordinance Amending Merced Municipal Code Section 10.28.230 to Create No Parking Zones on Portions of Cypress Way and Park Avenue

REPORT IN BRIEF

Second reading of a previously introduced ordinance.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance No. 2481**, an Ordinance of the City Council of the City of Merced, California, Amending Section 10.28.230, "No Parking Zones," of the Merced Municipal Code.

This Consent Item was approved.

I.9.

SUBJECT: Consulting and Professional Services Contracts for As Needed Plan Checking, Inspection, and other Building Related Services: 4 Leaf Inc., Bureau Veritas of North America, CSG Consultants Inc., and Interwest Consulting Group

REPORT IN BRIEF

Consider approving four Consulting and Professional Services Contracts for consultants that provide services on as needed basis to the Inspection Services Division (Building Division) of the Development Services Department.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Agreement with 4 Leaf Inc. to provide as needed Plan Checking, Inspection, and other Building Related Services for a term of two years, with a one year extension option, in an amount not to exceed funds available in the annual budget or as amended; and,

B. Approving the Agreement with Bureau Veritas of North America to provide as needed Plan Checking, Inspection, and other Building Related Services for a term of two years, with a one year extension option in an amount not to exceed funds available in the annual budget or as amended; and,

C. Approving the Agreement with CSG Consultants Inc. to provide as needed Plan Checking, Inspection, and other Building Related Services for a term of two years, with a one year extension option in an amount not to exceed funds available in the annual budget or as amended; and,

D. Approving the Agreement with Interwest Consulting Group to provide as needed Plan Checking, Inspection, and other Building Related Services for a term of two years, with a one year extension option in an amount not to exceed funds available in the annual budget or as amended; and,

E. Authorizing the Interim Finance Officer to make the necessary budget adjustments.

F. Authorizing the City Manager or Assistant City Manager to execute, and if necessary, make minor modifications to the agreements described above as attached to this report.

Council Member BELLUOMINI pulled this item to ask about hiring a full-time employee and recruiting for a Plan Check Inspector.

Community Services Director Scott MCBRIDE stated that using different firms allows the City to utilize a significant amount of resources. He also stated that the City is not currently recruiting for a Plan Check Inspector position.

Council Member SERRATTO asked about the percentage of fees that have paid for the cost of using consultants.

Mr. MCBRIDE stated that fees cover the cost.

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

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

No: 0

Absent: 0

I.12.

SUBJECT: Renewal of Lease Agreement with Rachelle Abril/MOJO for McNamara Park Community Center Building.

REPORT IN BRIEF

Requesting approval for renewal of 7 month contract with Rachelle Abril/MOJO for afterschool programming at McNamara Park Community Center.

RECOMMENDATION

City Council - Adopt a motion to approving the renewal contract with Rachelle Abril/MOJO for afterschool programming at McNamara Park Community Center.

Mayor MURPHY pulled this item to have the contractors give a presentation on the programs they offer.

Kelly TURNER, Symple Equazion - gave a slide show presentation on the activities of the Symple Equazion and MOJO programs.

Rachelle ABRIL, MOJO - spoke on the impact the program has on her and the kids lives.

Council Member PEDROZO asked if staff has reached out to help provide assistance to the programs.

Ms. TURNER discussed a meeting she and Ms. ABRIL had with staff.

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

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

No: 0

Absent: 0

- I.15. **SUBJECT:** Approve Budget Transfer to Support Professional Services Agreements to Facilitate a Public Opinion Survey

REPORT IN BRIEF

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

RECOMMENDATION

City Council - Adopt a motion:

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

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

Clerk's Note: This item was pulled by staff to be moved to the January 2nd Council Meeting.

- I.18. **SUBJECT:** Professional Services Agreement with Davey Resource Group, Inc., to Prepare an Urban Forest Tree Inventory and Management Plan

REPORT IN BRIEF

Considers approving a professional services agreement for the preparation of an Urban Forest Tree Inventory and Management Plan as part of the Cal Fire grant.

RECOMMENDATION

City Council - Adopt a motion approving the Professional Services Agreement with Davey Resource Group, Inc., in the amount of \$461,085, for the preparation of an Urban Forest Tree Inventory and Management Plan, and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

Council Member BELLUOMINI pulled this item to ask about funds and implementation of the plan and how it ties in with planting trees.

