



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, February 5, 2018

6:00 PM

A. CLOSED SESSION ROLL CALL

Present: 6 - 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: 1 - Council Member Michael Belluomini

B. CLOSED SESSION

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

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

- B.1.** **SUBJECT:** PUBLIC EMPLOYEE APPOINTMENT - Title: Finance Officer; AUTHORITY: Government Code 54957
- B.2.** **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation pursuant to Government Code section 54956.9(d)(2): (2) cases
- B.3.** **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Initiation of Litigation pursuant to Government Code section 54956.9(d)(4): (1) case
- B.4.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organization: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703; International Association of Fire Fighters, Local 1479; Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6
- B.5.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section 54957.6

B.6. **SUBJECT: PUBLIC EMPLOYEE PERFORMANCE EVALUATION -**
Title: City Manager; Authority: Government Code Section 54957

Clerk's Note: Council adjourned from Closed Session at 5:56 PM.

C. CALL TO ORDER

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

C.1. Invocation - Reverend Mike Hull, Christian Life Center

The invocation was delivered by Reverend Mike HULL from Christian Life Center.

C.2. Pledge of Allegiance to the Flag

Council Member BLAKE 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

Mayor MURPHY reported that the Council unanimously voted to appoint M. Venus RODRIGUEZ as the new Finance Officer. He also requested to move Item L.1. Approval of New Finance Officer Employment Agreement for approval.

L.1. SUBJECT: Approval of New Finance Officer Employment Agreement

REPORT IN BRIEF

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

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the Finance Officer Employment Agreement; and,
- B. Authorizing the Mayor to sign on behalf of the City.

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

Aye: 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

F. CEREMONIAL MATTERS

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

California Water Environment Association (CWEA) President Ryan SELMAN presented The CWEA Medium Collections of the Year Award to Public Works Supervisor Richard CHAPARRO.

F.2. **SUBJECT: Proclamation - Teen Dating Violence Awareness and Prevention Month**

REPORT IN BRIEF

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

Mayor MURPHY presented the Teen Dating Violence Awareness and Prevention Month Proclamation to Valley Crisis Center Director Chee YANG.

G. WRITTEN PETITIONS AND COMMUNICATIONS

The Clerk's Office received a letter from Michael CLAIBORNE regarding the sewer master plan that was placed on the dais.

H. ORAL COMMUNICATIONS

Sid RAYFORD, Merced - spoke on youth activities and asked to use a City-owned property for his non-profit organization.

Frank PERRY, Merced - spoke about his damaged vehicle.

Sean GALLINGER, Sacramento - spoke on vertical integration of cannabis permitting.

I. CONSENT CALENDAR

Items I.2. Information-Only Contracts, I.6. City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of January 2, 2018, and I.10. Introduction of Ordinance Regarding Local Business Preference Policy; were pulled for separate consideration.

Approval of the Consent Agenda

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

Aye: 7 - Council Member Belluomini, Council Member 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.3. **SUBJECT: Information Only - Community Facilities Districts (CFD) Annual Reports**

REPORT IN BRIEF

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

RECOMMENDATION

For Information Only

This Consent Item was approved.

I.4.

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

RECOMMENDATION

For information only.

This Consent Item was approved.

I.5.

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

RECOMMENDATION

For information only.

This Consent Item was approved.

I.7.

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

REPORT IN BRIEF

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

RECOMMENDATION

City Council - Adopt a motion:

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

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

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

This Consent Item was approved.

I.8.

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

REPORT IN BRIEF

Consider a request for use of City streets.

RECOMMENDATION

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

This Consent Item was approved.

I.9.

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

REPORT IN BRIEF

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

RECOMMENDATION

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

This Consent Item was approved.

I.2.

SUBJECT: Information-Only Contracts

REPORT IN BRIEF

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

AUTHORITY

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

Council Member BELLUOMINI pulled this item to ask for clarification on the Quad Knopf contract.

Director of Economic Development Frank QUINTERO explained that the contract was for outreach to property owners in the City's industrial land base.

A motion was made by Council Member 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.6. SUBJECT: City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of January 2, 2018

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic

Development/Parking Authority - Adopt a motion approving the meeting minutes of January 2, 2018.

