



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, March 15, 2021

6:00 PM

A. STUDY SESSION ROLL CALL

Recreation and Parks Commissioners:

Present: Commissioner Justin Anderson, Commissioner Norma Cardona, Commissioner Yesenia Curiel, Commissioner Eric Moore and Vice-Chair Douglas Piuser

Absent: Chair Valente Huitron

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Kevin Blake, Council Member Fernando Echevarria, Council Member Delray Shelton, Council Member Bertha Perez, Council Member Jesse Ornelas, and Council Member Sarah Boyle

Absent: 0

B. STUDY SESSION

Mayor SERRATTO called the Study Session to order at 5:05 PM.

Clerk's Note: Council Member BOYLE arrived at 5:06 PM and Commissioner CURIEL arrived at 5:18 PM.

Clerk's Note: The Study Session was attended by the Recreation and Parks Commissioners via video conference pursuant to Governor Gavin Newsom's Executive Order N-29-20.

B.1.

SUBJECT: Joint Study Session with the City Council and the Recreation and Parks Commission to Discuss All Matters Pertaining to Recreation and Parks Including Recreation and Parks Budgeting Priorities, Youth Services, Community Partnerships, and City Playground and Parks Upkeep, Repairs and Maintenance

REPORT IN BRIEF

A joint Study Session with the City Council and the Recreation and Parks Commission to discuss all matters pertaining to recreation and parks.

Acting Director of Parks and Community Services Frank QUINTERO gave

a brief overview of the roles and responsibilities of the Recreation and Parks staff and briefly went over the programs offered by the department.

Council, the Recreation and Parks Commission and City Manager Stephanie DIETZ discussed Recreation and Parks budgeting priorities, participatory budgeting, outreach done by the Youth Council, youth programming, community partnerships, city playground and parks upkeep, and development of unfinished parks.

Clerk's Note: The Study Session was adjourned at 5:58 PM.

C. CALL TO ORDER

Mayor SERRATTO called the Regular Meeting to order at 6:04 PM.

C.1. Invocation - Monika Grasley, Lifeline CDC

The invocation was delivered by Monika GRASLEY from Lifeline CDC.

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 Matthew Serratto, Mayor Pro Tempore Kevin Blake, Council Member Fernando Echevarria, Council Member Delray Shelton, Council Member Bertha Perez, Council Member Jesse Ornelas, and Council Member Sarah Boyle

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 \$400.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$100.00 each month as a part of the adopted budget and Resolution 2020-86. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

E. WRITTEN PETITIONS AND COMMUNICATIONS

Clerk's Note: Emails were received for the following agenda items and were forwarded to the City Council prior to the meeting.

Oral Communications - Adam LANE.

Item I.1 - Wil CRUMMER, Jeremy MARTINEZ, and Nicole RICE.

Item I.2. - John ANDERSON, Stephen PECK, and Sharon RUCKER.

F. ORAL COMMUNICATIONS

Clerk's Note: The following comment was received via voicemail.

Jennifer XIONG, New Hmong Center - Thanked Council for naming a community park for General Vang Pao and commented on COVID relief funds being available for different ethnic groups.

