MEMORANDUM

To: Honorable Mayor and Members of the City Council
From: Howard W. Brown, Jr., City Manager
CC: City Department Directors
Date: June 6, 2017
Re: Bi-Monthly Update and Report (week ending May 27, 2017)

Upcoming Meetings

- Wednesday, June 7, 2017 – Regular Planning Commission Meeting at 7:00 p.m.
- Monday, June 12, 2017 – Special City Council Meeting: 4th Budget Study Session at 6:00 p.m.
- Wednesday, June 14, 2017 – Regular City Council Meeting: Closed Session at 5:00 p.m. and Open Session at 7:00 p.m.

Administration

- City Manager attended the ICSC Expo in Las Vegas, NV from May 20th - May 23rd. This expo was also attended by Mayor Gallardo, Council Member Romero, Acting Community Development Greg Tsujiuchi, and Economic Development Specialist Jackie Choi.
- HDL's fourth quarter (October - December 2016) Sales Tax Update is now available. The City's receipts were up 2.9% from the fourth quarter sales period in 2015. Restaurants sales went up last quarter. For more information please see Sales Tax Update attached.

Human Resources

- Public Works Manager – Recruitment has opened and first review of applications is scheduled for Monday, June 26, 2017.
- Community Development Director – Second interviews were held on Thursday, June 1, 2017.
- Recreation Leader I- Seasonal Fun Camp - Eight new part-time employees were hired on Thursday, June 1, 2017 to assist in the Community Services Department.
- Upcoming Recruitments: Parking Enforcement Officer – PT
- Employees interested in working an Alternative Work Schedule can request the form from Human Resources. All approvals must be received before working the available 9/80 Alternative Work Schedule.
- Sergio Ibarra will be attending a meeting with ICRMA scheduled for Friday, June 9, 2017 in El Segundo regarding a Risk Management Case.
• VSP Vision Insurance will be on hand on Tuesday, June 06, 2017 to answer any questions employees might have regarding the City’s vision insurance coverage.

• CPR/AED/First Aid training for employees will be held on the following dates:
  - Wednesday, June 7, 2017, 9AM-3PM
  - Thursday, June 8, 2017, 9AM-3PM
  - Saturday, June 17, 2017, 9AM-3PM

Contracts & RFPs

The following contracts and items will be up for discussion at the June 14, 2017 Council meeting:

• HdL Agreement
• Data Ticket (Police Department) for parking citation processing
• MCE Agreement
• American Guard Services - Crossing Guard Contract
• Republic Services Lien Report (Public Hearing)

Community Development

• Oversight Board Meeting will be held on Wednesday, June 7, 2017 at 6:00 p.m. in the Council Chambers. There is one item to be discussed which is the amendment for consulting services with RSG Inc. This amendment was previously approved by the Successor Agency and will now be presented for Oversight Board approval.

• The Planning Commission will also be meeting on Wednesday, June 7, 2017 at 7:00 p.m. in the Community Center. There will be two Public Hearing items: 1) A Conditional Use Permit to allow a church to hold services at 5140 Florence Ave. #A, and 2) An amendment to the zoning code to allow micro-brewery type establishments within the C3 and C3R zones.

• A discussion regarding the Adult Use Marijuana Act will be held at the June 14th Council meeting.

• The Acting Community Development Director will be on On-Call Jury status from Monday, June 5th through Friday, June 9th.

Engineering:

• The City Council awarded a construction contract to All American Asphalt to perform the Street Rehabilitation 16/17 Project. A pre-construction meeting was held on Wednesday, May 31, 2017, and the project is estimated to start on Monday, June 19, 2017.

• The bi-monthly progress report for capital and special projects is attached.

Code Enforcement:

• On Tuesday, May 16, 2017 Senior CE Officer J. Garcia received a complaint regarding a utility wire hanging down near the alley at 4121 Gage Avenue. Realizing the wire was only a telephone wire and not a danger, he cut the wire and left the scene without any further incident.
• On Tuesday, May 23, 2017 CE Officer M. Daniel & Senior CE Officer J. Garcia attended training for report writing in the City of Orange. The class was taught by the California Association of Code Enforcement Officers (CACEO), and both officers received a certificate of completion.