Council Member BELLUOMINI pulled this item to request language changes to the January 2nd minutes.

A motion was made by Council Member Belluomini, seconded by Council Member Blake, that this agenda item be approved as amended. 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.10.

SUBJECT: Introduction of Ordinance Regarding Local Business Preference Policy

REPORT IN BRIEF

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

RECOMMENDATION

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

Council Member BELLUOMINI pulled this item to highlight the progress of the local business preference policy.

Mayor MURPHY spoke on the positive aspect of this item.

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

Aye: 7 - Council Member Belluomini, Council Member 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: Cost of Assessment and Report Re: 439 East Olive Avenue (Abatement and Demolition of Building)

REPORT IN BRIEF

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

RECOMMENDATION

City Council - Adopt a motion:

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

Chief Deputy City Attorney Kelly FINCHER gave a slide show presentation on the cost assessment and report for property located on 439 East Olive Avenue.

Mayor MURPHY opened and subsequently closed the Public Hearing at 6:39 PM due to lack of public comment.

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

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

REPORT IN BRIEF

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

RECOMMENDATION

City Council - Adopt a motion:

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

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

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

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

Chief Deputy City Attorney Kelly FINCHER gave a slide show presentation on the cost assessment and report for a property located at 960 West 11th Street.

Council Member SERRATTO and Ms. FINCHER discussed the next step when an owner is unknown.

Mayor MURPHY opened and subsequently closed the Public Hearing at 6:44 PM due to lack of public comment.

A motion was made by Council Member 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

K. REPORTS

K.1. **SUBJECT: Applegate Park Play Equipment**

REPORT IN BRIEF

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

RECOMMENDATION

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

Director of Public Works Ken ELWIN gave a slide show presentation on the Applegate Park play equipment.

Council and staff discussed bid amount, timeframe to replace the playground equipment, playground options, funding for the project, playground equipment design, and public involvement at the Town Hall Meetings.

AJ DESTASIO, Merced - spoke on ADA-compliant playground equipment for children with special needs.

Steve TIETJEN, Merced - spoke on playground equipment for all children to use.

Council discussed accessibility for kids, shade, materials used, structure of the playground, and meeting at the park to gather input.

Clerk's Note: Council directed staff to bring this item back with input from the public and with options.

K.2.

SUBJECT: Options for Cannabis Tax Measure

REPORT IN BRIEF

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

RECOMMENDATION

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

Planning Manager Kim ESPINOSA and SCI Consultant John BLISS gave a slide show presentation on the taxation of cannabis.

Council and staff discussed a ballot measure, taxation of cannabis, and the application process for dispensaries to open.

Jesse KRAFT, Sonora - suggested not to go over 6%.

Paul WHITCOMB, Granite Bay - spoke on his medicinal manufacturing business.

Mark YANDOW, Atwater - spoke on the competitive market.

Sean GALLINGER, Sacramento - spoke on the cannabis tax rates and the competitive market.

Justin DANNER, Patterson - spoke on the cannabis tax rate and gave a suggestion to lower the distribution tax.

Council and staff discussed the ballot measure, purpose of the tax revenues, Council's ability to amend the ordinance, June ballot timeline, special meeting, and cannabis tax.

A motion was made by Council Member Pedrozo, seconded by Council Member Serratto.

Council Member BELLUOMINI asked for a discussion on the motion regarding the section that pertains to the Council's ability to change the use of the money.

Clerk'e Note: The motioners agreed to the change.

A motion was made by Council Member Pedrozo, seconded by Council Member Serratto, directing staff to use the fees as recommended by SCI, place the ballot measure on the June Election with the recommendation to include public services of police, fire, and recreation and parks, and amending the section that pertains to the Council's ability to change the use of the money. 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 8:29 PM and returned at 8:38 PM.

K.3.

SUBJECT: Mid-Year Budget Review

REPORT IN BRIEF

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

RECOMMENDATION

City Council - Adopt a motion:

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

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

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

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

Finance Officer Venus RODRIGUEZ gave a slide show presentation on the Mid-Year Budget Review.

Council and staff discussed the City's expenditures, Finance Liason position, Fabrication Technician/Storekeeper position, and increasing the number of dispatchers.

