

**RESOLUTION NO. 2019-36**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
VERNON APPROVING A BUDGET FOR THE FISCAL YEAR  
2019-2020

WHEREAS, on June 5, 2018, the City Council of the City of  
Vernon adopted Resolution No. 2018-18 approving a budget for the fiscal  
year 2018-2019; and

WHEREAS, the City Council of the City of Vernon wishes to  
establish a new budget to anticipate the requirements for fiscal year  
2019-2020 for the different departments of the City of Vernon; and

WHEREAS, on June 4<sup>th</sup>, June 18<sup>th</sup>, and August 6, 2019, all City  
Department Heads, with the exception of the Fire Chief, presented to  
the City Council the proposed budgets for their respective departments  
for Fiscal Year 2019-2020; and

WHEREAS, on August 6, 2019, the City Council of the City of  
Vernon adopted Resolution No. 2019-29, approving and authorizing the  
execution of an agreement to delegate fire protection, paramedic and  
incidental services to the Los Angeles County Fire District (the "LACFD  
Agreement"); and

WHEREAS, by virtue of the City's entry into the LACFD  
Agreement, the budget for the Fire Department has been adjusted to  
reflect costs accordingly; and

WHEREAS, the expenditures proposed in the budget are well  
under the limitations imposed pursuant to the Gann Initiative for  
Fiscal Year 2019-2020; and

WHEREAS, the budget maintains the proper balance between  
revenues and expenditures, and establishes well thought out priorities;  
and

WHEREAS, approval of the budget is in the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VERNON AS FOLLOWS:

SECTION 1: The City Council of the City of Vernon hereby finds and determines that the above recitals are true and correct.

SECTION 2: The City Council of the City of Vernon finds that this action is exempt under the California Environmental Quality Act (CEQA), because adoption of the budget is the creation of a government funding mechanism or other government fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and is therefore not a "project" as defined under Section 15378(b)(4). Further, even if adoption of the budget were considered a "project," it would be exempt from CEQA review, in accordance with Section 15061(b)(3), the general rule that CEQA only applies to projects that may have a significant effect on the environment.

SECTION 3: The City Council of the City of Vernon hereby approves the budget as set forth in Exhibit A, attached hereto and incorporated by reference, to anticipate the requirements for fiscal year 2019-2020 for the different departments of the City of Vernon.

SECTION 4: The anticipated revenues for the fiscal year 2019-2020 are set forth in Exhibit B, attached hereto and incorporated by reference.

SECTION 5: The City Council of the City of Vernon hereby finds and determines that certain items provided for in individual department budgets are in the nature of community promotion and education, and the City Council of the City of Vernon further finds and determines that the same are in the best interests of the City of

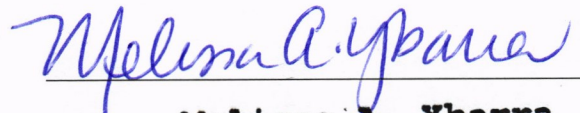
Vernon, and necessary for the further development of the City and constitute a reasonable expenditure of public funds.

SECTION 6: The Interim City Clerk, or the Interim City Clerk's designee, of the City of Vernon is hereby directed to file this Resolution (along with each exhibit) with the County Auditor of Los Angeles County, located at the following address, within sixty (60) days after July 1, 2019:

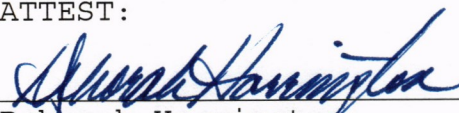
County of Los Angeles  
Office of Auditor/Controller  
Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

SECTION 7: The Interim City Clerk of the City of Vernon shall certify to the passage, approval and adoption of this resolution, and the Interim City Clerk, of the City of Vernon shall cause this resolution and the Interim City Clerk's certification to be entered in the File of Resolutions of the Council of this City.

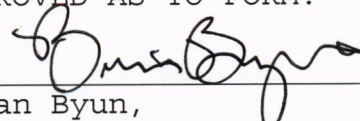
APPROVED AND ADOPTED this 20<sup>th</sup> day of August, 2019.

  
Name: **Melissa A. Ybarra**  
Title: Mayor / ~~Mayor Pro-Tem~~

ATTEST:

  
Deborah Harrington,  
Interim City Clerk


APPROVED AS TO FORM:

  
Brian Byun,  
Senior Deputy City Attorney

STATE OF CALIFORNIA        )  
  ) ss  
COUNTY OF LOS ANGELES    )

I, Deborah Harrington, Interim City Clerk of the City of Vernon, do hereby certify that the foregoing Resolution, being Resolution No. 2019-36, was duly passed, approved and adopted by the City Council of the City of Vernon at a regular meeting of the City Council duly held on Tuesday, August 20, 2019, and thereafter was duly signed by the Mayor or Mayor Pro-Tem of the City of Vernon.

Executed this 3rd day of September, 2019, at Vernon, California.