• On Thursday, May 25, 2017 Code Enforcement received a complaint regarding a tree obstructing the public right of way at 6401 Orchard Avenue. CE Officer R. Monroy contacted the school administration and notified that the tree will be trimmed by Monday, June 5, 2017.

• We issued five Administrative Citations during May 14th- May 27th due to non-compliance of the Bell Municipal Code.

**Police Department**

• On Tuesday, May 30, 2017 Los Reyes Bakery was robbed at gunpoint. Officers were able to review surveillance video of the incident and obtained a description of the suspect. At about 12:00 a.m., 2 hours later, Bell PD patrol officers found a subject that matched the description on Florence Avenue. The subject was detained and subsequently identified as the robbery suspect. The suspect was arrested and taken to Bell PD for booking.

• Bell PD’s Chief of Police hosted the monthly Neighborhood Watch meeting. The topic of the month was crime statistics, recent incidents, and traffic concerns. Please join Bell PD and your neighbors every last Thursday of the month at 7:00 pm at the Bell Community Center to learn about what is happening in and around your neighborhood.

**Community Services**

• The Bell Sapphires had their cheer banquet on Thursday, May 18, 2017.

• Playschool Graduation for both Veterans’ Park and Camp Little Bear took place on Saturday, May 20, 2017 at the Bell Community Center.

• Four full-time and three part-time employees attended a Molestation Recognition and Prevention Training offered through the ICRMA University on Thursday, June 25, 2017.

• The Older American Month activities continued with the Ladies Tea Party on Friday, May 19, 2017. Forty-one (41) beautiful ladies were pampered during this event with delicious finger foods, hot tea, and dessert.

• On Friday, May 26, 2017 the Seniors 55+ Club had its “International” themed prom where a King and Queen were crowned.

**Finance Department**

• The second Budget Study Session was presented to the Council on Thursday, May 18, 2017.

• Finance is currently preparing for the upcoming CDBG program audit scheduled for Monday, June 12, 2017.

• The warrant run presented at the City Council meeting on May 10th and May 24th paid 765 invoices for a total of $1,016,965.99.

END OF MEMORANDUM
Bell In Brief

Bell's receipts from October through December were 2.9% above the fourth sales period in 2015. Excluding reporting aberrations, actual sales were up 1.8%. A 25% increase in used auto sales aided by a new dealership and a gain in auto leases due to a negative accounting adjustment that depressed prior year results boosted the automotive group and were major factors in the overall increase. Restaurant returns were up as all dining categories experienced higher sales.

Food and drugs posted a solid increase while payment anomalies lifted general consumer goods; actual retail sales were down 0.9%. The City's allocation from the countywide use tax pool increased 3.7% during the quarter.

Service station receipts were again lower posting a 10.7% decline in sharp contrast to local trends which saw only a 2.4% decrease. Higher sales in multiple business to business sectors were offset by a multi-quarter accounting adjustment that inflated the comparison period.

Net of aberrations, taxable sales for all of Los Angeles County grew 1.2% over the comparable time period; the Southern California region was up 1.4%.

Sales Tax by Major Business Group

<table>
<thead>
<tr>
<th>Business Category</th>
<th>4th Quarter 2015</th>
<th>4th Quarter 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurants and Hotels</td>
<td>$120,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Business and Industry</td>
<td>$100,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>Fuel and Service Stations</td>
<td>$80,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>County and State Pools</td>
<td>$60,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Autos and Transportation</td>
<td>$40,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>General Consumer Goods</td>
<td>$20,000</td>
<td>$0</td>
</tr>
<tr>
<td>Food and Drugs</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Building and Construction</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Top 25 Producers

7 Eleven
Advantage Auto Sales
Bell Chevron
Bell Thrift Store
Bellwood Auto Body
Carl's Jr
Culichi Town
CVS Pharmacy
Empire Pro
Golden State Enterprises
Hometown Buffet
Individual Foodservice
Kaman Industrial Technology
La Barca Restaurant
Las Playitas Auto Sales
McDonalds
Northgate Market
O'Reilly Auto Parts
Shell
Smart & Final
Tacos El Gavilan
USA Gasoline
Vernon Sanitation Supply
VMS Auto
WSS