A motion was made by Mayor Murphy, seconded by Mayor Pro Tempore McLeod, adopting Resolution 2018-07, Resolution 2018-08, approving the supplemental appropriation from Fund 061 Measure C for the purchase of fire nozzles, approving the addition of a Housing Specialist position and giving further direction to staff to bring back options at a future meeting for dispatch positions. 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.4.

SUBJECT: Update on Goals and Priorities

REPORT IN BRIEF

Update on the City Council's goals and priorities.

RECOMMENDATION

For information only.

Assistant City Manager Stephanie DIETZ gave a slide show presentation updating Council goals and priorities.

Council and staff discussed a South Merced grocery store and groundwater recharge project.

Abigail, Merced - spoke on the South Merced grocery store, affordable housing, and parks.

K.5.

SUBJECT: Sewer Master Plan Discussion

REPORT IN BRIEF

Seeks Council direction on finalizing the draft Sewer Master Plan.

RECOMMENDATION

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

Stantec Consultant Dave PRICE gave a slide show presentation on the Sewer Master Plan.

Mayor MURPHY and Mr. PRICE discussed UC Merced capacity and cost of treatment facilities and trunk facilities.

Rick TELEGAN, Fresno, - spoke on the cost of the treatment facilities and the general plan.

Council and Mr. TELEGAN discussed annexation, cost of a full buildout of the sewer master plan, and doing an incremental buildout.

Richard HARRIMAN, Merced - spoke on the Sewer Master Plan and suggested changes.

Mike CLAIBORNE, Merced - spoke on residents relying on septic tanks, assessment district, and development growth in North Merced. He also stated support for staff's recommendation.

Council and staff discussed extending municipal services to areas that are currently using septic, cost, capacity, assessment districts, population growth, the General Plan, and UC Merced's contribution to the sewer master plan.

Clerk's Note: Council directed staff to bring back options to the March 19th meeting.

L. BUSINESS

Clerk's Note: Item L.1. was moved up following Report Out of Closed Session.

L.2.

SUBJECT: Regional Transportation Impact Fee (RTIF) Program Options

REPORT IN BRIEF

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

RECOMMENDATION

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

Council discussed the Regional Transportation Impact Fee Program Options.

A motion was made by Council Member Belluomini, seconded by Council Member Blake, to approve the 2016 RTIF Study Project List, contingent on the money being allocated based on contribution. 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

A motion was made by Council Member Belluomini, seconded by Council Member Blake, to approve option 3C allocating remaining funds to all jurisdictions based on the contributions those jurisdictions made. 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

L.3. Request to Add Item to Future Agenda

Mayor MURPHY requested to add an item regarding the decorum and conduct at Council Meeting.

L.4. City Council Comments

Council Member MARTINEZ reported on attending high school basketball games.

Council Member SERRATTO reported on attending a park cleanup with the Youth Council, the City County Dinner, and the new UC Merced building ribbon cutting ceremony.

Council Member BELLUOMINI reported on attending the UC Merced building ribbon cutting ceremony.

Council Member PEDROZO reported on attending the UC Merced building ribbon cutting ceremony and high school basketball games.

Mayor MURPHY reported on attending the Denard DAVIS building dedication ceremony at Merced County Office of Education, the dedication of Poppies Galore public art, the Breakfast Lions Club dinner, the UC Merced building ribbon cutting ceremony, the US Conference of Mayors in Washington, D.C., the police swearing-in ceremony, Basketball Coach Keith HUNTER's 400th win celebration, and the Daughters of the American Revolution Good Citizens Award ceremony. He also spoke about the beginning of the El Capitain Hotel renovations and the State of the City Event. He also stated that a discussion was needed to decide who would attend the One Voice Trip.

Clerk's Note: Council adjourned to Closed Session at 11:32 PM.

Clerk's Note: Council adjourned from Closed Session on February 6th at 12:17 AM.

M. ADJOURNMENT

Clerk's Note: Council adjourned the Regular Meeting on February 6th at 12:18 AM.

A motion was made by Council Member Blake, seconded by Council Member Pedrozo, to adjourn the Regular Meeting. 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