  
\_\_\_\_\_  
Deborah Harrington  
Interim City Clerk

(SEAL)



**EXHIBIT A**

CITY OF VERNON  
EXPENDITURE BUDGET  
2019-2020

DEPARTMENT	SALARIES	BENEFITS	SUPPLIES/ SERVICES	CAPITAL OUTLAY	TOTAL
CITY COUNCIL	\$ 146,349	\$ 61,579	\$ 39,984	-	\$ 247,912
CITY ADMINISTRATION	570,062	295,607	78,871	-	944,540
CITY ATTORNEY	785,281	342,808	427,500	-	1,555,589
CITY CLERK	363,910	141,725	93,000	-	598,635
FINANCE	1,334,418	562,287	1,458,294	-	3,354,999
HUMAN RESOURCES	620,442	2,435,017	426,440	-	3,481,899
COMMUNITY PROMOTION	-	-	500,000	-	500,000
COMMUNITY DEVELOPMENT	-	-	500,000	-	500,000
INFORMATION TECHNOLOGY	607,879	236,904	1,261,225	312,000	2,418,008
<b>SUB-TOTAL ADMIN</b>	<b>4,428,341</b>	<b>4,075,927</b>	<b>4,785,314</b>	<b>312,000</b>	<b>13,601,582</b>
HEALTH/ENVIRONMENTAL CTRL	540,226	255,017	627,626	11,000	1,433,869
<b>SUB-TOTAL HEALTH</b>	<b>540,226</b>	<b>255,017</b>	<b>627,626</b>	<b>11,000</b>	<b>1,433,869</b>
POLICE	6,765,061	4,440,220	469,426	120,200	11,794,907
FIRE	5,326,889	3,521,026	8,447,176	365,800	17,660,891
<b>SUB-TOTAL SAFETY</b>	<b>12,091,950</b>	<b>7,961,246</b>	<b>8,916,602</b>	<b>486,000</b>	<b>29,455,798</b>
ADMIN-ENGR-PLANNING	1,909,563	921,941	2,326,780	3,680,000	8,838,284
BUILDING DEPARTMENT	654,764	288,209	273,250	250,000	1,466,223
PUBLIC WORKS	446,080	242,850	5,840	-	694,770
INDUSTRIAL DEVELOPMENT	-	-	51,230	-	51,230
CITY GARAGE	378,818	169,580	274,500	45,000	867,898
CITY WAREHOUSE	157,490	82,921	10,950	70,000	321,361
CITY HOUSING	177,657	93,979	134,200	370,000	775,836
CITY BUILDINGS	416,338	192,360	773,050	689,000	2,070,748
<b>SUB-TOTAL COMM SER</b>	<b>4,140,710</b>	<b>1,991,840</b>	<b>3,849,800</b>	<b>5,104,000</b>	<b>15,086,350</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 21,201,227</b>	<b>\$ 14,284,030</b>	<b>\$ 18,179,342</b>	<b>\$ 5,913,000</b>	<b>\$ 59,577,599</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 21,201,227</b>	<b>\$ 14,284,030</b>	<b>\$ 18,179,342</b>	<b>\$ 5,913,000</b>	<b>\$ 59,577,599</b>

CITY OF VERNON  
EXPENDITURE BUDGET  
2019-2020

DEPARTMENT	SALARIES	BENEFITS	SUPPLIES/ SERVICES	CAPITAL OUTLAY	TOTAL
<b>RDA OBLIGATION RETIREMENT FUND</b>	-	-	5,698,006	-	<b>5,698,006</b>
<b>UTILITIES</b>					
<u>WATER FUND</u>					
WATER OPERATIONS	1,511,156	694,320	7,589,986	8,252,000	18,047,462
RECYCLED WATER	-	-	-	-	-
<b>SUB-TOTAL WATER</b>	<u>1,511,156</u>	<u>694,320</u>	<u>7,589,986</u>	<u>8,252,000</u>	<u>18,047,462</u>
<u>LIGHT &amp; POWER</u>					
FIELD OPERATIONS	692,033	245,899	510,228	536,000	1,984,160
SYSTEM DISPATCH	1,888,740	695,700	797,804	340,000	3,722,244
STATION A	-	-	635,045	60,000	695,045
TRANS/DISTRIBUTION	-	-	7,182,204	-	7,182,204
BUILDING MAINTENANCE	-	-	283,090	255,000	538,090
CUSTOMER SERVICE	256,716	132,024	8,848,257	110,000	9,346,997
ADMINISTRATION	1,017,052	441,981	58,450,677	360,000	60,269,710
ELECTRICAL ENGINEERING	1,114,091	439,050	344,000	9,275,000	11,172,141
RESOURCE MANAGEMENT	1,050,237	408,596	133,995,816	-	135,454,649
ENERGY MANAGEMENT	35,912	13,624	1,100,000	-	1,149,536
<b>SUB-TOTAL L &amp; P</b>	<u>6,054,781</u>	<u>2,376,874</u>	<u>212,147,121</u>	<u>10,936,000</u>	<u>231,514,776</u>
<b>GAS</b>	577,531	242,417	12,693,267	1,125,000	<b>14,638,215</b>
<b>FIBER-OPTICS</b>	68,097	30,801	324,186	250,000	<b>673,084</b>
<b>TOTAL UTILITIES</b>	<u>8,211,565</u>	<u>3,344,412</u>	<u>232,754,560</u>	<u>20,563,000</u>	<u>264,873,537</u>
<b>GRAND TOTAL</b>	<u>\$ 29,412,792</u>	<u>\$ 17,628,442</u>	<u>\$ 256,631,908</u>	<u>\$ 26,476,000</u>	<u>\$ 330,149,142</u>