G. CONSENT CALENDAR

Items G.8. Adoption of Resolution Approving Final Map 5383 (Stoneridge South, Phase 3 Subdivision) for 32 Single-Family Lots, Generally Located East of G Street, Between Winder Avenue and Mission Avenue, and the Approval of the Subdivision Agreement for Stoneridge South, Phase 3 Subdivision, G.9. Acceptance of the 2020 General Plan Annual Report Summarizing the Status of the Merced Vision 2030 General Plan and the Steps Taken to Implement the General Plan Policies and Implementation Actions and Acceptance of the 2020 Housing Element Annual Progress Report Summarizing the City's Progress in Meeting the City's Share of Regional Housing Needs and the Goals and Policies of the Housing Element Including Number of Entitlements, Permits, and Certificates of Occupancy for All Housing Types, G.10. Land Use Determination #21-01-Finding of Public Convenience or Necessity for 7-Eleven Gas Station and Convenience Market Located at the Northeast Corner of Yosemite Avenue and G Street as Required by the Department of Alcoholic Beverage Control to Issue a Type 20 Alcohol License Which Allows the Sale of Beer and Wine, G.11. Adoption of Resolution of the Housing Successor Agency to the Merced Redevelopment Agency Declaring Certain Properties as Exempt Surplus Land and Providing Direction Pursuant to the Surplus Land Act for the Disposition of Housing Successor Agency Properties, and G.17. Second Reading and Final Adoption of an Ordinance to Amend Merced Municipal Code Section 20.10 Regarding Commercial Zoning Districts (Zoning Ordinance Amendment #20-01) by Expanding the List of Permitted Uses and Reducing the Amount of Floor Area Devoted to the Sale of Groceries in the Shopping Center Commercial (C-SC) Zone; Adding Breweries, Wineries, and Distilleries to the List of Permitted Uses in Various Commercial Zones; Allowing Food Trucks in the City Center Area of the Regional/Central Commercial Zone (C-C); and Changing the Level of Review Required for Personal Services in Various Commercial Zones; were pulled for separate consideration.

Approval of the Consent Agenda

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

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

G.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.

G.2.**SUBJECT: Information Only - Recreation & Parks Commission Minutes of September 23, 2019, August 24, 2020, September 28, 2020, October 26, 2020, November 23, 2020**

RECOMMENDATION

For information only.

This Consent Item was approved.

G.3.**SUBJECT: Information Only - Planning Commission Minutes of February 3, 2021**

RECOMMENDATION

For information only.

This Consent Item was approved.

G.4.**SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of January 19, February 1, and February 11, 2021**

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 19, February 1, and February 11, 2021.

This Consent Item was approved.

G.5.

SUBJECT: Approval of the Second Amendment to the Agreement for Legal Services with Lozano Smith, LLP, in the Additional Amount of \$60,000 and the Total Not-to-Exceed Amount of \$150,000

REPORT IN BRIEF

Considers approving the Second Amendment to the Agreement for legal services with Lozano Smith, LLP, in the additional amount of \$60,000 and the total not-to-exceed amount of \$150,000.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Second Amendment to an agreement for legal services with Lozano Smith, LLP in the additional amount of \$60,000; and,

B. Approving the reduction of \$60,000 in Fund 672-Support Services Professional Services expense, transferring to the General Fund and appropriating the same in the City Attorney's Professional Services account line; and,

C. Authorizing the City Manager or designee to execute the necessary documents.

This Consent Item was approved.

G.6.

SUBJECT: Approval of the First Amendment to the Agreement with Jackson Lewis, P.C., for Additional Compensation of \$90,000 and the Total not to Exceed Contracted Amount of \$120,000 for Special Legal Services Related to the City's Self Insured Retention for Employment Risk Management Authority (ERMA) Personnel Related Matters

REPORT IN BRIEF

Considers the approval of the First Amendment to the Agreement between the City of Merced and Jackson Lewis, P.C., for specialized legal services related to ERMA covered personnel matters.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the First Amendment to the Agreement with Jackson Lewis, P.C. for an amount not to exceed \$120,000 related to legal services for the City's self-insured retention; and,
- B. Approving the reduction of \$58,000 in Fund 672-Support Services expense, transferring to the General Fund and appropriating the same in the City Attorney's Professional Service account line; and,
- C. Approving a Supplemental Appropriation in the amount of \$32,000 from the General Fund unreserved, unencumbered Fund Balance; and,
- D. Authorizing the City Manager or designee to execute the necessary documents.

This Consent Item was approved.

G.7.

