



# 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

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Monday, October 5, 2020

6:00 PM

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#### A. CLOSED SESSION ROLL CALL

**Present:** 5 - Mayor Mike Murphy, Mayor Pro Tempore Matthew Serratto, Council Member Kevin Blake, Council Member Anthony Martinez, and Council Member Jill McLeod  
**Absent:** 2 - Council Member Fernando Echevarria, and Council Member Delray Shelton

#### B. CLOSED SESSION

Mayor MURPHY called the Closed Session to order at 5:05 PM.

**B.1.** **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation pursuant to Government Code section 54956.9(d)(2): (1) case

**B.2.** **SUBJECT:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: City Attorney; Authority: Government Code Section 54957

**B.3.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS - Agency Designated Representatives: Mayor and City Council Members. Unrepresented Employee: City Attorney; Authority: Government Code Section 54957 and 54957.6

**Clerk's Note:** Council adjourned from Closed Session at 5:54 PM.

#### C. CALL TO ORDER

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

C.1. Invocation - Joel Dorman, First Baptist Church

The invocation was delivered by Pastor Joel DORMAN from First Baptist Church.

C.2. Pledge of Allegiance to the Flag

The Pledge of Allegiance to the Flag was led by Mayor MURPHY.

#### D. ROLL CALL

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

**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:** Proclamation - Domestic Violence Awareness Month

### **REPORT IN BRIEF**

Received by Liz Tyler Volunteer Specialist at Valley Crisis Center.

Mayor MURPHY presented the proclamation for Domestic Violence Awareness Month to Liz TYLER from Valley Crisis Center.

**F.2.** **SUBJECT:** Proclamation - Hispanic Heritage Month

### **REPORT IN BRIEF**

Received by a member of the Hispanic Chamber of Commerce.

Mayor MURPHY presented a proclamation for Hispanic Heritage Month to Anissa FRAGOSO from the Hispanic Chamber of Commerce.

**F.3.** **SUBJECT:** Proclamation - Code Enforcement Officer Appreciation Week

### **REPORT IN BRIEF**

Received by the City of Merced Code Enforcement Officers.

Mayor MURPHY presented the proclamation for Code Enforcement Officer Appreciation Week to Police Chief Tom CAVALLERO.

## **G. WRITTEN PETITIONS AND COMMUNICATIONS**

**Clerk's Note:** The following letter was received by the Clerk's Office and placed at the dais prior to the meeting.

NAACP, Merced Chapter - requested support from Council for the renaming of the courthouse after Dr. Charles James Ogletree, Jr.

**Clerk's Note:** An email was received for the following agenda item and forwarded to City Council prior to the meeting.

Oral Communications - Emily Ramey from Ygrene Energy Fund.

## H. ORAL COMMUNICATIONS

Allen BROOKS, NAACP Merced - requested Council support for renaming the Superior Courthouse in honor of Dr. Charles James Ogletree, Jr.

## I. CONSENT CALENDAR

Item I.5. Approval of a Card-Lock Fuel Station Service Agreement with Tesei Petroleum, Inc., and a Fuel Delivery Services Agreement with Pazin and Meyers, Inc., for the Term of December 1, 2020 Through June 30, 2022 with the Option to Extend for Three Additional One-Year Period; was pulled for separate consideration.

### Approval of the Consent Agenda

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

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

**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 Contracts for the Month of September 2020**

**REPORT IN BRIEF**

Notification of awarded Non-Public Works contracts under \$33,000 and of Public Works contracts under \$71,862.

**This Consent Item was approved.**

**I.3.                    SUBJECT: Introduction of an Ordinance Amending Sections 10.28.335 "Thirty-Minute Parking Zones - All-Day", 10.28.341 "Thirty-Minute Parking Zones -Eight-Thirty a.m. to One-Thirty p.m.", 10.28.350, "Ten-Minute Parking Zones", 10.32.057 "Passenger Loading Zones - Seven a.m. to Four p.m.", 10.32.058, "Passenger Loading Zones - Locations -Seven a.m. to Eight-Thirty a.m. and One-Thirty p.m. to Three-Thirty p.m.", 10.32.100, "Bus Zones - Location", 10.32.105, and "School Bus Loading Zones"**

**REPORT IN BRIEF**

Considers recommendations from the Traffic Committee approving the following:

- Removal of thirty-minute parking zone on the south side of W 11th Street east of Canal Street;
- Addition of 2 Police Vehicles Only Parking on the south side of W 11th Street east of Canal Street;
- Addition of thirty-minute parking zone on the south side of W 11th Street east of Canal Street (east of Police Vehicle Only Parking);
- Removal of thirty-minute parking zone on the south side of W 22nd Street west of R Street;
- Removal of ten-minute parking zone on the east side of S Street south of W 22nd Street;
- Addition of ten-minute parking zone on the east side of S Street south of W 22nd Street and north of W. 21st Street;
- Removal of Passenger Loading Zone on the east side of S Street between W. 20th Street and W. 21st Street;
- Removal of Passenger Loading Zone on the south side of W 22nd Street west of R Street;
- Removal of Bus Zone on the east side of S Street south of W. 22nd Street; and,
- Addition of School Bus Loading Zone on the east side of S Street north of W. 21st Street

#### RECOMMENDATION

**City Council** - Adopt a motion introducing Ordinance 2517, an Ordinance of the City Council of the City of Merced, California, Sections 10.28.335 "Thirty-Minute Parking Zones - All-Day", 10.28.341 "Thirty-Minute Parking Zones -Eight-Thirty a.m. to One-Thirty p.m.", 10.28.350, "Ten-Minute Parking Zones", 10.32.057 "Passenger Loading Zones - Seven a.m. to Four p.m.", 10.32.058, "Passenger Loading Zones - Seven a.m. to Eight-Thirty a.m. and One-Thirty p.m. To Three-Thirty p.m.", 10.32.100, "Bus Zones", and 10.32.105, "School Bus Loading Zones" of the Merced Municipal Code.

**This Consent Item was approved.**

I.4.

**SUBJECT:** Land Use Determination #20-01 - Finding of Public Convenience or Necessity for Insanity Nightclub Located at 427 and 429 W. Main Street as Required by the Department of Alcoholic Beverage Control to Issue a Type 48 Alcohol License Which Allows the Sale of Beer, Wine, and Distilled Spirits

#### REPORT IN BRIEF

This report provides options for the City Council to consider making a Finding of Public Convenience or Necessity (PCN), as required by the Department of Alcoholic Beverage Control (ABC) to issue a Type 48 alcohol license (on-sale general allowing the sale of beer, wine, and distilled spirits) for Insanity Nightclub located at 427 and 429 W. Main Street.

#### RECOMMENDATION

**City Council** - Adopt a motion approving the Finding of Public Convenience or Necessity to allow Insanity Nightclub, located at 427 and 429 W. Main Street, to obtain a Type 48 license for on-sale general allowing the sale of beer, wine, and distilled spirits (Option #1 as shown in the "Council Action" section of this Administrative Report).

**This Consent Item was approved.**

I.6.

**SUBJECT:** Approving a First Amendment to the Professional Services Contract with Davey Resource Group, Inc., Reducing the Tree Inventory and Management Plan Services Contract Cost by \$118,805.59, Approving Three Separate Grant Amendments for the Tree Inventory and Management Plan California Department of Forestry and Fire Protection (CalFIRE) Grant No. 8GG16430,

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Extending the Grant Term to March 30, 2021, and Allowing for the  
Planting of an Additional 300 Trees Throughout Merced by Utilizing  
the Reallocation of Funds within the Grant Budget

**REPORT IN BRIEF**

Considers approving an amendment with Davey Resource Group, Inc., to reduce the contract total by \$118,805.59, and approving three grant amendments including the reallocation of various budget line items of the \$475,000 CalFIRE grant and to utilize the \$118,805.59 savings to plant an additional 300 trees throughout Merced, and extending the grant term through March 30, 2021.

**RECOMMENDATION**

**City Council** - Adopt a motion:

- A. Approving a First Amendment to Professional Services Contract with Davey Resource Group, Inc., Reducing the Agreement Cost by \$118,805.59 for Tree Inventory and Management Plan Services; and,
- B. Approving Grant Amendment No. 1 with CalFIRE for the Tree Inventory and Management Plan to allow for the movement of \$13,335 from budget item G - Outreach/Education to budget item C - Contractual to cover the cost of the Davey Resource contract for tree inventory and management plan services (as executed on October 19, 2018); and,
- C. Approving Grant Amendment No. 2 with CalFIRE for the Tree Inventory and Management Plan to extend the grant term through March 30, 2021; and,
- D. Approving Grant Amendment No. 3 with CalFIRE for the Tree Inventory and Management Plan to allow for the movement of \$64,064 from budget item C - Contractual to budget item E - Supplies for the purchase of trees and planting materials, as well as reallocation \$54,741.59 within budget item C for the purposes of contracting out labor for the additional plantings; and,
- E. Authorizing the Interim City Manager to execute the necessary documents.