**EXHIBIT B**



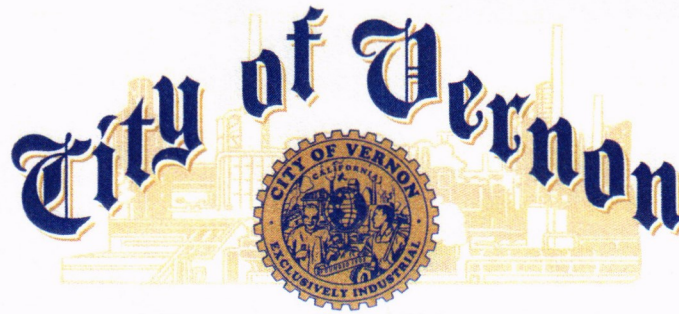
**CITY OF VERNON  
ESTIMATED REVENUES  
2019-2020**

GOVERNMENTAL FUND TYPE GENERAL	FY2020	
400110	SECURED PROPERTY TAX-CURRENT	\$ 3,863,645
400210	PRIOR YEAR SECURED	\$ (8,658)
400310	REAL PROPERTY TRANSFER TAX	\$ 237,548
400311	BNSF	\$ 624,792
400500	PROPERTY TAX-INTEREST & PENALTIES	\$ 7,576
400610	PROP "A" FUNDS	\$ 4,340
400630	PROP "C" FUNDS	\$ 3,600
400700	HOMEOWNERS' PROPERTY TAX EXEMPTION	\$ 16,883
400820	PUBLIC SAFETY AUGMENTATION FUND	\$ 1,840
400900	PARCEL TAXES - WAREHOUSE	\$ 11,825,874
400950	PARCEL TAXES - SAFETY	\$ 2,145,162
401000	UTILITY USERS TAX	\$ 12,000,000
401200	SALES AND USE TAX	\$ 7,854,000
401206	MEASURE R LOCAL RETURN	\$ 2,700
401207	MEASURE M LOCAL RETURN	\$ 3,060
401208	ROAD MAINTENANCE AND REHAB - SB1	\$ 3,459
401209	TDA ARTICLE 3	\$ 5,000
401600	ADMINISTRATIVE FEES - SB2557	\$ (35,541)
401650	STATE FEE - SB1186	\$ 1,100
407500	GAS TAX 2103	\$ 1,783
407510	GAS TAX 2105	\$ 1,163
407600	GAS TAX 2106	\$ 5,487
407700	GAS TAX 2107	\$ 1,527
407800	GAS TAX 2107.5	\$ 1,000
410100	BUSINESS LICENSES	\$ 6,000,000
410210	BUILDING PERMITS	\$ 1,026,200
410211	FIRE PERMIT FEES	\$ 27,500
410212	ALARM PERMITS	\$ 14,500
410240	PUBLIC HEALTH PERMITS	\$ 1,100,000
410250	HEALTH PERMIT LATE FEES	\$ 12,000
410270	FILMING PERMITS	\$ 4,000
410271	SPECIAL EVENT PERMIT FEES	\$ 500
410280	CONDITIONAL USE PERMITS	\$ 13,927
410290	ISSUANCE FEE	\$ 19,000
410300	FRANCHISES AND AGREEMENTS	\$ 115,008
410310	SOLID WASTE FRANCHISE FEES	\$ 1,200,000
410320	SOLID WASTE FRANCHISE LATE FEES	\$ 12,000
410400	CLOSURE REVIEW FEES	\$ 5,000
410410	PLAN CHECK REVIEW FEES	\$ 100,000
410430	ANNUAL BUSINESS FIRE INSPECTION	\$ 70,000
410460	ANNUAL BUSINESS FIRE RE-INSPECITON	\$ 1,750
410470	FIVE YEAR SPRINKLER SYSTEM TESTING	\$ 3,750
410480	FALSE ALARM FEES	\$ 27,750
410490	FIRE EXTINGUISHER TRAINING	\$ 250
420100	VEHICLE CODE FINES	\$ 60,000
420110	OTHER VEHICLE FINES	\$ 20,000
420130	VEHICLE INSPECTION FEE	\$ 4,000
420510	PARKING CITATIONS	\$ 30,000
420515	FRANCHISE TOWING FEES	\$ 15,000
420520	COMMUNITY SERVICES INCOME	\$ 37,000
420525	IMPOUNDED VEHICLE RELEASE FEES	\$ 3,000
420530	DUI VEHICLE RELEASE FEES	\$ 3,000
420535	REPOSSESSED VEHICLE RELEASE FEE	\$ 300
430110	INVESTMENT INCOME	\$ 85,000
431000	RENTS	\$ 528,920
440100	GRANT REVENUE	\$ 2,897,031
442001	MOTOR VEHICLE IN-LIEU TAX	\$ 8,500
450110	FIRE SERVICE	\$ 10,000