SUBJECT: Adoption of Resolution Approving Final Map 5367 (Cypress Terrace 7, Phase A) for 33 Single-Family Lots, Generally Located South of Gerard Avenue, West of M Street, and the Approval of the Subdivision Agreement for Cypress Terrace 7, Phase A

REPORT IN BRIEF

Considers the approval of Final Map #5367 for 33 single-family lots, generally located south of Gerard Avenue, west of M Street, and the Subdivision Agreement for Cypress Terrace 7, Phase A.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving **Resolution 2021-18**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for the Cypress Terrace 7, Phase A Subdivision (#5367); and,
- B. Approving the Subdivision Agreement for Cypress Terrace 7, Phase A; and,

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

This Consent Item was approved.

G.12.

SUBJECT: Authorization to Accept and Appropriate a Donation of Eight Thousand One Hundred Sixty-Six Dollars and Sixty-Two Cents (\$8,166.62) from the Merced Police Officers Association (MPOA) to be Used to Purchase a Police Dog for the Merced Police K9 Unit

REPORT IN BRIEF

Considers accepting and appropriating a donation of eight thousand one hundred and sixty-six dollars and sixty-two cents (\$8,166.62) from MPOA to offset the costs of purchasing a Police Dog.

RECOMMENDATION

City Council - Adopt a motion:

A. Accepting a donation of \$8,166.62 from MPOA for use in the Merced Police K9 Unit; and,

B. Increasing Contributions and Donations revenue account #001-1001-360-02-01 in the amount of \$8,167 and appropriating the same amount to account #001-1001-523-43-00 to offset the costs of purchasing a police dog for the Merced Police K9 Unit; and,

C. Authorizing the Mayor to execute the Donation Acceptance Agreement.

This Consent Item was approved.

G.13.

SUBJECT: Adoption of a Resolution Changing the Name of the Merced Regional Airport to Merced Yosemite Regional Airport

REPORT IN BRIEF

At February 16, 2021 meeting of the Merced City Council, staff was directed to prepare a resolution of the City Council of the City of Merced, California, changing the name of the Merced Regional Airport to Merced Yosemite Regional Airport.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2021-20**, a Resolution of the City Council of the City of Merced, California, changing the name of the Merced Regional Airport to Merced Yosemite Regional Airport and authorizing the City Manager or designee to execute all necessary documents to complete the name change.

This Consent Item was approved.

G.14.

SUBJECT: Approval of Agreement with the Merced Main Street Association for \$46,370 for Services and the Administration of the Downtown Business Improvement Area for Fiscal Year 2020-2021

REPORT IN BRIEF

Considers approving an agreement between the City of Merced and the Merced Main Street Association for \$46,370 to provide services to the Downtown Business Improvement Area during Fiscal Year 2020-2021.

RECOMMENDATION

City Council - Adopt a motion approving the agreement with the Merced Main Street Association for Downtown Services for 2020-2021 in the amount of \$46,370.00 and authorizing the City Manager or designee to execute the necessary documents.

This Consent Item was approved.

G.15.

SUBJECT: Adoption of a Resolution Delegating Authority to the City Manager to Make Industrial Disability Determinations Pursuant to the Public Employees Retirement System Including but not Limited to, Government Code Sections 21152(c) and 21173

REPORT IN BRIEF

The City of Merced has a need to submit an application of disability retirement to CalPERS. Upon notice of acceptance of application, CalPERS requires the adoption of resolution designating the signing authority when submitting Industrial Disability applications.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2021-21**, a Resolution of the City Council of the City of Merced, California, delegating authority to the City Manager to make Industrial Disability determinations pursuant to the Public Employees Retirement System including, but not limited to, Government Code Sections 21152(c) and 21173.

This Consent Item was approved.

G.16.

SUBJECT: Approval of the Purchase and/or Installation of Public Safety Vehicle Parts in an Amount not to Exceed \$70,212.04 from Emergency Vehicle Outfitters (EVO) and Shafeel Hussein

REPORT IN BRIEF

Considers approving the purchase and/or installation of Public Safety vehicle parts from EVO and Shafeel Hussein.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving purchases and/or installation of Public Safety vehicle parts in an amount not to exceed \$70,212.04 from EVO and Shafeel Hussein; and,

B. Authorizing the City Manager or designee to execute any necessary documents.

This Consent Item was approved.