Revenue Comparison

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Point-of-Sale</td>
<td>$1,445,703</td>
<td>$1,499,399</td>
</tr>
<tr>
<td>County Pool</td>
<td>189,649</td>
<td>214,540</td>
</tr>
<tr>
<td>State Pool</td>
<td>1,583</td>
<td>856</td>
</tr>
<tr>
<td>Gross Receipts</td>
<td>$1,636,935</td>
<td>$1,714,795</td>
</tr>
<tr>
<td>Less Triple Flip*</td>
<td>$(409,234)</td>
<td>$0</td>
</tr>
</tbody>
</table>

*Reimbursed from county compensation fund
Statewide Results

Statewide sales tax receipts for the fourth quarter rose 1.5% over 2015, when excluding reporting aberrations.

The largest gain was in the countywide use tax allocation pools due to the acceleration in online shopping where many of the orders are placed to, or shipped from, out-of-state fulfillment centers. Restaurant and auto sales closed the calendar year with strong results while receipts from general consumer goods were flat. Off-price apparel and dollar store gains offset declines in traditional department stores and warehouse retailers.

Business and industry receipts were down due to cutbacks in major energy projects; however, huge gains in warehouse fulfillment centers that fill in-state shipments from online orders somewhat negated the decline.

On an annual basis, the statewide gain ended 2.1% higher than calendar year 2015.

The Shrinking, Disappearing Retail Store

Agencies dependent on traditional brick-and-mortar retail stores for a major portion of their sales tax will be facing new challenges in the coming year as merchants retrench and downsize to cope with a rapidly changing environment.

Generational preferences for experiences over merchandise, plus the growing costs of health care, education and housing, are reducing discretionary spending for taxable goods while time-challenged consumers are opting for the convenience of online shopping.

Online sales accounted for 13.0% of all general consumer goods purchased in 2016 with a 9.2% gain over calendar year 2015, while the growth in tax receipts from brick-and-mortar stores only grew 0.6%. The trend has been accelerated by the growing popularity of smart phones which Amazon estimates were used by nearly 70% of its shoppers during the most recent holiday quarter.

Retailers are responding by increasing their investment in mobile shopping platforms and delivery systems while pulling back investment on brick-and-mortar stores. Substantial closures are planned for 2017 while experiments with smaller stores, pick-up locations for online purchases, temporary “pop-up” shops and subleasing in-store space to others are on the rise.

Mall operators are turning to grocers, fitness centers, medical services and residential components to fill vacant space and attract traffic. Smaller centers and downtown areas are responding by enhancing the shopping experience with more dining and entertainment options while local governments seek voter approval for higher levies to offset shrinking tax bases.

Stores are not in danger of disappearing. The ability to see, touch and feel, along with the overall shopping experience, will always be important. But evolving trends are requiring more focused economic strategies with better data and closer collaborations. The ultimate solution may be tax rates levied against today’s economy rather than the one that existed when sales tax was first imposed in 1933.