**CITY OF VERNON  
ESTIMATED REVENUES  
2019-2020**

GOVERNMENTAL FUND TYPE	FY2020
<u>GENERAL</u>	
450120 ENGINEERING INSPECTION FEES	\$ 70,000
458000 GENERAL CITY ADMINISTRATIVE SERVICES	\$ 3,665,551
459030 GROUP MEDICAL REVENUE	\$ 228,257
461100 MISCELLANEOUS AND PENALTIES	\$ 54,238
466200 PLAN CHECK FEES	\$ 443,830
466220 GREEN BUILDING STANDARDS FEE	\$ 10,262
466230 ANNUAL FEE	\$ 1,000
466600 COPIES AND PUBLICATIONS	\$ 18,650
466900 MISCELLANEOUS	\$ 20,147
467000 STRIKE TEAM REIMBURSEMENT	\$ 125,000
467100 EMS REIMBURSEMENT	\$ 72,500
468400 VARIANCES	\$ 6,597
469300 RESERVE APPLIED	\$ (2,849,552)
499700 CREDIT FOR GARAGE WORK ORDERS	\$ 375,000
600910 OTHER INCOME	\$ 387,920
630055 LIGHT AND POWER IN-LIEU TAX	\$ 4,925,975
<b>TOTAL GENERAL FUND</b>	<b><u>59,577,600</u></b>
 <u>FIDUCIARY FUND</u>	
022 RDA/SUCCESSOR AGENCY TAX INCREMENT	5,698,006
<b>SUB-TOTAL FIDUCIARY FUND</b>	<b><u>5,698,006</u></b>
 <b>TOTAL GOVERNMENTAL TYPE FUNDS</b>	 <b><u><u>65,275,606</u></u></b>
 <u>PROPRIETARY FUND TYPES</u>	
<u>WATER DEPARTMENT</u>	
020 WATER - REVENUES	8,573,244
020 WATER - PROCEEDS FROM LONG-TERM DEBT	1,500,000
020 WATER - RESERVES APPLIED	7,974,218
 <u>LIGHT AND POWER</u>	
055 LIGHT AND POWER - REVENUES	222,206,778
055 LIGHT AND POWER - RESERVES APPLIED	9,307,997
 <u>FIBER-OPTICS</u>	
057 FIBER-OPTICS - REVENUES	983,220
057 FIBER-OPTICS - RESERVES APPLIED	(310,136)
 <u>GAS UTILITY</u>	
056 GAS - REVENUES	14,081,125
056 GAS - RESERVES APPLIED	557,090
 <b>SUB-TOTAL ENTERPRISE FUNDS</b>	 <b><u>264,873,536</u></b>
 <b>GRAND TOTAL ALL FUNDS</b>	 <b><u><u>\$ 330,149,142</u></u></b>

# **TRANSMITTAL COMMUNICATION**



**OFFICE OF THE CITY CLERK**

4305 Santa Fe Avenue, Vernon, California 90058  
Telephone (323) 583-8811

September 3, 2019

County of Los Angeles  
Office of Auditor/Controller  
Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Re: Resolution No. 2019-36 - A Resolution of the City Council of the City of Vernon  
Approving a Budget for the Fiscal Year 2019 - 2020

To Whom It May Concern:

Transmitted herewith is a copy of Resolution No. 2019-36 that was approved by City Council on August 20, 2019.

If you have any questions regarding this matter, please call Masami Higa at (323) 583-8811 ext. 254.

Very truly yours,

Deborah R. Juarez  
Records Management Assistant

Enclosure

c: Masami Higa  
Carlos Fandino  
Resolution No. 2019-36

*Exclusively Industrial*

# **STAFF REPORT**

## City Council Agenda Item Report

Agenda Item No. COV-378-2019

Submitted by: Diana Figueroa

Submitting Department: City Administration

Meeting Date: August 20, 2019

### SUBJECT

Adoption of the Citywide Budget for Fiscal Year 2019/2020

### Recommendation:

A. Find that adoption of the resolution proposed in this staff report is exempt from the California Environmental Quality Act ("CEQA"), because adoption of the budget is the creation of a government funding mechanism or other government fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and is therefore not a "project" as defined under Section 15378(b)(4). Further, even if adoption of the budget were considered a "project," it would be exempt from CEQA review in accordance with Section 15061(b)(3), the general rule that CEQA only applies to projects that may have a significant effect on the environment; and

B. Conduct a Public Hearing; and

C. Adopt a resolution approving the citywide balanced budget for Fiscal Year 2019/2020, with estimated budgeted revenues and expenditures of \$329,670,129.

### Background:

A thoughtful, conscientious approach has been employed by City leaders to prepare a sensible fiscal year ("FY") 2019/2020 budget for City Council approval. With a focus on fiscal accountability, sustainability, and operational efficiency in the proposed budget, staff has achieved a balance between the integral components of City functions and its existing financial constraints.

On June 4 and June 18, 2019, the City's Department Directors presented the proposed FY 2019/2020 budgets for their respective departments to the City Council (with the exception of the Public Works and Fire Departments). Additionally, the City Administrator delivered a budget overview presentation that encapsulated the City's overall financial position, identified challenges (e.g. the City's structural deficit), and articulated relevant strategies to address budgetary issues facing Vernon in the short and long term. The collective presentations included, among other things, information on the City's fiscal policy, budget process, organizational charts, historical budget comparisons (Citywide and department specific), FY 2018/2019 highlights, and goals for the new fiscal year. All focused on the core elements of the City's budget structure: Salaries/Benefits, Supplies/Services, and Capital Outlay.