G.18.

SUBJECT: Second Reading and Final Adoption of an Ordinance to Amend Merced Municipal Code Section 20.42 Regarding Accessory Dwelling Units (ADU's) to Meet the Modified Requirements of State Law in Regards to Minimum Lot Sizes, Owner-Occupancy Requirements, Maximum Size of an ADU, Application Review Times, Parking Requirements, the Charging of Impact Fees, the Sale of ADU's, "Junior ADU's," and Other Requirements of State Law

REPORT IN BRIEF

Second reading and final adoption of an ordinance that would modify the City's zoning requirements for "accessory dwelling units" (ADU's) to meet the modified requirements of State Law in regards to minimum lot sizes, owner-occupancy requirements, maximum size of an ADU, application review times, parking requirements, the charging of impact fees, the sale of ADU's, "junior ADU's," and other requirements of State Law.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance No. 2521**, An Ordinance of the City Council of the City of Merced, California, Amending Sections 20.42 "Accessory Dwelling Units" of the Merced Municipal Code.

Items

This Consent Item was approved.

G.8.

SUBJECT: Adoption of Resolution Approving Final Map 5383 (Stoneridge South, Phase 3 Subdivision) for 32 Single-Family Lots, Generally Located East of G Street, Between Winder Avenue and Mission Avenue, and the Approval of the Subdivision Agreement for Stoneridge South, Phase 3 Subdivision

REPORT IN BRIEF

Considers the approval of Final Map #5383 for 32 single-family lots, generally located east of G Street, between Winder Avenue and Mission Avenue, and the Subdivision Agreement for Stoneridge South, Phase 3.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving **Resolution 2021-19**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for the Stoneridge South, Phase 3 Subdivision (#5383); and,

B. Approving the Subdivision Agreement for Stoneridge South, Phase 3; and,

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

Council Member ORNELAS pulled this item to discuss home pricing for this development.

Development Services Director Scott MCBRIDE stated these homes would be market rate housing.

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

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

G.9.

SUBJECT: Acceptance of the 2020 General Plan Annual Report Summarizing the Status of the Merced Vision 2030 General Plan and the Steps Taken to Implement the General Plan Policies and Implementation Actions and Acceptance of the 2020 Housing Element Annual Progress Report Summarizing the City's Progress in Meeting the City's Share of Regional Housing Needs and the Goals and Policies of the Housing Element Including Number of Entitlements, Permits, and Certificates of Occupancy for All Housing Types

REPORT IN BRIEF

Accepts for information only the 2020 General Plan Annual Progress Report and the 2020 Housing Element Annual Progress Report and allows the public an opportunity to provide oral testimony and written comments regarding the 2020 Housing Element Annual Progress Report.

RECOMMENDATION

City Council - Adopt a motion accepting the 2020 General Plan Annual Report and the 2020 Housing Element Annual Progress Report for information only.

Council Member ORNELAS pulled this item to discuss housing for farm workers as addressed in the report and the meetings that will be scheduled.

Development Services Director MCBRIDE addressed the need to schedule meetings to meet the requirements of the State.

Clerk's Note: The following comment was received via voicemail.

Sheng XIONG, Leadership Council - commented on the need for low income housing in different parts of the City.

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

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

G.10.

SUBJECT: Land Use Determination #21-01- Finding of Public Convenience or Necessity for 7-Eleven Gas Station and Convenience Market Located at the Northeast Corner of Yosemite Avenue and G Street as Required by the Department of Alcoholic Beverage Control to Issue a Type 20 Alcohol License Which Allows the Sale of Beer and Wine

REPORT IN BRIEF

Considers making a Finding of Public Convenience or Necessity (PCN), as required by the Department of Alcoholic Beverage Control (ABC) to issue a Type 20 alcohol license (off-sale allowing the sale of beer and wine) for 7-Eleven Gas Station and Convenience Market located at the northeast corner of Yosemite Avenue and G Street.