Mr. ELWIN discussed how the funds will be utilized and the City's in-kind match. He also explained that while the trees are being surveyed, they will be planting trees as well.

Council Member MCLEOD asked if the consultant will also find out what caused the trees to become unhealthy.

Mr. ELWIN stated that the consultant will look at tree health during the inventory.

Rick MCMILLION, Merced - spoke on the cost of trees that were planted in the past and the state in which they are now.

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

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

No: 0

Absent: 0

I.21.

SUBJECT: Approval of an Agreement with PMAM Corporation for Management and Administration of the City's Burglar Alarm Systems and False Alarm Ordinance

REPORT IN BRIEF:

Authorizes the approval of an agreement with PMAM Corporation for the Management of the City's False Alarm Ordinance, including billing and collection of service fees, issuing permits, database maintenance, resident assistance and other administrative services.

RECOMMENDATION

City Council - Adopt a motion approving the Agreement with PMAM Corporation for management and administrative services relating to the City's Burglar Alarm Systems and False Alarm Ordinance; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

Marvin DILLSAVER gave a slide show presentation on the agreement with PMAM Corporation.

Mayor MURPHY asked if the contract would reduce the number of false alarms.

Mr. DILLSAVER stated that the goal is a continued decrease in false alarms.

Assistant City Manager Stephanie DIETZ discussed the benefits of using PMAM Corporation to maintain false alarms.

Council and Staff discussed false alarm violators, decreasing the number of false alarms, and Police time.

Michael MARZOUK, PMAM Vendor - spoke on the scope of work his company does to reduce the number of false alarms.

Rick MCMILLION, Merced - spoke on a false alarm at Merced High School and the length of time it took police to clear the school.

Council and Staff discussed police response time for false alarms.

Jarrold RUSCOE, Merced - spoke on false alarms and the contract with PMAM.

Council and Staff discussed the responsibilities of the alarm companies.

Mayor MURPHY requested an update in a year to review the numbers.

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

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

No: 0

Absent: 0

I.22.

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

REPORT IN BRIEF

Considers the adoption of Ordinance No. 2484, which amends Chapter 8.28 pertaining to Burglar Alarm Systems and False Alarms by removing language applicable to public schools, which was subject to a sunset clause, and adding language providing employment protections to a City employee acting as the appeals officer under the ordinance.

RECOMMENDATION

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

Mayor MURPHY pulled this item because of its relation to item I.21.

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

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

No: 0

Absent: 0

J. PUBLIC HEARINGS

J.1.

SUBJECT: Public Hearing - Assembly Bill 1600 (AB 1600) Annual Compliance Report for Development Impact Fees

REPORT IN BRIEF

Consider adopting a Resolution of the City Council of the City of Merced accepting AB 1600 Annual Compliance Report for Development Impact Fees.

RECOMMENDATION

City Council - Adopt a motion:

A. Accepting the Annual Compliance Report for AB1600 Development Fees for Fiscal Year 2016/2017 and make findings related to unexpended balances as required by California Government Code Section 66001; and,

B. Adopting **Resolution 2017-70**, a Resolution of the City Council of the City of Merced, California, accepting the Development Impact Fees Fiscal Year 2016/2017 Annual Report and making findings related to unexpended developer deposits for public improvements as required by California Government Code Section 66001.

Deputy Public Works Director Steven SON gave a slide show presentation on Assembly Bill 1600.

Mayor MURPHY asked about the amount of funds and future impact fees.

Interim Finance Officer Venus RODRIGUEZ discussed the amount of funds in the account.

Interim City Attorney Jolie HOUSTON stated the restrictions on the use of impact fees.

Council Member BELLUOMINI and Mr. SON discussed the requirements of the law pertaining to projects, funds for projects, and timelines of project completions.

Mayor MURPHY opened and subsequently closed the Public Hearing at 8:05 PM due to lack of public comment.

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

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

No: 0

Absent: 0

J.2.

SUBJECT: Continued Public Hearing - Holding Election for Annexation No. 11 into Community Facilities District (CFD) No. 2003-2 (Services)

REPORT IN BRIEF

Hold a public hearing (continued from December 4, 2017) and election for annexation into Community Facilities District No. 2003-2 (Services) for the Compass Pointe Apartments located at the southeast corner of Pacific Drive and Compass Pointe Avenue.