The FY 2019/2020 proposed budget was brought to City Council for adoption at its July 2, 2019 meeting. Adoption was proposed with a recommendation to approve a citywide budget that incorporated the previous year FY 2018/2019 approved budgets for the Public Works and Fire departments, as ongoing labor negotiations and organizational/staffing assessments were yet to be finalized. At that time, conclusive information required to intelligently formulate a sound budget for either department was not available.

City Council expressed its need to have the budget particulars for every department finalized in order to consider budget adoption. Accordingly, City staff utilized the time since the July 2nd City Council meeting to conclude negotiations with the City's labor groups and further assess proposed expenditures in all other areas of the City's operations.

At the first City Council meeting in August, staff brought forward for approval several items that addressed budgetary unknowns. On August 6, 2019, City Council heard an in-depth presentation from the Director of Public Works that addressed a possible reorganization of the department and the budgetary impacts of such restructuring. As staff continues citywide efforts to streamline and modernize processes, and implement strategies to maximize organizational efficiencies, the Public Works Department has proposed a Building Division reorganization (Attachment 3 provided for reference) that includes a recommendation for contractor-led plan review and inspections, consistent with the departmental presentation delivered at the August 6, 2019 City Council meeting. As such, costs associated to the department's reorganization have been incorporated into the final FY 2019/2020 Budget proposed for City Council approval at its August 20, 2019 meeting. The City continues to explore with labor groups any potential options for impacted employees to transfer into other City departments where there may be vacancies, as the City is sensitive to the effects of such a reorganization. The various changes being proposed result in an overall annual net decrease of approximately \$1.1 million in the Public Works Department budget.

Additionally, City Council determined a direction for the Fire Department at its August 6, 2019 meeting that allowed City staff to proceed with the preparation of a Fire Department budget that reflects the desired implementation of a transition to the Los Angeles County Fire District for the provision of fire protection, paramedic, and incidental services in the City of Vernon. City Council took a large step forward in their approval of an agreement to proceed with the transfer of Vernon Fire Services to a Los Angeles County Fire Service model. The process to facilitate the transfer will be a fairly lengthy one, as there are a number of steps that still remain on the horizon prior to the transition taking effect. In order to accommodate the pre-transition phase and all costs associated, City staff has prepared a budget that reflects six months of Vernon Fire expenditures and six months of LA County Fire expenditures. The goal of including a combination of each is to provide an accurate representation of the FY 2019/2020 costs to be incurred by the City.

#### Budget Updates

All other fiscal adjustments that have occurred since the budget proposal on July 2nd are summarized below.

#### -Salaries/Benefits Expenditures

There were no revisions to Salaries/Benefits since the July 2nd budget proposal, except for those previously referenced for the Public Works and Fire Departments.

#### -Supplies/Services Expenditures

Vernon Public Utilities ("VPU") is diligent in their pursuit to secure the most economical resources to ensure that customers have access to reliable, affordable utilities. As a result of this consistent effort, the Resource Planning Division was able to procure FY 2019/2020 natural gas supply for significantly lower prices than originally forecasted in its initial proposed budget. VPU staff were able to secure a \$7.9 million reduction in fuel costs. As a result of this reduction, customers will see a decrease in charges.

Additionally, the Gas Division reduced its natural gas expenses by approximately \$200,000. However, since both expenses and revenues were reduced by an equal amount, there is no change to the proposed Gas Division budget.

VPU's budget has been modified to reflect the aforementioned changes.

**-Capital Outlay**

VPU's Water Division moved a \$600,000 On Call Pump and Motor Repair cost from its Repair and Maintenance category to its Capital expenditures. This administrative change has no impact on the department's overall budget, as there was no increase or decrease, but rather only a reassignment of the line item.

**Conclusion**

The difference in the total monetary impact from the time of the proposed budget presentation on July 2, 2019, equates to an overall decrease in the City budget in the amount of approximately \$9.6 million, with an overall budget of revenues and expenditures of \$329,670,129.

Consistent with City Administration goals and City Council's direction, staff is committed to streamlining costs, increasing efficiencies Citywide, and is dedicated to securing the City's long-term future. Management is confident that it has delivered on its commitment by proposing integral structural changes to the City organization and a corresponding budget that will allow for sustainability.

It is recommended that the City Council adopt a resolution approving the fiscal year 2019/2020 Citywide Budget. Although the City faces a multitude of budgetary challenges, effective strategies are continuously being explored. Efforts to further improve operational efficiencies with a focus on cost controls will continue throughout fiscal year 2019/2020 and into the distant future.

**Fiscal Impact:**

There is no fiscal impact associated with the adoption of the fiscal year 2019/2020 budget, as it is an administrative activity.

**ATTACHMENTS**

- 1. Public Hearing Notice - FY 2019/2020 City Wide Budget Adoption
- 2. A Resolution Approving a Citywide Budget for FY 2019/2020
- 3. Public Works Reorganization





## NOTICE OF PUBLIC HEARING REGARDING THE PROPOSED CITY WIDE BUDGET

The City of Vernon will conduct a Public Hearing, which you may attend.