RECOMMENDATION

City Council - Adopt a motion approving the Finding of Public Convenience or Necessity to allow 7-Eleven Gas Station and Convenience Market, located at the northeast corner of Yosemite Avenue and G Street, to obtain a Type 20 license for off-sale allowing the sale of beer and wine (Option #1 as shown in the "Council Action" section of this Administrative Report).

Council Member ORNELAS pulled this item to express his concern with the project site being close to schools.

Development Services Director Scott MCBRIDE discussed the need for Council to approve this item due to the sales of alcohol and the proximity of local schools.

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

Aye: 4 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Shelton, and Council Member Boyle

No: 3 - Council Member Echevarria, Council Member Perez, and Council Member Ornelas

Absent: 0

G.11.

SUBJECT: Adoption of Resolution of the Housing Successor Agency to the Merced Redevelopment Agency Declaring Certain

Properties as Exempt Surplus Land and Providing Direction
Pursuant to the Surplus Land Act for the Disposition of Housing
Successor Agency Properties

REPORT IN BRIEF

This Resolution declares certain properties as exempt surplus land and provides direction pursuant to the Surplus Land Act for the disposition of Housing Successor Agency properties.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2021-17**, a Resolution of the City Council of the City of Merced, California, acting as the Housing Successor Agency to the Merced Redevelopment Agency, declaring certain properties as exempt surplus land and directing the City Manager to follow the procedures set forth in the Surplus Lands Act for the disposition of Housing Successor properties.

Mayor SERRATTO pulled this item due to public comment received.

Clerk's Note: The following comments were received via voicemail.

Janice SORGE, Habitat for Humanity - expressed interest in the lots being sold to build low income housing.

Lyle ALLEN, Habitat for Humanity - expressed interest in the available lots to build low income housing.

Casey STEED, Merced - stated the need to develop the lots for low income housing.

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

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

G.17.

SUBJECT: Second Reading and Final Adoption of an Ordinance to Amend Merced Municipal Code Section 20.10 Regarding Commercial Zoning Districts (Zoning Ordinance Amendment #20-01) by Expanding the List of Permitted Uses and Reducing the Amount of Floor Area Devoted to the Sale of Groceries in the

Shopping Center Commercial (C-SC) Zone; Adding Breweries,
Wineries, and Distilleries to the List of Permitted Uses in Various
Commercial Zones; Allowing Food Trucks in the City Center Area
of the Regional/Central Commercial Zone (C-C); and Changing the
Level of Review Required for Personal Services in Various
Commercial Zones

REPORT IN BRIEF

Second reading and final adoption of an Ordinance to amend the Zoning Ordinance regarding Commercial Zoning Districts by expanding the list of permitted uses and reducing the amount of floor area devoted to the sale of groceries in the Shopping Center Commercial (C-SC) zone; adding Breweries, Wineries, and Distilleries to the list of permitted uses in various Commercial zones; allowing food trucks in the City Center area of the Regional/Central Commercial Zone (C-C); and changing the level of review required for Personal Services in various commercial zones.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance No. 2522**, An Ordinance of the City Council of the City of Merced, California, amending Section 20.10 "Commercial Zoning Districts" as well as Table 20.10-1 "Permitted Land Uses in the Commercial Zoning Districts" of the Merced Municipal Code.

Council Member ORNELAS pulled this item to ask about any environmental type reviews that will be associated with the ordinance.

Development Services Director Scott MCBRIDE stated that reviews would be done at a staff level.

