

Vernon Quarterly

SPECIAL EDITION 2015



Reformed & Transformed



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Vernon Quarterly is a newsletter for the residents, businesses and other community stakeholders in this city that "means business."

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Vernon 2011-2015:

Reformed and Transformed

In the past five years, Vernon has undergone tremendous change. Through the city's implementation of more than 150 good governance reforms, Vernon—the city that has billed itself as “Exclusively Industrial” for nearly 110 years—has firmly established itself as a model city for good governance in Southeast Los Angeles County.



Today, Vernon has resolutely closed the book on its sometimes discredited past, and new city leaders look steadfastly ahead to a promising future. How did Vernon achieve its transformation? It's important to retrace its steps:

►The Flashpoint

The demand for good governance reform was suddenly thrust upon Vernon in the wake of government scandals that rocked the nearby City of Bell in July 2010. The harsh glare of negative media attention focused on Bell soon shifted to government practices in Vernon, a city somewhat unique in its predominantly industrial composition: Vernon had fewer than 150 residents in a county that is home to more than 10 million residents.

The ominous threat of municipal disincorporation emerged in December 2010 with the introduction of Assembly Bill 46, authored by former Assembly Speaker John Pérez. An eight-month-long political struggle to defeat AB 46 ensued in January 2011, as Vernon's business leaders, union members and city residents battled to save their city.

Vernon responded quickly to Pérez's legislation, taking the bold and unconventional step of engaging an independent ethics advisor in February 2011 to help guide the city toward its implementation of a new municipal framework that was dedicated to open government, grounded on good governance practices and faithful to ethics principals and political reform act provisions.

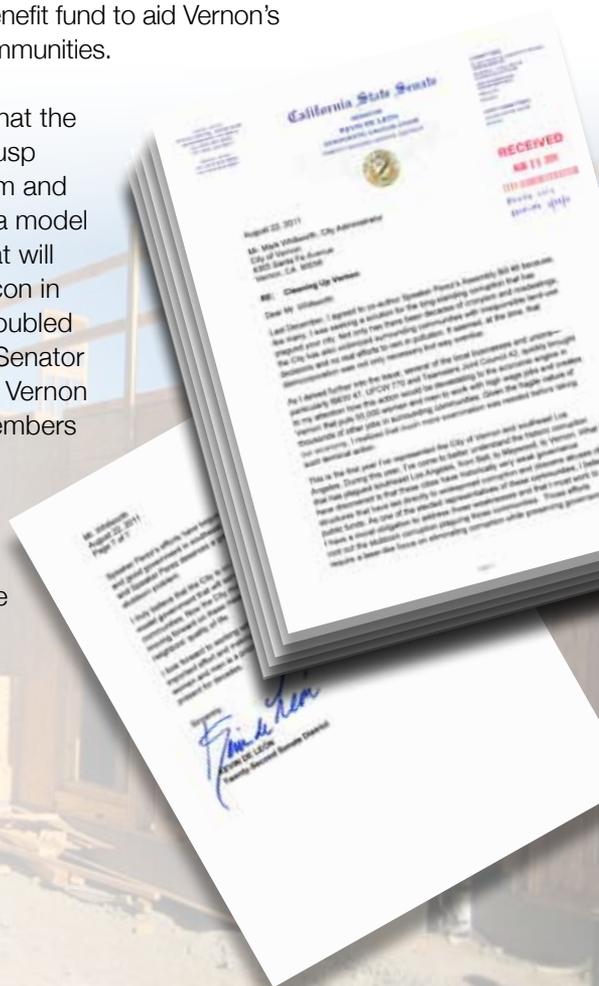
►The Plan

The path to reform that would save the City of Vernon—and ultimately deliver the city its stunning legislative victory over AB 46—was mapped out by then-California Senate Caucus Chair and 22nd Senate District representative Kevin de León.

