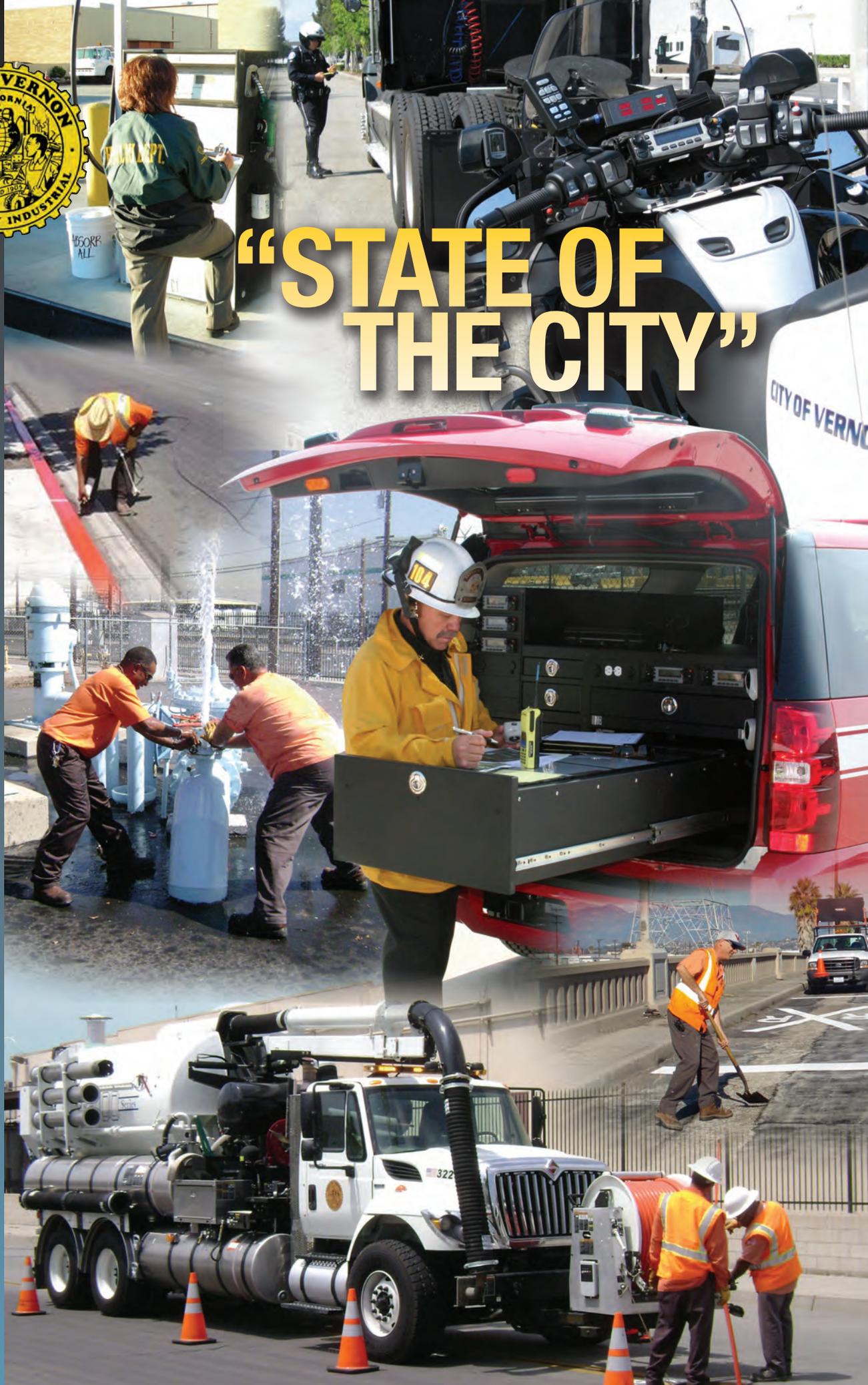


JANUARY 2015



Vernon Quarterly



“STATE OF THE CITY”

Promises Kept: A City Reformed and on the Move

Vernon Quarterly

JANUARY 2015



3

3 “State of the City”
*Promises Kept: A City Reformed
and on the Move*

4 Live/Work Lifestyle Coming to Vernon

6 Vernon Community Fund Awards Grants
to Six Community Service Groups
Assisting “Vernon Area” Residents

7 Financial Fitness
*Vernon Judged to Be in
“Good Shape” in 2014*

8 Green Vernon Progress Report



4



7

6



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

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8

“STATE OF THE CITY”

Promises Kept: A City Reformed and on the Move

Nearly one year ago, Vernon Independent Reform Monitor John Van de Kamp wrote in his biannual report on Vernon’s government policies and practices, “Vernon continues to follow a reform path. A number of their early promises for reform have been met or are in the works for implementation. There has been no turning back. “That’s not to say that things [in Vernon] can’t get better—a comment that can always hold true.”

