



THE CI

MERCED

To: The Honorable Mayor and City Council
From: Steven S. Carrigan, City Manager
Date: November 22, 2019
Re: City Council Information Report

CITY HAS RECORD NUMBER OF PERMITS

The City reached 4,012 building permit applications Thursday, exceeding the previous record of 3,663 for the entire year of 2005.

For the calendar year 2019, the City has issued 602 single family dwelling (SFD) permits and has 261 permits in



various stages of review/ready to be issued. There were 1,427 SFD permits in 2005.

More applications are anticipated over the next month as the 2016 Building Codes expire at the end of the year. Builders can get ahead of the change to the 2019 Code update by submitting plans before Dec. 30. There is a six month time frame to pull the permit once applications are approved. There is an additional year time frame to have the first inspection under the permit.

NO CI FOR THANKSGIVING WEEK

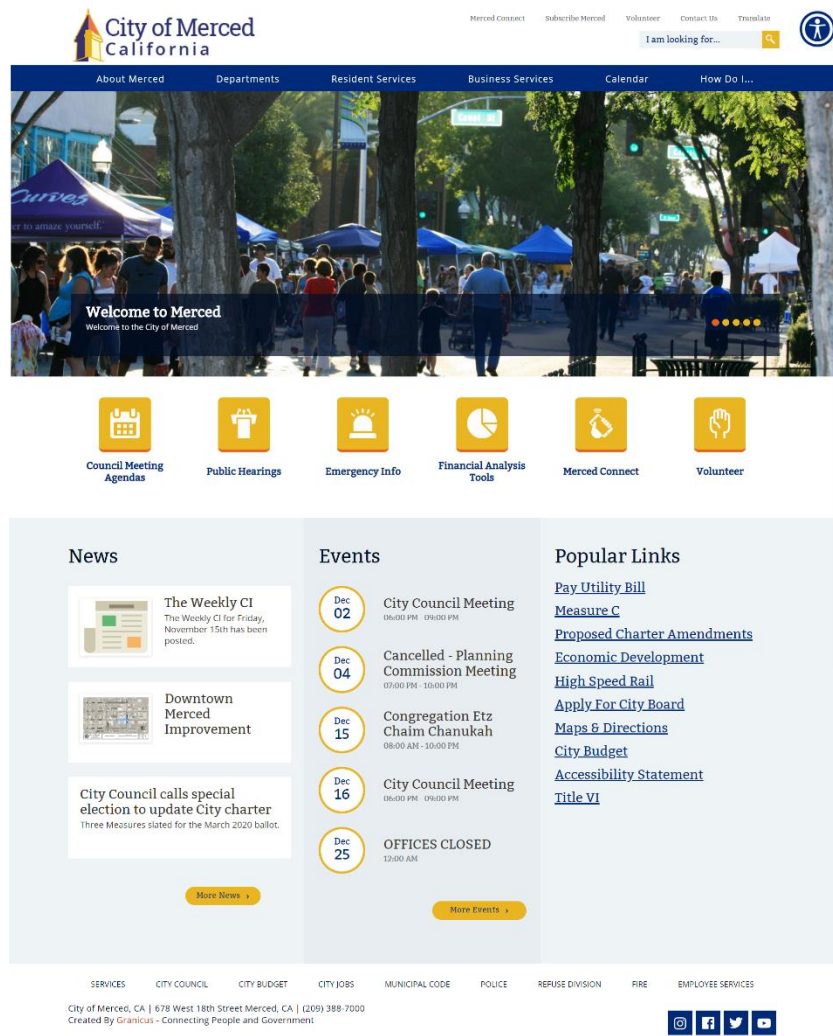
There will be no CI next week due to the short work week. Have a Happy Thanksgiving.

NEW WEBSITE WILL LAUNCH MONDAY

The City will launch its redesigned and updated website Monday. The new website offers citizens improved accessibility features and makes it easier to find content.

The website is more secure, is simpler for City staff to post content and ties in with other services the City offers, such as Merced Connect and Subscribe Merced. The IT Department has been working on the project since March.

Friday's fun facts:
The website contains 608 pages, 3,742 documents and 699 images.



YOUTH COUNCIL POLISHES ANOTHER PARK

The Youth Council held its latest park clean up Sat. Nov. 16 at Santa Fe Strip Park, located next to Rivera School. The event was a collaboration between the Youth Council, El Capitan High Leadership Class, UC Merced students and community volunteers.