RECOMMENDATION

City Council - Complete the following items in order:

A. Hold a Public Hearing on the annexation of certain property into the CFD and the levy of special taxes; and,

B. Adopt **Resolution 2017-59**, a Resolution of the City Council of the City of Merced, acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced determining the validity of prior proceedings, calling a special election related to Annexation No. 11; and,

C. Hold Election; and,

D. Adopt **Resolution 2017-60**, a Resolution of the City Council of the City of Merced acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced canvassing the results of the election held within Annexation No. 11 of said District; and,

E. Adopt **Resolution 2017-61**, a Resolution of the City Council of the City of Merced acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced annexing Annexation No. 11 to said district and authorizing the levy of a special tax within said Annexation No. 11.

Planning Manager Kim ESPINOSA gave a brief slide show presentation on the election for Annexation No. 11 into Community Facilities District (CFD) No. 2003-2 (Services).

Mayor MURPHY opened and subsequently closed the Public Hearing at 8:13 PM due to lack of public comment.

A motion was made by Council Member Pedrozo, seconded by Mayor Pro Tempore Blake, to approve Resolution 2017-59. The motion carried by the following vote:

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

No: 0

Absent: 0

A motion was made by Mayor Pro Tempore Blake, seconded by Council Member Pedrozo, to approve Resolution 2017-60 and Resolution 2017-61. The motion carried by the following vote:

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

No: 0

Absent: 0

Clerk's Note: Council recessed at 8:16 PM and returned at 8:27 PM.

J.3. **SUBJECT: Public Hearing - Review and Adoption of the Amended
2015 Urban Water Management Plan**

REPORT IN BRIEF

Following a Public Hearing, City Council will consider approving the Amended 2015 Urban Water Management Plan including reviewer comments and authorizing submittal of the Final Amended Report to the Department of Water Resources.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2017-69**, a Resolution of the City Council of the City of Merced, California, approving the Amended 2015 Urban Water Management Plan including reviewer comments and authorizing submittal of the Final Amended Report to the Department of Water Resources.

Water Conservation Specialist Leah BROWN gave a brief report on the Amended 2015 Urban Water Management Plan.

Mayor MURPHY opened the Public Hearing at 8:30 PM.

Richard HARRIMAN, Merced Citizens for Responsible Planning, San Joaquin Valley Division Environmental Defense Center - spoke on decentralized wastewater treatment plants.

Mayor MURPHY closed the Public Hearing at 8:40 PM.

Council Member BELLUOMINI requested a future discussion regarding recycled tertiary treated water.

Mayor MURPHY discussed groundwater recharge.

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

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

No: 0

Absent: 0

J.4. **SUBJECT: Public Hearing - Adoption of New Application Fees for
Commercial Cannabis Business Permits and New Annual Regulatory**

Fees for Commercial Cannabis Businesses

REPORT IN BRIEF

The City Council will consider the adoption of a resolution establishing new application fees for Commercial Cannabis Business Permits and new annual regulatory fees for Commercial Cannabis Businesses as called for in the newly adopted Cannabis Ordinance.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2017-67**, "A Resolution of the City Council of the City of Merced, California, Approving Application Fees for Commercial Cannabis Business Permits and Annual Regulatory Fees for Commercial Cannabis Businesses."

Planning Manager Kim ESPINOSA gave a slide show presentation on the application fees for commercial cannabis business permits and annual regulatory fees for commercial cannabis businesses.

Council and Staff discussed merit-based versus non-merit-based selection criteria, application fees, staff training for inspections, appeals process fees, frequency of inspections, and development impact fees.

Mayor MURPHY opened the Public Hearing at 9:06 PM.

Kevin DAWKINS, Merced - spoke on the cannabis fees.

Javier CHAVEZ, Merced - spoke on cannabis fees and opportunities for veterans.

Jarrod RUSCOE, Merced - spoke on cannabis fees and the City benefiting from them.

Rosie RUPPEL, Ripon - requested a continuation of this item to the January 16th meeting. She also spoke about local preference.

Jesse KRAFT, Advantage Healing Inc. and Santa Cruz Veteran's Alliance, Sonora - asked if the fees differ between medical and recreation and if it is the same for delivery licenses.

Ms. ESPINOSA stated that the fees will be the same.

David VARAITY, Merced - spoke on the application fees and asked about the services the business owners receive from the fees paid.