- PLACE:** Vernon City Hall  
City Council Chamber  
4305 Santa Fe Avenue  
Vernon, CA 90058
- DATE & TIME:** **Tuesday, August 20, 2019, at 9:00 a.m.**  
(or as soon thereafter as the matter can be heard)
- PURPOSE/SUBJECT:** **Consider Adoption of the Fiscal Year 2019/2020 Proposed City Wide Budget**

### DOCUMENTS FOR REVIEW:

All relevant documents will be made available for inspection by the public at the Vernon City Hall, City Clerk Department, 4305 Santa Fe Avenue, Vernon, California 90058, Monday through Thursday, 7:00 a.m. to 5:30 p.m. and will be made available on the City's website at: <http://www.cityofvernon.org/government/public-meetings/city-council>

Please send your comments or questions to:

Carlos Fandino, City Administrator  
City of Vernon  
4305 Santa Fe Avenue, Vernon, CA 90058  
(323) 583-8811 ext. 228 Email: cfandino@ci.vernon.ca.us

### PROPOSED CEQA FINDING:

Staff plans to recommend that the Vernon City Council determine that the adoption of the Fiscal Year 2019/2020 Proposed City Wide Budget will not have a significant effect on the environment and that it is exempt from the California Environmental Quality Act (CEQA). Adoption of the budget is aligned with the creation of a government funding mechanism or other government fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and is, therefore, not a "project" as defined under Section 15378(b)(4). Further, even if adoption of the budget was considered a "project," it would be exempt from CEQA review in accordance with Section 15061(b)(3), the general rule that CEQA only applies to projects that may have a significant effect on the environment.

If you challenge the adoption/approval of the Fiscal Year 2019/2020 Proposed City Wide Budget or any provision thereof in court, you may be limited to raising only those issues you or someone else raised at the hearing described in this notice or in written correspondence delivered to the City of Vernon at, or prior to, the meeting.

Americans with Disabilities Act (ADA): In compliance with ADA, if you need special assistance to participate in the meeting, please contact the Office of the City Clerk at (323) 583-8811 ext. 546.

The hearing may be continued or adjourned or cancelled and rescheduled to a stated time and place without further notice of a public hearing.

Dated: 8/5/19

Deborah Harrington, Interim City Clerk

**CALIFORNIA NEWSPAPER SERVICE BUREAU**

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Deborah Harrington  
CITY OF VERNON CITY CLERK  
4305 SANTA FE AVE  
VERNON, CA 90058

**COPY OF NOTICE**

Notice Type: GPN GOVT PUBLIC NOTICE

Ad Description

Consider Adoption of the Fiscal Year 2019/2020 Proposed City Wide Budget

To the right is a copy of the notice you sent to us for publication in the HUNTINGTON PARK BULLETIN. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

08/08/2019

An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

PRE# 3281493

**NOTICE OF PUBLIC HEARING REGARDING  
THE PROPOSED CITY WIDE BUDGET**

The City of Vernon will conduct a Public Hearing, which you may attend.

**PLACE:** Vernon City Hall  
City Council Chamber  
4305 Santa Fe Avenue  
Vernon, CA 90058

**DATE & TIME:** Tuesday, August 20, 2019, at 9:00 a.m.  
(or as soon thereafter as the matter can be heard)

**PURPOSE/SUBJECT:** Consider Adoption of the Fiscal Year 2019/2020 Proposed City Wide Budget

**DOCUMENTS FOR REVIEW:**

All relevant documents will be made available for inspection by the public at the Vernon City Hall, City Clerk Department, 4305 Santa Fe Avenue, Vernon, California 90058, Monday through Thursday, 7:00 a.m. to 5:30 p.m. and will be made available on the City's website at: <http://www.cityofvernon.org/government/public-meetings/city-council>

Please send your comments or questions to:  
Carlos Fandino, City Administrator  
City of Vernon  
4305 Santa Fe Avenue, Vernon, CA 90058  
(323) 583-8811 ext. 228 Email: [cfandino@ci.vernon.ca.us](mailto:cfandino@ci.vernon.ca.us)

**PROPOSED CEQA FINDING:**

Staff plans to recommend that the Vernon City Council determine that the adoption of the Fiscal Year 2019/2020 Proposed City Wide Budget will not have a significant effect on the environment and that it is exempt from the California Environmental Quality Act (CEQA). Adoption of the budget is aligned with the creation of a government funding mechanism or other government fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and is, therefore, not a "project" as defined under Section 15378(b)(4). Further, even if adoption of the budget was considered a "project," it would be exempt from CEQA review in accordance with Section 15061(b)(3), the general rule that CEQA only applies to projects that may have a significant effect on the environment.

If you challenge the adoption/approval of the Fiscal Year 2019/2020 Proposed City Wide Budget or any provision thereof in court, you may be limited to raising only those issues you or someone else raised at the hearing described in this notice or in written correspondence delivered to the City of Vernon at, or prior to, the meeting.

Americans with Disabilities Act (ADA): In compliance with ADA, if you need special assistance to participate in the meeting, please contact the Office of the City Clerk at (323) 583-8811 ext. 546.