As Mr. Van de Kamp prepares his January 2015 Independent Reform Monitor’s Report, City Administrator Mark Whitworth assessed Vernon’s progress in 2014:



“I’m extremely proud of the hard work of our dedicated city employees and senior administration team. Their efforts this past year have, in part, enabled Vernon to sustain the progress we’ve made as a city since the

twin major challenges we overcame just four years ago: our nation’s Great Recession and the state legislative bid to disincorporate the City of Vernon.

“There has been no backsliding on good governance reform in Vernon. Our city continues to look for ways to improve and effectively serve our residents and 1,800 businesses. Our city’s resolve to stay steady on a reform path is a testament to the commitment of Vernon’s City Council members and the actions taken by them to preserve and promote good governance.

“It has been little noticed outside our city, but we achieved this year what many decades ago would have never been thought possible, much less permitted. We reached two-year contract agreements with our city’s represented union employees who bargain and negotiate for pay, benefits and working conditions, like their counterparts in cities throughout California and across the nation.

“The Vernon CommUNITY Fund will continue its work to show our city’s desire to be a good neighbor by providing grants to qualified nonprofit organizations serving residents in the ‘Vernon Area.’ Six nonprofits



have been approved for grants and funds were also granted for a new artificial turf soccer field that has been installed in Huntington Park to serve thousands of Southeast L.A. County youth, adults and families.



“Vernon’s financial condition is stable, and we have eliminated a \$20-million deficit, thanks to the support for general fund revenue granted by our city’s voters to pay for needed police, fire, health and public works services. We showed good faith and commitment to our voters by making significant cuts in our city’s budget.

“With a solid financial outlook and an excellent annual audit assessment from our CPAs, we can look to lay the foundation for even greater progress in Vernon next year. Our city will conduct two elections in early 2015—a special election for City Council in February and a regularly scheduled election for City Council in April. New city

leaders may emerge from these ballot contests.

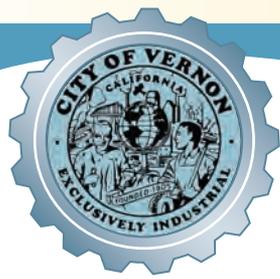


“In mid-2015, our city will celebrate the grand opening of Vernon Village Park, a new live/work apartment development that,

when fully occupied by new families, will serve to double our city’s population. Vernon Village Park is a major promise kept by our city. It will usher in a new era of community engagement in Vernon.

“As 2014 draws to a close, we shall never forget the good governance reform contributions made by the late Honorable Michael A. Ybarra, a dedicated and devoted member of the Vernon City Council. We know Councilmember Ybarra is looking down upon our city and wishing us continued success.

“Happy New Year to the entire City of Vernon community. Let’s work together to achieve a very productive and prosperous 2015.”



Vernon COMMUNITY Fund

Vernon Means Business

Vernon CommUNITY Service Group

Vernon’s seven-member CommUNITY Fund Grant Committee has authorized grant awards totaling \$244,500 to six “Vernon Area” nonprofit organizations serving women, youth and families:



WOMEN’S CENTER

WHERE YOUR *Silence* IS Heard

The mission of the East Los Angeles Women’s Center is to ensure that all women, girls and their families live in a place of safety, health and personal well-being, free from violence and abuse, with equal access to necessary health services and social support, with an emphasis on Latino communities.

Grant Award: \$54,000
for general program support

Plaza Community Services

Serving the people of Los Angeles since 1905

Our mission is to support children, youth and families in need to develop and grow within a nurturing environment by providing effective, high-quality health, education, housing and other community services.

Grant Award: \$35,000
for job search assistance programs



The Y is a community of men, women and children who strive every day to be healthy, confident and connected. Strengthening communities is our cause. That’s why we’re here working with you every day, making sure that you, your family and community have the resources and support you need to learn, grow and thrive. We focus on developing the potential of kids, improving individual health and well-being and supporting our neighbors to bring about meaningful change, not just within individuals, but in our community, too.

Grant Award: \$35,000
for fund development efforts



California Children’s Academy (CCA) helps families become financially independent by providing affordable childcare to low-income families. CCA was founded in 1971 to provide childcare services to meet the needs of the East/Northeast community of Los Angeles. CCA serves more than 700 children per day at early childhood education and childcare centers for infants, toddlers and preschool-age children and their families in Boyle Heights, Maywood, Lincoln Heights, downtown Los Angeles and 13 other locations throughout our community.