**This Consent Item was approved.**

**I.5.**

**SUBJECT:** Approval of a Card-Lock Fuel Station Service  
Agreement with Tesei Petroleum, Inc., and a Fuel Delivery Services

Agreement with Pazin and Meyers, Inc., for the Term of December 1, 2020 Through June 30, 2022 with the Option to Extend for Three Additional One-Year Periods

**REPORT IN BRIEF**

Considers approving two separate multi-year service agreements with Tesei Petroleum, Inc., and Pazin and Myers, Inc., to provide fueling services for City vehicles for the period of December 1, 2020 through June 30, 2022 with the option to extend for three additional one-year periods.

**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 Interim City Manager to execute the necessary documents and sign future amendments for term extension(s).

Council Member MARTINEZ pulled this item for a report from staff.

Director of Public Works Ken ELWIN gave a brief explanation of the contract.

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

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

**No:** 0

**Absent:** 0

**J. PUBLIC HEARINGS**

**J.1.**

**SUBJECT:** Continued Public Hearing to Consider Amendments Requested by Rick Telegan on Behalf of Exposition Properties, LLC to the Pre-Annexation Development Agreement for the Absolute-Bright Annexation Which Includes Approximately 100 Acres Located on the

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East Side of G Street, North of Cardella Road

**REPORT IN BRIEF**

Considers modifications to the Pre-Annexation Development Agreement for the Absolute-Bright Annexation.

**RECOMMENDATION**

**City Council** - Adopt a motion:

A. Open the Public Hearing and hear all testimony regarding the proposed amendments to the Pre-Annexation Development Agreement for the Absolute-Bright Annexation; and,

B. Close the Public Hearing; and,

C. Provide direction to staff regarding findings to deny the proposed amendments to the Pre-Annexation Development Agreement.

Senior Planner Julie NELSON gave a slideshow presentation on the amendments requested by Rick Telegan on behalf of Exposition Properties, LLC to the Pre-Annexation Development Agreement for the Absolute-Bright Annexation. She stated that the parties involved have not come to an agreement and they have requested continuing this hearing to the October 19, 2020 Council Meeting.

Mayor MURPHY opened the Public Hearing at 8:28 PM and requested the hearing be continued to the October 19, 2020 City Council Meeting due to lack of public comment.

**A motion was made by Mayor Pro Tempore Serratto, seconded by Council Member McLeod, that this agenda item be continued to the October 19, 2020 City Council Meeting. The motion carried by the following vote:**

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

**No:** 0

**Absent:** 0

**K. REPORTS**

**K.1.**

**SUBJECT: Quarterly Revenue Update for Fourth Quarter of Fiscal Year 2019-2020 Including Requests for Approval of Additions and Deletions of Personnel Positions and Supplemental Appropriations in the General Fund in the Amount of \$450,000, Fund 017-Development**



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Services in the Amount of \$34,150 and Fund 558-Refuse Operating  
Fund in the amount of \$123,787

**REPORT IN BRIEF**

Provide a Quarterly Revenue update for the fourth quarter of Fiscal Year 2019-2020 and request approval of recommended changes to Personnel Positions and/or budget.

**RECOMMENDATION**

**City Council** - Adopt a motion:

A. Approving the addition of a Management Analyst and the deletion of an Administrative Assistant III effective September 7, 2020 in the Fire Department; and,

B. Approving the addition of a Senior Planner and the deletion of an Associate Planner effective September 24, 2018 in the Planning Division; and,

C. Approving a Supplemental Appropriation from the unencumbered, unreserved Fund Balance in Fund 017-Development Services in the amount of \$34,150 due to the costs associated for recommendation B above; and,

D. Approving the addition of a Housing Program Supervisor and the deletion of a Housing Program Manager in the Housing Division; and,

E. Approving the addition of two new Refuse Equipment Operator III positions in the Refuse Division; and,

F. Approving a Supplemental Appropriation from the unencumbered, unreserved Fund Balance in Fund 558-Refuse Operating Fund in the amount of \$123,787 due to the costs associated for recommendation D above; and,

G. Approving a Supplemental Appropriation from the unencumbered, unreserved General Fund Balance in the amount of \$450,000 and transferring \$180,000 to the Revenue Stabilization Fund, \$180,000 to Trust 115-Pension, and \$90,000 to the Economic Development Opportunity Fund; and,

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

Finance Officer Venus RODRIGUEZ gave a financial quarterly update to Council.