The extra helpers made a big difference and the project was complete in three hours. Volunteers washed, repaired and painted the equipment, providing a making the park once again vibrant and revived for the neighborhood to enjoy.



FIRE DEPARTMENT NEWS

Firefighter survival

Firefighter survival skill training is conducted every year in an effort to reduce the possibility of fire fighter injuries or fatality while operating where it is dangerous during structural fires. An emphasis is placed on avoiding situations that could cause them to become lost, trapped, or injured at a fire scene. The training topics include firefighter survival terminology, developing a survival attitude, increasing situational awareness, knowing when a firefighter emergency exists, how to “Call a Mayday” and being trained in problem-solving techniques in order to become more self-reliant in an emergency.



Air Management

Air management to a firefighter is a constant evaluation of the environment they are working in, while monitoring the total amount of air left in their self-contained breathing apparatus (SCBA) and ensuring they exit the building before running out of air. To do this the firefighter, while working as a team, must let the other members of their crew know when they're at 50% and develop



a plan to safely exit the building before their low air warning device sounds. Knowing how much air each firefighter consumes during heavy strenuous work is the overall goal of this week's training. Once completed, each member is able to optimize the workload based on their consumption rates while keeping their overall safety as a priority.

BEAR CREEK ARUNDO CLEANUPS

Public Works crews, along with assistance from California Department of Forestry (CDF) crews, started clearing invasive arundo throughout various locations along Bear Creek under an emergency permit from state Fish & Wildlife this week. As of Thursday, crews have cleared arundo along the creek starting just east of McKee Road and continuing westward to St. Francis Drive.



BEAR CREEK ARUNDO CLEANUPS (before)



BEAR CREEK ARUNDO CLEANUPS (after)



FIRE HYDRANT INFILL

Water Division crews this week started a Fire Hydrant Infill project generally located in the area of West 7th and 8th Streets. Crews will be installing 6 new fire hydrants throughout the area.



TREE TRIMMING & AREA PRUNING

Public Works Tree crews have continued with trimming trees throughout town, as well as area pruning in the Dinkey Creek neighborhood this week.



CORMORANT DRIVE / DAVENPORT PEDESTRIAN BRIDGE



Public Works crews have been working to complete repairs to the Cormorant Drive/ Davenport pedestrian bridge this week. Wood slats are being replaced.

MERCED DOG PARK BACKFLOW REPAIRS

Repairs are now complete at the Dog Park. The backflow device was damaged in a hit and run accident causing the irrigation water to be temporarily shut off. Public Works crews have replaced the backflow device and restored water service.



GROGAN AVENUE SIDEWALKS & CROSSWALK

Sidewalks and a crosswalk have been completed along a portion of Grogan and West avenues in front of the Public Works Corporation Yard this week. The newly installed sidewalks and freshly striped crosswalk provide better access for the public, as previously there was no sidewalk access to the building.



ENGINEERING UPDATE

Main & M Street Downtown Improvement Project

AGEE Construction is preparing the road for pavement to be placed Friday as part of the roadway reconstruction.



Water Well No. 21

Hobbs Construction is constructing the masonry building at the well site.



Water Well Site No. 20 Pump Station

Clark Bros., Inc. is preparing the subgrade for the pump station.



MERCED HOTEL-MOTEL ASSOCIATION MEETING

Economic Development Director Quintero and Assistant City Manager Dietz met with the leadership of the Merced Hotel-Motel Association. Discussion centered on concerns about other businesses on Motel Drive being compatible with the hotels located along the street. An update was provided regarding the plans and future construction of a sidewalk along Motel Drive stretching from Merced Avenue to Carol Avenue. Follow-up items include providing an update on commercial developments taking place in the City and coordinating meetings with other City staff.

QUARTERLY REPORT

Please find attached the quarterly sales tax report from HdL.

MEETING WITH AUTO DEALERS



City staff participated in meeting with local auto dealers to discuss the types of vandalism taking place at their places of businesses. Police Chief Chris Goodwin and Captain Don King fielded several questions about patrols, dispatch, and explained how tools like Crime Mapping and Letters of Authority could be of use to the dealers. Also participating in the meeting were Assistant City Manager Stephanie Dietz and Economic Development Director Frank Quintero. Staff asked that the auto dealers continue to report and provide photos of the criminal activities taking place at their dealerships. The meeting was well received by the participants, and staff will continue to work with the auto dealers on security measures.