Director of Development Services Scott MCBRIDE discussed the fees relative to the services the business receives.

Seth SMITH, Santa Cruz Veteran's Alliance - asked for clarification on the fees for dispensaries that sell both medical and recreational cannabis. He also spoke on the application process.

Mayor MURPHY closed the Public Hearing at 9:22 PM.

Council and Staff discussed tracking staff time spent on the application process and auditing the flow of cash.

A motion was made by Council Member McLeod, seconded by Mayor Pro Tempore Blake, to approve Resolution 2017-67. The motion carried by the following vote:

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

No: 0

Absent: 0

Clerk's Note: Council recessed at 9:37 PM and returned at 9:44 PM.

K. BUSINESS

K.1. **SUBJECT:** Selection of Town Hall Dates

REPORT IN BRIEF

Request that Council Select Dates for Town Halls in North, Central and South Merced.

RECOMMENDATION

Provide Staff With Dates for Three Town Hall Meetings.

Assistant to the City Manager Mike CONWAY gave a brief report on picking dates for the Town Hall Meetings.

Council chose the following dates for the Town Hall Meetings:

February 13th at the Multicultural Arts Center
February 26th at Tenaya Middle School
February 27th at Rivera Middle School

K.2. **SUBJECT: Election of Mayor Pro Tempore**

REPORT IN BRIEF

Election of a Mayor Pro Tempore to a one-year term (conducted by the Mayor.)

RECOMMENDATION

City Council - Adopt a motion appointing a City Council Member as Mayor Pro Tempore of the City of Merced for a one-year term of office.

A motion was made by Mayor Murphy, seconded by Mayor Pro Tempore Blake, to appoint Council Member McLeod as the Mayor Pro Tempore. The motion carried by the following vote:

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

No: 0

Absent: 0

K.3. **SUBJECT: Local Preference Discussion**

REPORT IN BRIEF

During the November 20, 2017 Council Meeting, it was requested that information be provided to the Council regarding Local Preference when awarding contracts. Staff made a commitment to bring this topic back for Council discussion on December 18, 2017. The City Attorney will make a recommendation to the Council regarding options for Local Preference.

RECOMMENDATION

Provide Staff direction to explore Local Preference options for materials and supplies.

Interim City Attorney Jolie HOUSTON gave a brief report on local preference. She stated that the Charter specifically states the contract must be awarded to the lowest responsible bidder.

Mayor MURPHY requested to have staff look into other alternatives for local preference, excluding Public Works contracts.

Ms. HOUSTON stated she was researching the item and would report her

findings at a meeting in January.

K.4. Request to Add Item to Future Agenda

Council Member BELLUOMINI requested to add Public Works Project Construction Completion Improvement Schedule for the February 5th meeting.

K.5. City Council Comments

Council Member SERRATTO reported on attending the California League of Cities Dinner, presenting at a Kiwanis Club Lunch Meeting, ACE Overcomers Event, the Hmong New Year Celebration, and the City of Merced Employee Awards.

Mayor Pro Tempore BLAKE reported on attending the California League of Cities Dinner.

Council Member MCLEOD thanked Council for appointing her Mayor Pro Tempore.

Council Member MARTINEZ reported on attending the Merced Soccer Academy Event.

Council Member PEDROZO reported on attending the Hmong New Year Celebration and the California League of Cities Dinner.

Council Member BELLUOMINI reported on attending the City of Merced Employee Awards luncheon, singing with the Merced College Community Chorus, and singing at St. Patrick's Church.

Mayor MURPHY reported on attending the birthday celebration in honor of General Vang PAO, the UC Merced Holiday Party, the Pancake Breakfast for the El Capitan High School Baseball Team, the funeral service for Almetres HUDDLESTON, performance for Building Young Leaders, the Integrated Regional Water Board Meeting, the Hmong New Year Celebration, the ACE Overcomers Ribbon Cutting Ceremony, and the Lighting Ceremony at UC Merced.

L. ADJOURNMENT

Clerk's Note: The Regular Meeting adjourned at 10:20 PM.

A motion was made by Council Member Pedrozo, seconded by Mayor Pro Tempore Blake, to adjourn the Regular Meeting in honor of Benjamin Wells and John Dibbley. The motion carried by the following vote:

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

No: 0

Absent: 0