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

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

H. PUBLIC HEARINGS

H.1. **SUBJECT:** Conduct a Public Hearing to Consider the Work and
Expense Report for the Abatement Work Done at 1050 Rambler Road

(Abatement of Public Nuisance and Demolition of Building), Assess the Expenses/Charges for the Nuisance Abatement Work on the Assessment Roll and Approve the Filing and Recording of a Special Assessment and Lien Upon the Property for Said Expenses and Charges

REPORT IN BRIEF

Requests the City Council to conduct a Public Hearing and consider adopting a resolution approving the work and expense report for the abatement work done for 1050 Rambler Road, assessing a charge therefor and approving a lien against the property.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2021-22**, a Resolution of the City Council of the City of Merced, California, confirming the cost assessment report relating to the nuisance abatement done at 1050 Rambler Road, Merced, California, (APN 007-022-002-000), assessing the expense and charges for the abatement work on the assessed roll, approving the filing and recording of a special assessment and lien against the property for said expenses and charges, 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; and,

B. Authorizing the City Manager or designee to execute all necessary documents.

C. Directing the City Clerk to provide a copy of the Lien to the Finance Officer

Clerk's Note: Mayor SERRATTO recused himself from this item due to the proximity of his residence to the property in question.

Code Enforcement Officer Kenneth BOGLE gave a slideshow presentation on the history of the subject property, dangerous conditions on the property, the need for an abatement warrant, and the ultimate need to demolish the property.

Mayor Pro Tempore BLAKE opened the Public Hearing at 6:47 PM.

Clerk's Note: Executors of the estate commented via telephone.

Cyrus NOWNEJAD - thanked staff for their work on the abatement of the property and bringing the matter to conclusion.

Gita NOWNEJAD - commented on the work staff did to abate the property was thankful for the resolution of the problem.

Mayor Pro Tempore BLAKE closed the Public Hearing at 6:52 PM.

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

Aye: 6 - Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

Recused: 1 - Mayor Serratto

I. REPORTS

I.1.

SUBJECT: Direction on Possible Changes to the Commercial Cannabis Business Permits Ordinance Including, but not limited to, the Merit Based Selection Process, the Current Tax Rates, Inspection Procedures, Labor Peace Agreements, Safety Standards, Allowable Zones and Regulatory Fees

REPORT IN BRIEF

City staff will provide an update on the history and current status of commercial cannabis businesses in Merced. Among other considerations, seeking Council direction on the number of retail permits, local preference, taxes and fees, inspections, possible expansion to other zoning districts, and other items relating to the Ordinance.

RECOMMENDATION

Provide staff with direction on items relating to the cannabis Ordinance and related matters.

Principal Planner Michael HREN gave a slideshow presentation highlighting potential changes to the Commercial Cannabis Business Permits Ordinance, the merit based selection process, the current tax rates, inspection procedures, labor peace agreements, safety standards, allowable zones, and regulatory fees.

Council, City Manager Stephanie DIETZ and Mr. HREN discussed all

potential changes to the ordinance.

Clerk's Note: The following comments were received via voicemail.

Jay - spoke in favor of a reduction of taxes related to cannabis businesses.

Ted FOX - spoke in support of a competitive tax rate for all cannabis businesses.

anonymous speaker - spoke in support of tax rate reductions for cannabis businesses.

Council directed staff to keep the number of permits at 5, leave the retail tax percent at 7%, begin a plan for enforcing the community benefits proposed by the applicants, reduce the medicinal retail tax to 2%, reduce the cultivation tax to 2.5%, reduce the manufacturing tax to \$2.50 per square foot, reduce the distribution tax to 2%, reducing the testing tax to 0%, allow Labor Peace Agreements for businesses with 5 or more employees, retain applications on file for 12 months, change certain zoning requirements to allow cannabis businesses in Business Park and Commercial Thoroughfare zones, allow dispensaries to stay open until 10 PM daily, and make adjustments to the applications to add points for local ownership.

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

I.2.

SUBJECT: Update on North Merced Annexation Feasibility Study:
Annexation Pre-Application Process and Conditional Wastewater
Collection Capacity Allocation Process

REPORT IN BRIEF

City staff will present details about the proposed Annexation Pre-application Process and Conditional Wastewater Collection Capacity Allocation Process developed in response to the North Merced Annexation Feasibility Study.

RECOMMENDATION

Provide direction to staff on any proposed changes to the Annexation Pre-application Process and Conditional Wastewater Collection Capacity Allocation Process.