COURTHOUSE CHRISTMAS

Please find attached a flier on the Christmas Open House at the Museum.

HMONG NEW YEAR

Please find attached a flier on the Hmong New Year celebration that is held Dec. 20 through 22.

SAVE THE DATE

Dec. 1 – Christmas Open house at the Museum, Courthouse Museum, 1-4 p.m.

Dec. 6 – ACE Overcomers Open House, 3374 M St., 4-7 p.m.

Dec. 12 – League of Cities, Christmas meeting, Center Street Grill, 6 p.m.

Dec. 21 – Homeless Memorial, Courthouse Park, noon

Dec. 20-22 – Hmong New Year, Merced Fairgrounds

REPORTS & CORRESPONDENCE

- | | |
|-------------------------------|-------|
| 1. HdL Quarterly Report | P. 16 |
| 2. Courthouse Christmas flier | P. 18 |
| 3. Hmong New Year flier | P. 19 |

Q2 2019



City of Merced Sales Tax Update

Third Quarter Receipts for Second Quarter Sales (April - June 2019)

Merced In Brief

Merced's receipts from April through June were 16.6% above the second sales period in 2018. However, this comparison is inflated due to CDTF's transition to a new reporting system in the prior year which temporarily delayed distributions to the City.

Excluding reporting aberrations, actual sales were down 2.1%. Comparisons in service stations and restaurant categories were more heavily impacted by the year ago lack of tax allocations.

Sale of assets to a new owner spiked returns on a one time basis from light industrial printers. Product demand was strong at building materials retail locations.

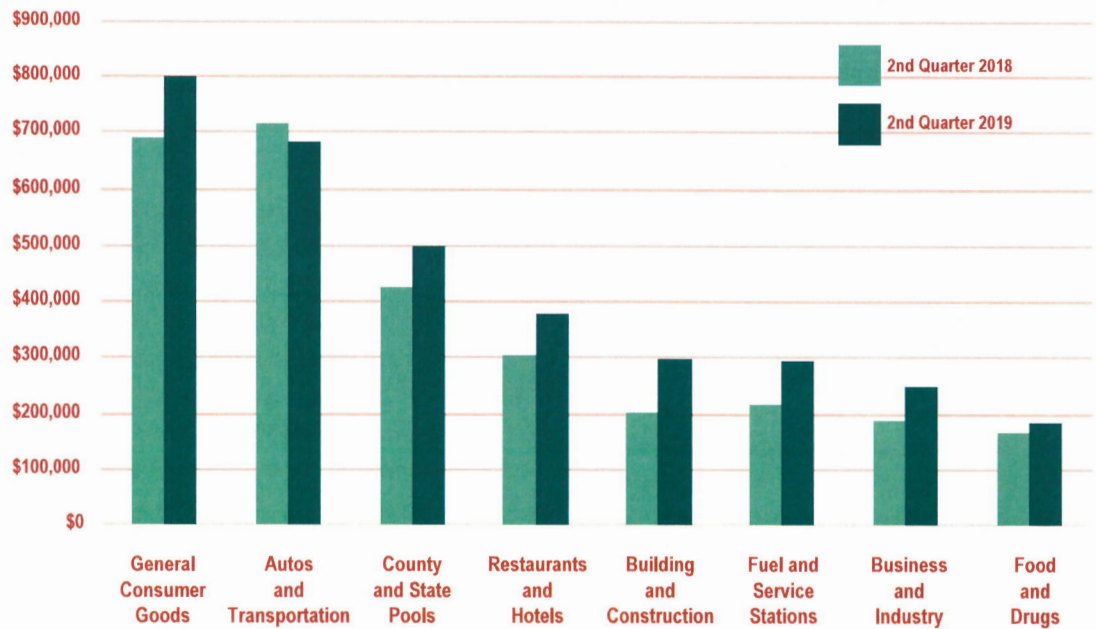
Buyers steered away from purchases of new and used motor vehicles; both segments remitted fewer tax dollars in this quarter.

Closures over the past year and slower sales at home furnishings stores pushed general consumer goods economic adjusted comparisons lower by 2%.

Voter approved Measure C's actual results totaled \$1,707,829, a 2% rise after corrections were made for delayed payments and other reporting exceptions.