In a seven-page letter to then-Vernon City Administrator and Fire Chief Mark Whitworth in August 2011, Senator De León urged Vernon's leaders to implement reforms to “root out historic corruption” as a way to protect the city's 1,800 businesses and 55,000 private sector workforce in what was widely referred to at the time as the “De León Plan.”

The “De León Plan” advocated for building of up to 50 new housing units in Vernon to increase the city's electorate, the four-year appointment of an independent reform monitor, charter reforms to impose officeholder term limits, limits on utility fund transfers, enabling city employee collective bargaining, establishing prevailing wages, awarding contracts through competitive bidding and establishing a community benefit fund to aid Vernon's surrounding communities.

“I truly believe that the City is on the cusp of historic reform and the creation of a model government that will serve as a beacon in a sea of long troubled communities,” Senator De León wrote. Vernon City Council members unanimously endorsed the “De León Plan” by resolution in late August 2011.



►The Process

Today, major elements of the “De León Plan” have been fully implemented, while other elements remain a work-in-progress. Among the city's more than 150 good governance reforms, the following 10 reforms are widely considered to be the most significant:

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Competitive Bidding and Purchasing Ordinance

The awarding of contracts for goods and services through a competitive bidding process is not a novel concept for most major cities in L.A. County. It wasn't the case in Vernon, but that changed when Vernon City Council members passed the city's new competitive bidding and purchasing ordinance in December 2012.

As a result of the council's action, Vernon has developed a comprehensive procurement process with defined city purchasing procedures that fosters competition for contracts to achieve the lowest, most responsive cost proposal and requires publication of vendor contracting opportunities.

The competitive bidding and purchasing ordinance incorporated all of the recommendations submitted respectively by Senator De León and Vernon Independent Reform Monitor John Van de Kamp.

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Vernon Business & Industry Commission

While Vernon has long been known for its small residential population, it has always had tens of thousands of key stakeholders whose employment status, careers and business and occupational success depend heavily on Vernon continuing to be a vibrant producer of good-paying local jobs and remaining a strong engine for economic growth for L.A. County. But oftentimes, in past years, the city's government officials kept Vernon's key stakeholders at arm's length.

The disincorporation battle brought Vernon's key stakeholders front and center—not only in the fight to save the city, but also

to the issue of the city's day-to-day governance. Stakeholder engagement gained greater currency in Vernon with the council's establishment of the city's first-ever boards and commissions; chief among them, the city's Ad Hoc Advisory Committees on Electric Rates and Business Development.

With new boards and commissions, Vernon's key stakeholders suddenly had direct input on city policy decisions. They gained an official channel for submitting public policy recommendations to city council members by serving as political appointees on important policy review panels. The two Ad Hoc Committees were merged in June 2014 to form a new, seven-member Vernon Business & Industry Commission.



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Green Vernon Commission

Environmental concerns stemming from operations at Vernon businesses led to the recommended creation of the city's first-ever Sustainable Development and Energy Efficiency Commission (SDEEC) in August 2011. The intent of the commission was to improve Vernon's environmental standards, ensure private sector projects adhered to the city's environmental standards and requirements and promote best practices for sustainable development and energy efficiency.

SDEEC members and city staff produced Vernon's comprehensive Sustainability Action Plan (SAP), the first to be recognized on a national scale. The SAP charted a course for Vernon public and private sector entities to reduce their carbon footprint, become more energy efficient, conserve water and promote waste reduction with a "zero waste to landfill" recycling goal by 2020. These efforts by SDEEC commissioners served as a follow-up to the city council's 2008 greenhouse gas emissions policy. In 2014, the SDEEC was renamed the "Green Vernon Commission," in keeping with its mission to implement sustainability programs citywide that promote social, environmental and economic well-being.



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Vernon Housing Commission

The majority of residential homes and apartments in Vernon are city-owned and leased. In past years, rents were set far below prevailing market rates for comparable homes and apartment units and lease terms varied among tenants. That all changed in August 2011 after the city's first-ever Vernon Housing Commission held its first meeting.