Planning Manager Kim ESPINOSA gave a slideshow presentation with details about the proposed Annexation Pre-application Process and Conditional Wastewater Collection Capacity Allocation Process developed

in response to the North Merced Annexation Feasibility Study.

Council, City Manager Stephanie DIETZ, and Ms. ESPINOSA discussed the existing sewer capacity, Council discretion in the allocation of the capacity, the annexation pre-application process, suggested milestones for developers to meet once a project is approved, and responses received from developers.

Council agreed that the pre-application process and the Conditional Wastewater Collection Capacity Allocation Program were acceptable.

Clerk's Note: The following comments were received via voicemail.

John ANDERSON, J.B. Anderson Land Use Planning - encouraged Council to work with stakeholders regarding annexation and sewer capacity.

Sid LAKIREDDY, landowner - expressed concerns over the annexation policies as presented.

Sheng XIONG, Merced - commented on disadvantaged communities in unincorporated areas of Merced County and Senate Bill 244.

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

J. BUSINESS

J.1.

SUBJECT: Approval of the the City Council FY 2021/22 Goals and Priorities to Include Public Safety, Economic Development & Downtown, Parks & Recreation, Housing & Homelessness, and Public Works & City Beautification

REPORT IN BRIEF

Adoption of the FY 2021/22 Goals and Priorities to include Public Safety, Economic Development & Downtown, Parks & Recreation, Housing & Homelessness, and Public Works & City Beautification.

RECOMMENDATION

City Council - Adopt a motion approving FY 2021/22 Goals and Priorities.

City Manager Stephanie DIETZ gave a brief overview of the 2020/2021 Council Goals and Priorities document.

Council and Ms. DIETZ discussed the goals and priorities, funding youth programs, park equipment and restroom repairs, and bike path repairs and maintenance.

Clerk's Note: The following comment was received via voicemail.

Sheng XIONG, Merced - spoke on housing issues.

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

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

J.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 hold the next meeting in the same format.

J.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 ORNELAS requested an item to discuss the placement of the LGBTQ flag downtown.

J.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 PEREZ offered condolences to families who lost children recently and congratulated "Chiquito" Haro for winning his recent boxing match.

Council Member ECHEVARRIA congratulated his stepson on his recent improvement in school.

Council Member ORNELAS thanked those attending the Covas Restaurant fundraiser and spoke about youth violence and the safety of youth around the trains.

Mayor SERRATTO thanked those who attended the Covas Restaurant fundraiser, the utility box art project fundraiser, upcoming community clean ups, and the opening of the Navigation Center.

Clerk's Note: Council adjourned to Closed Session at 9:27 PM.

K. CLOSED SESSION

- K.1. **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Paragraph (1) of Subdivision (d) of Government Code section 54956.9, Name of Case: Travis Lawrie v. City of Merced; 20CV-02335
- K.2. **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION; Reginald Matthews v. City of Merced; Workers Compensation Appeals Board Case No. FRE-ADJ 11117758; AUTHORITY: Government Code Section 54956.9(d)(1)
- K.3. **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION; Donald King v. City of Merced; Workers Compensation Appeals Board Case No. FRE-ADJ 13282906; AUTHORITY: Government Code Section 54956.9(d)(1)
- K.4. **SUBJECT:** CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Property: Surface Water Purchase, Merced, CA; Agency Negotiator: Stephanie Dietz, City Manager, City of Merced; Negotiating Parties: Merced Irrigation District and City of Merced and; Under Negotiation: Price and Terms of Payment
- K.5. **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Stephanie Dietz; Employee

Organization: International Association of Fire Fighters. AUTHORITY:
Government Code Section 54957.6

Clerk's Note: Council adjourned from Closed Session at 10:22 PM.

L. REPORT OUT OF CLOSED SESSION

There was no report.

M. ADJOURNMENT

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

A motion was made by Council Member Ornelas, seconded by Council Member Echevarria, that the meeting be adjourned in memory of 14 year old Hector, who lost his life to gun violence. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0