Interim City Manager Stephanie DIETZ updated the Council on the current situation with the pandemic.

Council and Ms. RODRIGUEZ discussed a reserve policy, the Giftbar Reimbursement Program, making some personnel adjustments, and the timing of the Five Year Forecast.

**A motion was made by Council Member McLeod, seconded by Council Member Shelton, that this agenda item be approved and to agendaize a discussion on a reserve policy at a November meeting. The motion carried by the following vote:**

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

**No:** 0

**Absent:** 0

**K.2.**

**SUBJECT: Update to the City Council on the Merced Regional Airport and Federal C.A.R.E.S. Grant**

**REPORT IN BRIEF**

Presentation to the City Council regarding the status of the Merced Regional Airport and proposed use of the FEDERAL C.A.R.E.S Grant awarded to the City of Merced.

**RECOMMENDATION**

**City Council** - For Information, Discussion, and Direction.

Economic Development Director Frank QUINTERO gave an update on the Merced Regional Airport and a Federal C.A.R.E.S. Act Grant.

Airport Manager Martin PEHL gave an overview of the Merced Regional Airport, discussed the C.A.R.E.S. Act Grant, commented on recommendations made by the Merced Regional Airport Authority for improving the airport, general airport maintenance that needs to be completed, and the need to hire a consultant.

Council, Mr. QUINTERO, and Mr. PEHL discussed the use of C.A.R.E.S. Act funding, airport revenue sources, additional funding based on customers served, the selection process used to obtain a new airline vendor, and improvements that will benefit the airport.

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**Clerk's Note:** No formal Council action was taken on this item.

**K.3.**

**SUBJECT:** Approving Disposition and Development Agreement Between the City of Merced Acting on its Own Behalf and as the Housing Successor and Merced CA Apartments L.P., a Delaware Limited Partnership; and, Approving a Subordination Agreement Between the City of Merced and Bank of America, N.A.; and, Adoption of Resolution Approving a Community Housing Development Organization Home Investments Partnerships Loan to Central Valley Coalition for Affordable Housing in the Principal Amount of \$1,145,000, Approving and Authorizing the Execution of Deed Restriction Covenant and Loan Agreement, Promissory Note, Regulatory Agreement and Declaration of Restrictive Covenants, and Deed of Trust and Security Agreement with Merced CA Apartments L.P.; Adoption of a Resolution as the Housing Successor Agency to the City of Merced Redevelopment Agency, Approving a Housing Successor Loan to Merced CA Apartments, L.P. a Delaware Limited Partnership, in the Principal Amount of \$1,200,000, Approving and Authorizing Agreement Containing Covenants Affecting Real Property, Notice of Affordability Restrictions on Transfer of Property, Promissory Note, Deed of Trust and Security Agreement, Deed Restriction Covenants and Loan Agreement, Regulatory Agreement and Declaration of Restrictive Covenants, and Authorizing the Interim City Manager to Execute and Make Necessary Changes to the Agreements as well as Execute any and all Other Future Documents Necessary for the Project, Subject to Said Agreements and/or Documents being Approved as to Form by the City Attorney

#### **REPORT IN BRIEF**

Considers various actions including the approval of a Disposition Development Agreement (DDA), a Community Housing Development Organization (CHDO) Home Investments Partnerships (HOME) Loan, and a Housing Successor Agency (HSA) Loan to Merced CA Apartments L.P., a Delaware Limited Partnership for the Childs and B Street Transit Oriented Development (TOD) Affordable Housing Project.