The hearing may be continued or adjourned or cancelled and rescheduled to a stated time and place without further notice of a public hearing.

Dated: 8/5/19

/s/  
Deborah Harrington, Interim City Clerk  
8/8/19



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PRE-3281493#  
HUNTINGTON PARK BULLETIN

**RESOLUTION NO.**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
VERNON APPROVING A BUDGET FOR THE FISCAL YEAR  
2019-2020

WHEREAS, on June 5, 2018, the City Council of the City of  
Vernon adopted Resolution No. 2018-18 approving a budget for the fiscal  
year 2018-2019; and

WHEREAS, the City Council of the City of Vernon wishes to  
establish a new budget to anticipate the requirements for fiscal year  
2019-2020 for the different departments of the City of Vernon; and

WHEREAS, on June 4<sup>th</sup>, June 18<sup>th</sup>, and August 6, 2019, all City  
Department Heads, with the exception of the Fire Chief, presented to  
the City Council the proposed budgets for their respective departments  
for Fiscal Year 2019-2020; and

WHEREAS, on August 6, 2019, the City Council of the City of  
Vernon adopted Resolution No. 2019-29, approving and authorizing the  
execution of an agreement to delegate fire protection, paramedic and  
incidental services to the Los Angeles County Fire District (the "LACFD  
Agreement"); and

WHEREAS, by virtue of the City's entry into the LACFD  
Agreement, the budget for the Fire Department has been adjusted to  
reflect costs accordingly; and

WHEREAS, the expenditures proposed in the budget are well  
under the limitations imposed pursuant to the Gann Initiative for  
Fiscal Year 2019-2020; and

WHEREAS, the budget maintains the proper balance between  
revenues and expenditures, and establishes well thought out priorities;  
and

WHEREAS, approval of the budget is in the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VERNON AS FOLLOWS:

SECTION 1: The City Council of the City of Vernon hereby finds and determines that the above recitals are true and correct.

SECTION 2: The City Council of the City of Vernon finds that this action is exempt under the California Environmental Quality Act (CEQA), because adoption of the budget is the creation of a government funding mechanism or other government fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and is therefore not a "project" as defined under Section 15378(b)(4). Further, even if adoption of the budget were considered a "project," it would be exempt from CEQA review, in accordance with Section 15061(b)(3), the general rule that CEQA only applies to projects that may have a significant effect on the environment.

SECTION 3: The City Council of the City of Vernon hereby approves the budget as set forth in Exhibit A, attached hereto and incorporated by reference, to anticipate the requirements for fiscal year 2019-2020 for the different departments of the City of Vernon.

SECTION 4: The anticipated revenues for the fiscal year 2019-2020 are set forth in Exhibit B, attached hereto and incorporated by reference.

SECTION 5: The City Council of the City of Vernon hereby finds and determines that certain items provided for in individual department budgets are in the nature of community promotion and education, and the City Council of the City of Vernon further finds and determines that the same are in the best interests of the City of

Vernon, and necessary for the further development of the City and constitute a reasonable expenditure of public funds.

SECTION 6: The Interim City Clerk, or the Interim City Clerk's designee, of the City of Vernon is hereby directed to file this Resolution (along with each exhibit) with the County Auditor of Los Angeles County, located at the following address, within sixty (60) days after July 1, 2019:

County of Los Angeles  
Office of Auditor/Controller  
Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

SECTION 7: The Interim City Clerk of the City of Vernon shall certify to the passage, approval and adoption of this resolution, and the Interim City Clerk, of the City of Vernon shall cause this resolution and the Interim City Clerk's certification to be entered in the File of Resolutions of the Council of this City.

APPROVED AND ADOPTED this 20<sup>th</sup> day of August, 2019.

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: Mayor / Mayor Pro-Tem

ATTEST:

\_\_\_\_\_  
Deborah Harrington,  
Interim City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Brian Byun,  
Senior Deputy City Attorney

STATE OF CALIFORNIA        )  
                                  ) ss  
COUNTY OF LOS ANGELES    )

I, Deborah Harrington, Interim City Clerk of the City of Vernon, do hereby certify that the foregoing Resolution, being Resolution No. \_\_\_\_\_, was duly passed, approved and adopted by the City Council of the City of Vernon at a regular meeting of the City Council duly held on Tuesday, August 20, 2019, and thereafter was duly signed by the Mayor or Mayor Pro-Tem of the City of Vernon.

Executed this \_\_\_\_\_ day of August, 2019, at Vernon, California.