Grant Award: \$60,000
for operating support for childcare programs

City Fund Awards Grants to Six Community Organizations Assisting “Vernon Area” Residents



Vernon CommUNITY Fund Grant Committee and Jemmott Rollins



Boy Scouts of America Los Angeles Area Council

The purpose of the Boy Scouts of America is to provide an educational program for boys and young adults to build character, learn the responsibilities of participating in citizenship and develop personal fitness. Since its founding in 1915, the Boy Scouts Los Angeles Area Council has brought its purpose and values to millions of youth. In 2013, the L.A. Area Council served 23,434 youth in the Greater Los Angeles Area.

Scouting facilitates meaningful contact and communication between youth, parents and other community organization partners to help young people adopt strong values and life skills through activities that are fun and interesting and provide valuable experiences directed at the maturity and interests of the young people at their appropriate age and ability levels.

**Grant Award: \$48,000
for urban scouts program in
Southeast L.A. County**



The Rio Hondo-Vernon Rotary Club transforms your gifts into projects that change lives close to home. We tap into a local network of Rotarians who invest their time, money and expertise to tackle our top priorities, such as poverty and illiteracy.

**Grant Award: \$12,500
for books and student scholarships**

Vernon CommUNITY Fund Grant Committee members will consider Docket #2 grant applications in February 2015. Grant Committee members meet quarterly (February, May, August and November). The Vernon CommUNITY Fund encourages online grant applications. Go to www.vernoncommunityfund.org to apply.

Vernon CommUNITY Fund grant awards are restricted to 501(c)(3) nonprofit organizations or government entities serving residents in the “Vernon Area.” The “Vernon Area”—as defined by the Vernon ordinance establishing the Vernon CommUNITY Fund—includes the cities of Vernon, Maywood, Bell, Huntington Park and Commerce and includes the area within the City of Los Angeles known as Boyle Heights and unincorporated area of L.A. County known as East Los Angeles.

LIVE/WORK LIFESTYLE COMING TO VERNON

In early 2015, employees at Vernon's 1,800 businesses will gain a chance to compete for apartments in a brand-new village-style development that will enable them to cease spending hours on gridlocked freeways during commutes to work in exchange for a "no-stress" 10-minute trip to their plant, warehouse or office.

Meta Housing Corporation and its housing development construction contractors are working daily to complete the 45-unit Vernon Village Park Apartments. The new one-, two- and three-bedroom apartments are projected to be ready for occupancy by summer 2015.

Solari Enterprises, Inc. was selected by Meta Housing Corporation to serve as the Vernon Village Park property manager. Solari Enterprises will function as leasing agent for the apartments. Solari Enterprises staff is expected to open applications for prospective apartment seekers in spring 2015.

Live/work environments situated in or near city centers have dramatically grown in popularity throughout the U.S. as long workday commutes and high vehicle fuel costs served to encourage young working professionals and working families to abandon life in the suburbs and move closer to the city center job sites where they work. For this very reason, downtown Los Angeles has experienced a significant boom in the construction of residential live/work housing and transit-oriented, mixed-use developments within the past 10 years.

Marisa Olguin, executive director of the Vernon Chamber of Commerce, said she believes Vernon Village

Park Apartments will provide many of the same attractive live/work advantages to employees who work in Vernon, but who currently live 30 minutes to an hour from the city.

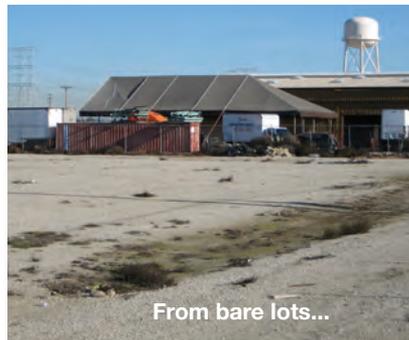
"Who wouldn't want to live close to work in a newly built, smartly designed, family-friendly and affordable apartment development with great amenities?" Ms. Olguin said. "I can easily imagine there would be many Vernon workers who will find Vernon Village Park an attractive option to their present housing situation—particularly those men and women who must now cope with the stress of hour-long, gridlocked freeway commutes to their jobs each workday."

"I look forward to working with our Vernon Chamber members to encourage their employees to take advantage of the upcoming housing opportunities at Vernon Village Park," Ms. Olguin said. "This new housing development could easily become an affordable live/work environment for their families. I'm confident that many of Vernon's 55,000 private sector workers would qualify for a low-income lease at Vernon Village Park."