Net of aberrations, taxable receipts for all of Merced County grew 7.7% over the comparable time period; the San Joaquin Valley was up 4.6%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

7 Eleven	Merced VW/ Hyundai/Kia
Arco AM PM	Pazin & Myers
Auto Resources	Razzari Dodge/ Chrysler/Jeep/ Ram
Best Buy	Razzari Ford
Costco	Ronald Smith Buick GMC
Home Depot	Ross
JC Penney	Save Mart
Kullar & Son Inc	Target
Label Technology	United Rentals
Laird Manufacturing	Walmart
Lowe's	Western Motors
Merced Chevrolet	
Merced Honda	
Merced Toyota	

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date (Q3 to Q2)

	2017-18	2018-19
Point-of-Sale	\$10,710,149	\$12,156,419
County Pool	1,847,966	2,072,228
State Pool	6,283	6,208
Gross Receipts	\$12,564,398	\$14,234,854
Cty/Cnty Share	(942,330)	(1,067,614)
Net Receipts	\$11,622,068	\$13,167,240
Measure C	\$6,041,012	\$7,012,272

California Overall

The local one percent share of California’s sales and use tax from April through June sales was 20.4% higher than the same quarter of 2018. However, the actual gain came to 2.9% after factoring for online filing issues and accounting anomalies. Fiscal year 2018-19 ended with an increase of 3.6% over the previous year after similarly adjusting for reporting aberrations.

The quarter exhibited continuation of a recent softening for most taxable categories. Rising used car sales and rentals helped offset what was otherwise, a generally flat quarter for the auto-transportation group. An acceleration in online shopping boosted receipts from county wide pools while gains for brick and mortar stores were limited to value priced apparel, discount department stores and jewelry.

Restaurant patronage appears to be leveling with a shift toward lower cost dining options that produced relatively modest gains for the group when compared to previous quarters. New cannabis operations resulted in a small rise in food and drug receipts.

A 2.5% gain in business-industrial sales and use tax revenues came primarily from online fulfillment centers, logistics and utility company purchases and ongoing investment in automation and information technology. A similar rise in receipts from the building-construction group was due to a variety of infrastructure and onetime special projects that offset declines in material purchases for new home construction.

Marketplace Facilitator Act

Effective Oct. 1, 2019, companies such as Amazon, eBay and Google who provide sales tax related services to other retailers are required to assume the obligation for collecting and remitting their client’s sales and use tax. The definition of sales-related services includes payment processing, inventory and shipping of merchandise, order taking, providing customer service, or assisting with re-

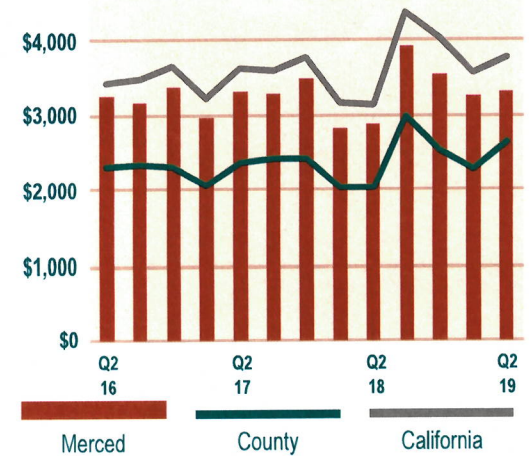
turns and exchanges.

The Marketplace provision was part of AB 147 which was adopted to implement California’s approach to the U.S. Supreme Court decision in South Dakota v. Wayfair Inc.

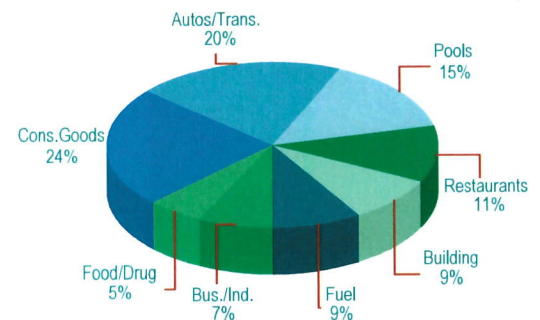
AB 147 requires out-of-state retailers with annual combined sales of \$500,000 or more to now collect and remit this state’s sales and use tax from its customers. Applying the \$500,000 threshold to the sum total of all the third-party transactions that facilitators process for their clients, is hoped to produce moderate gains in previously uncollected revenues for the state, cities, counties and local transaction tax districts.