Bell Top 15 Business Types

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Bell Q4 '16</th>
<th>Change</th>
<th>County Q4 '16</th>
<th>Change</th>
<th>HDL State</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Repair Shops</td>
<td>13,535</td>
<td>-3.6%</td>
<td>3.9%</td>
<td>4.3%</td>
<td></td>
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</tr>
<tr>
<td>Automotive Supply Stores</td>
<td>10,839</td>
<td>18.5%</td>
<td>-1.4%</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual Dining</td>
<td>49,100</td>
<td>11.1%</td>
<td>3.2%</td>
<td>2.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convenience Stores/Liquor</td>
<td>10,917</td>
<td>7.9%</td>
<td>3.0%</td>
<td>4.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drug Stores</td>
<td>CONFIDENTIAL</td>
<td></td>
<td>12.0%</td>
<td>10.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drugs/Chemicals</td>
<td>CONFIDENTIAL</td>
<td></td>
<td>-14.7%</td>
<td>-14.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical Equipment</td>
<td>CONFIDENTIAL</td>
<td></td>
<td>11.1%</td>
<td>7.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Service Equip./Supplies</td>
<td>CONFIDENTIAL</td>
<td></td>
<td>36.2%</td>
<td>12.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grocery Stores</td>
<td>27,985</td>
<td>-3.2%</td>
<td>12.0%</td>
<td>10.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quick-Service Restaurants</td>
<td>59,122</td>
<td>4.1%</td>
<td>5.5%</td>
<td>5.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Stations</td>
<td>79,362</td>
<td>-17.0%</td>
<td>-2.6%</td>
<td>-0.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shoe Stores</td>
<td>CONFIDENTIAL</td>
<td></td>
<td>4.2%</td>
<td>4.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty Stores</td>
<td>9,342</td>
<td>-3.8%</td>
<td>5.7%</td>
<td>3.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Used Automotive Dealers</td>
<td>36,483</td>
<td>41.5%</td>
<td>-2.2%</td>
<td>7.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variety Stores</td>
<td>12,933</td>
<td>1.5%</td>
<td>4.2%</td>
<td>5.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total All Accounts</td>
<td>494,567</td>
<td>2.9%</td>
<td>3.6%</td>
<td>2.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>County &amp; State Pool Allocation</td>
<td>72,180</td>
<td>2.8%</td>
<td>3.5%</td>
<td>6.9%</td>
<td></td>
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</tr>
<tr>
<td>Gross Receipts</td>
<td>566,747</td>
<td>2.9%</td>
<td>3.6%</td>
<td>3.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Name</td>
<td>Description</td>
<td>Phase (Planning, Design, Construction)</td>
<td>Funding Source</td>
<td>Project Budget</td>
<td>Start Date</td>
<td>End Date</td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Citywide Sewer Flushing  Project</td>
<td>Hydro flush all sewer mains in the City</td>
<td>Completed - The Council accepted the project as complete at the Feb 8, 2017 City Council Meeting.</td>
<td>Sewer</td>
<td>$227,000.00</td>
<td>Oct 2016</td>
<td>Jan 2017</td>
</tr>
<tr>
<td>Gage Ave Improvement Project</td>
<td>Construct concrete intersection at Gage + Walker, and grind &amp; overlay Gage Ave</td>
<td>Completed - The council accepted the project as complete at the Dec 14, 2016 City Council Mtg</td>
<td>Section 125 Prop C</td>
<td>$738,100.00</td>
<td>Dec 2015</td>
<td>Dec 2016</td>
</tr>
<tr>
<td>Slurry Seal Project 2016/2017</td>
<td>Apply asphaltic emulsion to 3 lane miles of streets in order to rejuvenate the existing pavement</td>
<td>Completed - The Council accepted the project as complete at the Feb 22, 2017 City Council Mtg</td>
<td>Prop C Gas Tax Measure R</td>
<td>$605,000.00</td>
<td>Dec 2016</td>
<td>Mar 2017</td>
</tr>
<tr>
<td>Speed Survey</td>
<td>Conduct Citywide Speed Survey</td>
<td>Research/Study - Survey has been completed.</td>
<td>Gas Tax</td>
<td>$10,000.00</td>
<td>Dec 2016</td>
<td>Apr 2017</td>
</tr>
<tr>
<td>Sewer Modernization Project</td>
<td>Perform sport repairs and re-lining various sewer mains.</td>
<td>Construction - City awarded the construction contract to Tunnelworks Services at the November 30, 2016 City Council meeting.</td>
<td>EPA Grant Sewer Assessment</td>
<td>$1,090,826.00</td>
<td>Dec 2016</td>
<td>Apr 2017</td>
</tr>
<tr>
<td>Treder Park Restroom Renovation Project</td>
<td>Renovate Treder Park Restroom to meet ADA requirements</td>
<td>Construction - The councils awarded the construction contract to CEM construction at the January 25, 2017 City Council Meeting.</td>
<td>CDBG LA County Prop A</td>
<td>$368,525.00</td>
<td>Apr 2017</td>
<td>May 2017</td>
</tr>
<tr>
<td>Project Description</td>
<td>Activities</td>
<td>Funding Details</td>
<td>Begin Date</td>
<td>End Date</td>
<td>Status</td>
<td>Notes</td>
</tr>
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</tr>
<tr>
<td>Citywide Pedestrian Countdown Signal Heads Installation Project</td>
<td>Install Pedestrian Countdown Signal Heads Citywide. Design - Received approval from Caltrans to proceed on the design work.</td>
<td>HSIP TDA $156,000.00</td>
<td>Feb 2017</td>
<td>Aug 2017</td>
<td>12%</td>
<td>Plans and Specifications (PS&amp;E) are completed. Upon Caltrans' approval of the PS&amp;E, the project will be advertised for bidding.</td>
</tr>
<tr>
<td>Florence Ave Pedestrian Improvement Project - Design</td>
<td>Design pedestrian focus improvement along Florence Ave within the City limit. Procurement - Received 3 proposals.</td>
<td>ATP Prop C $228,000.00</td>
<td>Jan 2017</td>
<td>Jan 2018</td>
<td>5%</td>
<td>The council awarded a contract at the May 10, 2017 City Council mtg. The design work will start when school gets back in session after summer break.</td>
</tr>
<tr>
<td>Design Studies - Randolph, Gage and Florence</td>
<td>Perform design studies on Randolph St, Gage Ave and Florence Ave for possible bicycle routes. Planning - Developing RFP.</td>
<td>Prop C TDA 3 $300,000.00</td>
<td>May 2017</td>
<td>Dec 2017</td>
<td>2%</td>
<td>Will be developed after City's Bicycle Master Plan adoption.</td>
</tr>
<tr>
<td>Safe Routes to School Plan</td>
<td>Development of Safe Routes to School Plan Planning - Developing RFP.</td>
<td>Sustainability Grant Gas Tax $166,202.00</td>
<td>Mar 2017</td>
<td>Feb 2019</td>
<td>4%</td>
<td>The agreement with Caltrans was executed on March 8, 2017. Upon final execution of the contract, RFP will be developed to select a consultant.</td>
</tr>
<tr>
<td>Systemic Safety Analysis Report Program</td>
<td>Review collision data for the entire city and evaluate various high collision locations. Study - Caltrans approved the allocation.</td>
<td>SSARP Gas Tax $22,000.00</td>
<td>Feb 2017</td>
<td>Feb 2020</td>
<td>10%</td>
<td>The agreement was executed on February 2, 2017.</td>
</tr>
</tbody>
</table>