Over the succeeding months, Vernon Housing commissioners—based on a rental market study—readjusted rental unit monthly

costs for Vernon-owned homes and apartments to more closely reflect comparable rents in Vernon's surrounding communities, while also taking Vernon's unique predominantly industrial environment into consideration.

Vernon Housing Commissioners have assumed responsibility for leasing city-owned housing and selecting tenants—a municipal responsibility previously held by city administrators. Twice yearly, Vernon Housing Commissioners conduct a lottery for prospective tenants to permanently remove city officials from the selection process for choosing residents who would make city-owned housing units their home.

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City Council Compensation and Term Limits

As part of its package of reforms passed in July 2011, Vernon City Council members approved a resolution that readjusted their annual base salary to \$25,000 from their previous base salary of more than \$68,000 per year.

In addition, in November 2011, for the first time ever, council members placed a term limit measure on the city's ballot that set

a two-term limit for Vernon council members with a lifetime ban on any future city council service.

In a landslide vote, Vernon voters overwhelmingly approved the term limit ballot measure in early November 2011. Voters approved a ballot measure in late November 2011 requiring council vacancies to be filled by special election, thus prohibiting any future appointment of council members by the city council. In addition, voters approved a charter amendment capping future council member salary increases to no more than a cost of living adjustment percentage.

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New Executive Team

The selection process for hiring Vernon's senior administration officials was overhauled in November 2011 when city council members adopted a new executive hiring process that utilizes professional search firms and interview panels featuring diverse representation.

The new executive search process led to the hiring of many new executive team members to lead Vernon's city departments:

Teresa McAllister, Director of Human Resources

Leonard Grossberg, Director of Health and Environmental Control

Hema Patel, City Attorney

Daniel Calleros, Chief of Police

William F. Fox, Director of Finance

Michael A. Wilson, Fire Chief

Maria E. Ayala, City Clerk

Vernon City Council members adopted a personnel merit system in October 2013 to replace the city's former at-will employment system. The new system includes a comprehensive personnel policy and procedures manual. Salaries for Vernon staff are now set based on comparable labor market data as part of a periodic citywide classification and compensation study. The city's human resources director oversees the study.



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New and Continued Employee Bargaining Groups



For most of Vernon's nearly 110-year history, city employees served at the pleasure of their employer, commonly known as "at-will" employment. City staff had few bargaining rights and scant workplace representation.

In August 2011, Vernon City Council members adopted a collective bargaining neutrality policy with respect to all city workers regarding their rights to unionize or collectively bargain for wages and working conditions.

In addition, city council members adopted a living wage policy that applied to worker compensation paid by firms performing work under city contracts. The living wage policy was passed later into law.

Six Vernon city employee bargaining units have been formed. Memoranda of understanding (MOUs) have been collectively bargained and successfully negotiated for two- or three-year contracts with each group and approved by city council members. It's a new day in Vernon for its city workers.



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Four-Year Independent Reform Monitor (IRM) and Implementation of IRM Recommendations

From the outset of Vernon's nearly yearlong battle in 2011 to retain its charter city sovereignty in the face of AB 46's passage through a succession of legislative committees and approval by a full Assembly floor vote, one person served in a critical capacity as Vernon mounted its remarkable turnaround and made the journey down its reform path:

John Van de Kamp, Esq.
Former California Attorney General and L.A. County District Attorney

Mr. Van de Kamp served as Vernon's Independent Ethics Advisor with a team comprised of Robert M. Stern, former general counsel to the California Fair Political Practices Commission, and Cynthia Kurtz, former city manager of Pasadena. Their work and



subsequent biannual reports on Vernon's reform progress set the benchmark for achieving municipal good governance reform initiatives in Southeast L.A. County.