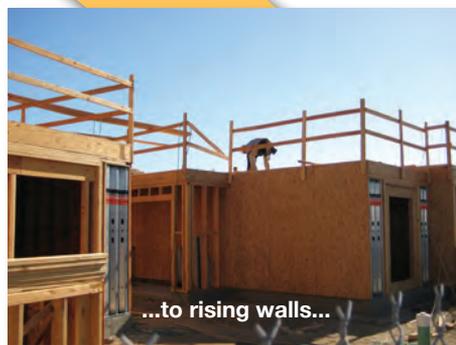
"The Vernon Chamber is ready to partner with Vernon Village Park property manager Solari Enterprises

to bring forward as many Vernon workers who feel they want an opportunity to be a part of the city's newest live/work environment and enjoy a 10-minute commute to work each workday," Ms. Olguin said.

"As soon as Solari Enterprises is ready to begin the application process for leasing Vernon Village Park's 45-units in spring 2015, we intend to communicate that news and information to our business members, so they can spread the word to their interested workers and encourage them to apply," she said.



From bare lots...



...to rising walls...



...to windows and rooftops

Vernon Judged to Be in “Good Shape” in 2014

Certified public accountants with Gilbert R. Vasquez & Company, Vernon’s financial audit firm, have reported positive financial news for fiscal year ending June 30, 2014. In a December 9 briefing on the city’s financial standing to Vernon City Council members, Vasquez & Co. reported that Vernon earned the distinction of an unmodified “clean” opinion.

Vernon Finance Director William Fox said, “Vasquez & Co.’s opinion was the highest level of recognition achievable in an audit assessment and reflected the auditor’s position that Vernon’s accounting records were maintained in a professional manner and no audit adjustments were needed. Vernon Finance Department staff was publicly acknowledged for their helpfulness and professionalism displayed throughout the annual financial audit process.”

Vernon’s 2014 financial audit focused on key areas of financial activity, including cash and investments, receivables, inventories, prepaid natural gas, capital assets, derivative liabilities, long-term debt, post-employment benefit liabilities and expenditures.

The audit’s primary focus was to ensure the accuracy, existence and realizable value of the city’s financial assets. Financial liabilities were examined for valuation, classification between short-term and long-term liabilities and confirmation that the city’s 2014 bond covenants had been met. Expenditures were examined for compliance with budgetary constraints and procurement policy.

An extra elective examination was performed covering Information Technology (IT) controls. The review was conducted to ensure business

practices related to Information Technology are being followed. The final assessment of Vernon’s IT practices found that proper controls related to physical and logical access, back-up and recovery, change management and network security are in place.

“The nation’s investment community relies on Vernon’s audited financial statements to assist in making their financial decisions in regards to the city’s credit rating and bond worthiness,” Mr. Fox said. “Vernon’s unmodified ‘clean’ opinion serves as a ‘seal of approval’ with respect to the city’s management of its financial reporting and accuracy and the reliability for City Council’s financial decision-making.”

According to Mr. Fox, Vernon achieved an overall increase in net position of \$12.9 million in the 2014 fiscal year. This positive turnaround is the result of increased electric utility rates, fees and taxes coupled with budget tightening and the close monitoring and overall control of city expenses.

As with all municipalities, special districts and public agencies, Vernon continues to face substantial challenges from unfunded state mandates, under-funded pensions and other employee benefit liabilities and inflationary increases in operating costs.



Vernon Finance
Director William Fox



City of Vernon
4305 South Santa Fe Ave
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Green Vernon Progress Report

Vernon Health and Environmental Control staff has successfully monitored the registration of all the hazardous materials permitted facilities required to obtain California Environmental Reporting System (CERS) numbers. The electronic reporting and submittals will now be reviewed and accepted during regular inspection visits and accessed in the field using mobile tablet devices (iPads) rather than paper forms. The high-tech move to electronic reporting will reduce paper use and waste and facilitate electronic distribution of inspection reports to state officials.

Agency staff have also begun the process of extending the Solid Waste Franchise Agreements to all of the haulers working in Vernon. The current five-year agreement terminates on December 31, 2014. The new five-year agreement will include an increase to the security performance bonds (\$10,000 or 2.5 times the quarterly report averages), plus an increase in insurance requirements and added definitions on “self-hauling.”



Staff members have worked with the Department of Toxic Substances Control (DTSC) in preparing documentation for the closure of the industrial section to the former Thermador site on District Blvd. After an extensive remediation pilot study, a closure acceptance from DTSC, when granted, will allow the redevelopment of the site and enable future construction of a new building.