#### **RECOMMENDATION**

**City Council** - Adopt a motion:

A. Approving a Disposition and Development Agreement between the City of Merced and Merced CA Apartments L.P., a Delaware Limited Partnership; and,

B. Approving a Subordination agreement between the City of Merced and Bank of America, N.A; and,

C. Adopting **Resolution 2020-64**, a Resolution of the City Council of the City of Merced, California, Approving a Community Housing Development Organization Home Investments Partnerships Loan to Central Valley Coalition for Affordable Housing in the principal amount of \$1,145,000, approving and authorizing the execution of a loan agreement, regulatory agreement, related loan documents, and authorizing certain other actions in connection therewith; and,

D. Adopting **Resolution 2020-65**, a Resolution of the City Council of the City of Merced, California, acting as the Housing Successor Agency to the City of Merced Redevelopment Agency, approving a Housing Successor Loan to Merced CA Apartments, L.P., in the principal amount of \$1,200,000, approving and authorizing the execution of a loan agreement, regulatory agreement and related loan documents, and authorizing certain other actions in connection therewith; and,

E. Authorizing the Interim City Manager to execute any and all documents to fulfill the terms and conditions of the DDA and make changes to the Agreements identified herein as well as execute any and all other future documents that may be necessary for the project, subject to the agreements and/or documents being approved as to by form by the City Attorney.

Development Services Director Scott MCBRIDE gave a slide show presentation recapping the project timeline and the next steps needed to complete the process.

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

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

**No:** 0

**Absent:** 0

**K.4.**

**SUBJECT: Police Advisory Committee's Recommendations Related to the Merced Police Department Use of Force Policies and Positions on Proposed Legislation**

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**REPORT IN BRIEF**

Police Advisory Committee's recommendations related to the Merced Police Department use of force policies and positions on proposed legislation.

**RECOMMENDATION**

**City Council** - Adopt a motion accepting the Police Advisory Committee's recommendations related to the Merced Police Department use of force policies and positions on proposed legislation.

Dee TATUM, Committee Chair for the Police Advisory Committee, gave a final report on behalf of the committee that was formed by Mayor MURPHY to review City of Merced Police Department Policy and Procedures. He thanked the Police department for being open and forthcoming in assisting the committee by providing the necessary information to complete their review.

Council thanked all of the members who reviewed the policies and briefly discussed the items that they reviewed.

**A motion was made by Council Member Shelton, seconded by Mayor Murphy, that this agenda item be accepted and filed as amended. The motion carried by the following vote:**

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

**No:** 0

**Absent:** 0

**L. BUSINESS**

**L.1.**

**SUBJECT:** Council Member Shelton's Request to Discuss Proposed Unity Project

**REPORT IN BRIEF**

Council Member Shelton's request to discuss several proposed projects centered around community unity pursuant to City Council Administrative Policies and Procedures C-1.

**RECOMMENDATION**

Provide direction to staff on the exploration of proposed Unity Project as presented.

Council Member SHELTON gave a brief presentation on his Community

Unity Concept outlining several programs and items to help bring city residents together.

Council thanked Council Member SHELTON for his idea and offered support for his project.

**L.2.**                    **SUBJECT:** Discussion on the Format of Future City Council Meetings During COVID-19

**REPORT IN BRIEF**

Discuss the format of City Council Meetings.

**RECOMMENDATION**

Provide staff direction on the format of future City Council Meetings.

Council agreed to have the next meeting in person.

**L.3.**                    **SUBJECT:** Request to Add Item to Future Agenda

**REPORT IN BRIEF**

Provides members of the City Council to request that an item be placed on a future City Council agenda for initial consideration by the City Council.

Council Member SERRATTO requested an update on the City Beautification Program.

Council Member ECHEVARRIA requested an update on a Grand Jury Report.

**L.4.**                    **SUBJECT:** City Council Comments

**REPORT IN BRIEF**

Provides an opportunity for the Mayor and/or Council Member(s) to make a brief announcement on any activity(ies) she/he has attended on behalf of the City and to make a brief announcement on future community events and/or activities. The Brown Act does not allow discussion or action by the legislative body under this section.

Council Member MARTINEZ stated his support for the community in regards to the pandemic.

Mayor MURPHY discussed attending a Merced City School District leadership meeting.

## M. ADJOURNMENT

**Clerk's Note:** The Regular meeting adjourned at 8:58 PM.

A motion was made by Council Member Shelton, seconded by Mayor Pro Tempore Serratto, to adjourn the meeting. The motion carried by the following vote:

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

**No:** 0

**Absent:** 0