Mr. Van de Kamp and his team began their one-year review in February 2011 at the height of the news media's focus on governance issues in Vernon and the beginning of the AB 46 legislative effort to disincorporate the city.

Mr. Van de Kamp's role was extended an additional four years in August 2011, though he would serve in a new capacity as Independent Reform Monitor, in accordance with a key plank in the "De León Plan." He would continue to evaluate and assess Vernon reform progress on a monthly basis with the assistance of Mr. Stern and issue his recommendations in comprehensive twice-yearly reports to the city.

Nearly all of Mr. Van de Kamp's recommendations issued since 2011 have been implemented by the City of Vernon. Mr. Van de Kamp submitted his eighth report of the Independent Reform Monitor in January 2015. In his most recent report, he concluded, "Vernon...continues on its reform path...we have seen continuing progress."

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Good Neighbor Program

The "De León Plan" sought additional assurances from the City of Vernon that extended beyond its roadmap of good governance reforms and political ethics practices. Senator De León encouraged Vernon to adopt a new neighborly posture in regards to its surrounding communities.

Senator De León sought assistance in the form of a substantial financial commitment from Vernon that would be used to assist worthy community efforts in Vernon's nearby cities that had substantially larger residential populations and residents with growing environmental justice concerns about private sector industrial businesses operating in Vernon.

Vernon city council members adopted a resolution in 2011 to establish an environmental and community benefit fund that would rely on city tax increment funds for its financial foundation. The effort would become known as Vernon's "Good Neighbor Program."

The Good Neighbor Program assisted with funding for a new state-of-the-art artificial turf soccer field that opened in September 2014 at Salt Lake Park in Huntington Park. Discussions continue with L.A. City's Boyle Heights-based Hazard Park Armory to undertake a community-based youth service project to be overseen by Legacy LA, a nonprofit organization.

Vernon's Good Neighbor Program has since evolved. In January 2014, city council members approved an ordinance creating the Vernon CommUNITY Fund that works—with the aid of an



appointed seven-member Grant Committee—to assist nonprofit organizations serving communities in a designated "Vernon Area" through program and capital project grants allocated from the city's general fund budget.

To date, the Vernon CommUNITY Fund has awarded approximately \$750,000 in grants to 17 community-based nonprofit organizations serving women, youth, seniors and families in need in Vernon's surrounding communities.

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Vernon Village Park

No issue so dominated the debate regarding Vernon's right to exist as a city than the issue of Vernon's small population and an electorate of less than 100 registered voters. AB 46 had sought to disincorporate any California city with fewer than 150 residents.



The linchpin of the "De León Plan" was Vernon's pledge to approve and permit construction of up to 50 new housing units for new Vernon residents within a three-year period; to, in effect, double the city's population and expand its base of registered voters.



In December 2011, the broad outline for the 45-unit 52nd Drive Housing Development had taken shape. The project would be privately owned and leased. Vernon would assist with the project's land acquisition. Meta Housing Corporation was chosen as housing project developer following a competitive bid process in July 2012. Vernon City Council members voted to name the new housing project "Vernon Village Park."

Vernon Village Park is a LEED Silver apartment development that will feature spacious one-, two- and three-bedroom units with balconies and patios, on-site laundry facilities, a community building with kitchen and a Vernon Police Department substation. The apartment development is nearly move-in ready. Families are expected to occupy units and become Vernon's newest residents by early summer 2015.

Vernon Village Park was designed by Meta Housing Corporation to be an attractive, affordable and energy-efficient home for low-income families in Southeast L.A. County. Vernon Village Park represents the fulfillment of Vernon's most significant good governance reform: The city's pledge to increase its voting population. Vernon Village Park will more than double the number of potential voters in Vernon.

To review a comprehensive list of Vernon's good governance reforms and reform progress reports prepared by Independent Reform Monitor John Van de Kamp, go to: <http://www.cityofvernon.org/good-governance-reforms>.

Vernon Village Park