Date: June 2, 2017
### Street Rehabilitation Project 2016/2017

- **Objective**: Resurface 3 lane miles of streets throughout the City.
- **Procurement**: Bid opening on April 17, 2017.
- **Funding**: Prop C Measure R, TDA, CalRecycle
- **Budget**: $590,000.00
- **Timeline**: Apr 2017 to Aug 2017
- **Notes**: The council awarded a construction contract to All American Asphalt at the May 10, 2017 City Council meeting. The project is estimated to start in mid June.

### Streetlight Program

- **Objective**: Streetlight acquisitions from SCE, conversion of existing HPSV lights to LEDs, maintenance and operations of the City owned streetlights, and provide financial options for the purchase and conversion of the facilities.
- **Procurement**: Received 2 proposals.
- **Funding**: SCAG Grant
- **Budget**: $ -
- **Timeline**: Feb 2015 to Aug 2016
- **Notes**: The council will be recommended to award a services contract at the June 27, 2017 City Council meeting.

### Bicycle Master Plan

- **Objective**: Development of Bicycle Master Plan.
- **Completion**: Completed - Bicycle Master Plan is waiting on the General Plan to be completed and adopted.
- **Funding**: SCAG Grant
- **timeline**: SCAG Grant
- **Notes**: The Council will be recommended to adopt the Bicycle Master Plan when adopting the General Plan.

### Fishburn Ave Improvement Projects

- **Objective**: Resurface Fishburn Ave between Bell Ave and Gage Ave. This project will also include drainage improvements.
- **Design**: preparing plans and specifications for construction.
- **Funding**: Gas Tax
- **Budget**: $330,000.00
- **Timeline**: Feb 2017 to Oct 2017
- **Notes**: Plans and Specifications are currently being developed. The project is currently being reviewed by the County. Once the project is approved, the project will go out to bid.

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**Date: June 2, 2017**