Facilitator tax remittances from merchandise inventoried in California will be allocated to specific jurisdictions while receipts from deliveries outside of the state will be distributed via the pools. Some facilitators have begun to collect and remit taxes ahead of this deadline. This is evidenced by new pool allocations and increases in direct allocations to certain jurisdictions.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Merced This Quarter



MERCED TOP 15 BUSINESS TYPES

Business Type	*In thousands of dollars			
	Merced Q2 '19*	Merced Change	County Change	HdL State Change
Automotive Supply Stores	64.0	17.3%	6.6%	16.4%
Building Materials	237.4	40.8%	70.9%	34.2%
Casual Dining	138.6	22.9%	29.7%	24.5%
Convenience Stores/Liquor	57.4	33.3%	-1.2%	14.9%
Discount Dept Stores	— CONFIDENTIAL —		29.9%	26.3%
Electronics/Appliance Stores	77.9	17.0%	20.4%	7.0%
Family Apparel	56.6	108.5%	102.2%	45.3%
Grocery Stores	93.9	6.0%	6.6%	9.6%
Light Industrial/Printers	87.1	405.7%	400.9%	51.4%
New Motor Vehicle Dealers	447.5	-7.4%	-7.4%	5.4%
Petroleum Prod/Equipment	— CONFIDENTIAL —		-27.9%	15.5%
Quick-Service Restaurants	199.2	26.5%	18.5%	15.7%
Service Stations	224.2	58.2%	25.4%	51.4%
Specialty Stores	48.7	-1.5%	-24.8%	-8.5%
Used Automotive Dealers	98.7	-8.1%	1.5%	90.0%
Total All Accounts	2,890.5	16.4%	31.6%	20.1%
County & State Pool Allocation	499.2	17.6%	33.0%	22.4%
Gross Receipts	3,389.7	16.6%	31.8%	20.4%
City/County Share	(254.2)	-16.6%		
Net Receipts	3,135.5	16.6%		



Best
Christmas
Wishes

DESIGN COPYRIGHTED, JOHN WITTSCH, 1912.

You are invited to our annual holiday celebration.

CHRISTMAS OPEN HOUSE AT THE MUSEUM

Sunday, December 1, 2019
1:00 – 4:00 p.m.

Merced County Courthouse Museum
21st and N Streets, Merced



Merced County Courthouse Museum
21st and N Streets
P.O. Box 3557
Merced, CA 95344
(209) 723-2401
www.mercedmuseum.org

Non Profit
Organization
U.S. Postage
PAID
Permit #532
Merced 95340

Get into the spirit of the season! We've "decked the halls" and filled the rooms of our historic building with over 75 Christmas trees. Join us for music, trees, treats and our traditional Courthouse Eggnog. The Christmas tree exhibit will run through Dec. 29.

- 1:00 – 1:20 CPC Handbell Choir
- 1:30 – 1:50 OLM Christmas Choir
- 2:00 – 2:20 Harmony Valley Chorus
- 2:30 – 2:50 Caitlin's Suzuki Violin Studio
- 3:00 – 3:20 St. Anthony's School Choir
- 3:30 – 3:50 Bear Creek Ukulele Society

FREE ADMISSION

Shop for your Holiday Gifts in our Store!
Courthouse Museum Store Hours: Wed. - Sun. 1:00 – 4:00 p.m.
Disabled accessible – eastern entrance and elevator

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Cover: El Capitan Hotel on M Street, circa 1913

Steve Carrigan or Current Resident
Merced City Manager
678 W 18th
Merced CA 95340



Merced

Hmong New Year Celebration

Dec. 20-22 2019



Enjoy Food & Culture

Traditional Ball Tossing / Culture & Talent Show
Dance Competition / Sports Competition
Miss Hmong Central Valley



HOSTED BY
MERCED LAO FAMILY COMMUNITY, INC.
1740 Miles Court #8 Merced, CA 95348
(209) 384-7384

Sports Tournament: Morakha Song (209) 761-8311
Culture: Young Hmong (209) 500-9933
Vendor of Braids: Gisa Chao (209) 777-5149

EVENT LOCATION
**Merced County
Fairgrounds**

900 Martin Luther King Jr. Way
Merced, Ca 95340



Enjoy Culture, Food & Sports

Merced Celebration

2019 - 2020

Come meet old and new friends



Daily Activities

Miss Hmong Central Valley
Merchant Vendors
Sports Competition

Traditional Ball Tossing
Community Resources
Dance Competition



Sports Tournament

Soccer / Volleyball / Flag Football
Top Spin / Kator