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Deborah Harrington,  
Interim City Clerk

(SEAL)

**EXHIBIT A**



CITY OF VERNON  
EXPENDITURE BUDGET  
2019-2020

DEPARTMENT	SALARIES	BENEFITS	SUPPLIES/ SERVICES	CAPITAL OUTLAY	TOTAL
CITY COUNCIL	\$ 146,349	\$ 61,579	\$ 39,984	-	\$ 247,912
CITY ADMINISTRATION	570,062	295,607	78,871	-	944,540
CITY ATTORNEY	785,281	342,808	427,500	-	1,555,589
CITY CLERK	363,910	141,725	93,000	-	598,635
FINANCE	1,334,418	562,287	1,458,294	-	3,354,999
HUMAN RESOURCES	620,442	2,435,017	426,440	-	3,481,899
COMMUNITY PROMOTION	-	-	500,000	-	500,000
COMMUNITY DEVELOPMENT	-	-	500,000	-	500,000
INFORMATION TECHNOLOGY	607,879	236,904	1,261,225	312,000	2,418,008
<b>SUB-TOTAL ADMIN</b>	<b>4,428,341</b>	<b>4,075,927</b>	<b>4,785,314</b>	<b>312,000</b>	<b>13,601,582</b>
HEALTH/ENVIRONMENTAL CTRL	540,226	255,017	627,626	11,000	1,433,869
<b>SUB-TOTAL HEALTH</b>	<b>540,226</b>	<b>255,017</b>	<b>627,626</b>	<b>11,000</b>	<b>1,433,869</b>
POLICE	6,765,061	4,440,220	469,426	120,200	11,794,907
FIRE	5,326,889	3,521,026	8,447,176	365,800	17,660,891
<b>SUB-TOTAL SAFETY</b>	<b>12,091,950</b>	<b>7,961,246</b>	<b>8,916,602</b>	<b>486,000</b>	<b>29,455,798</b>
ADMIN-ENGR-PLANNING	1,909,563	921,941	2,326,780	3,680,000	8,838,284
BUILDING DEPARTMENT	159,277	80,783	747,150	-	987,210
PUBLIC WORKS	446,080	242,850	5,840	-	694,770
INDUSTRIAL DEVELOPMENT	-	-	51,230	-	51,230
CITY GARAGE	378,818	169,580	274,500	45,000	867,898
CITY WAREHOUSE	157,490	82,921	10,950	70,000	321,361
CITY HOUSING	177,657	93,979	134,200	370,000	775,836
CITY BUILDINGS	416,338	192,360	773,050	689,000	2,070,748
<b>SUB-TOTAL COMM SER</b>	<b>3,645,223</b>	<b>1,784,414</b>	<b>4,323,700</b>	<b>4,854,000</b>	<b>14,607,337</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 20,705,740</b>	<b>\$ 14,076,604</b>	<b>\$ 18,653,242</b>	<b>\$ 5,663,000</b>	<b>\$ 59,098,586</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 20,705,740</b>	<b>\$ 14,076,604</b>	<b>\$ 18,653,242</b>	<b>\$ 5,663,000</b>	<b>\$ 59,098,586</b>

CITY OF VERNON  
EXPENDITURE BUDGET  
2019-2020

DEPARTMENT	SALARIES	BENEFITS	SUPPLIES/ SERVICES	CAPITAL OUTLAY	TOTAL
<b>RDA OBLIGATION RETIREMENT FUND</b>	-	-	5,698,006	-	<b>5,698,006</b>
<b>UTILITIES</b>					
<u>WATER FUND</u>					
WATER OPERATIONS	1,511,156	694,320	7,589,986	8,252,000	18,047,462
RECYCLED WATER	-	-	-	-	-
<b>SUB-TOTAL WATER</b>	<u>1,511,156</u>	<u>694,320</u>	<u>7,589,986</u>	<u>8,252,000</u>	<u><b>18,047,462</b></u>
<b>LIGHT &amp; POWER</b>					
FIELD OPERATIONS	692,033	245,899	510,228	536,000	1,984,160
SYSTEM DISPATCH	1,888,740	695,700	797,804	340,000	3,722,244
STATION A	-	-	635,045	60,000	695,045
TRANS/DISTRIBUTION	-	-	7,182,204	-	7,182,204
BUILDING MAINTENANCE	-	-	283,090	255,000	538,090
CUSTOMER SERVICE	256,716	132,024	8,848,257	110,000	9,346,997
ADMINISTRATION	1,017,052	441,981	58,450,677	360,000	60,269,710
ELECTRICAL ENGINEERING	1,114,091	439,050	344,000	9,275,000	11,172,141
RESOURCE MANAGEMENT	1,050,237	408,596	133,995,816	-	135,454,649
ENERGY MANAGEMENT	35,912	13,624	1,100,000	-	1,149,536
<b>SUB-TOTAL L &amp; P</b>	<u>6,054,781</u>	<u>2,376,874</u>	<u>212,147,121</u>	<u>10,936,000</u>	<u><b>231,514,776</b></u>
<b>GAS</b>	577,531	242,417	12,693,267	1,125,000	<b>14,638,215</b>
<b>FIBER-OPTICS</b>	68,097	30,801	324,186	250,000	<b>673,084</b>
<b>TOTAL UTILITIES</b>	<u>8,211,565</u>	<u>3,344,412</u>	<u>232,754,560</u>	<u>20,563,000</u>	<u><b>264,873,537</b></u>
<b>GRAND TOTAL</b>	<u><b>\$ 28,917,305</b></u>	<u><b>\$ 17,421,016</b></u>	<u><b>\$ 257,105,808</b></u>	<u><b>\$ 26,226,000</b></u>	<u><b>\$ 329,670,129</b></u>

**EXHIBIT B**

CITY OF VERNON  
ESTIMATED REVENUES  
2019-2020

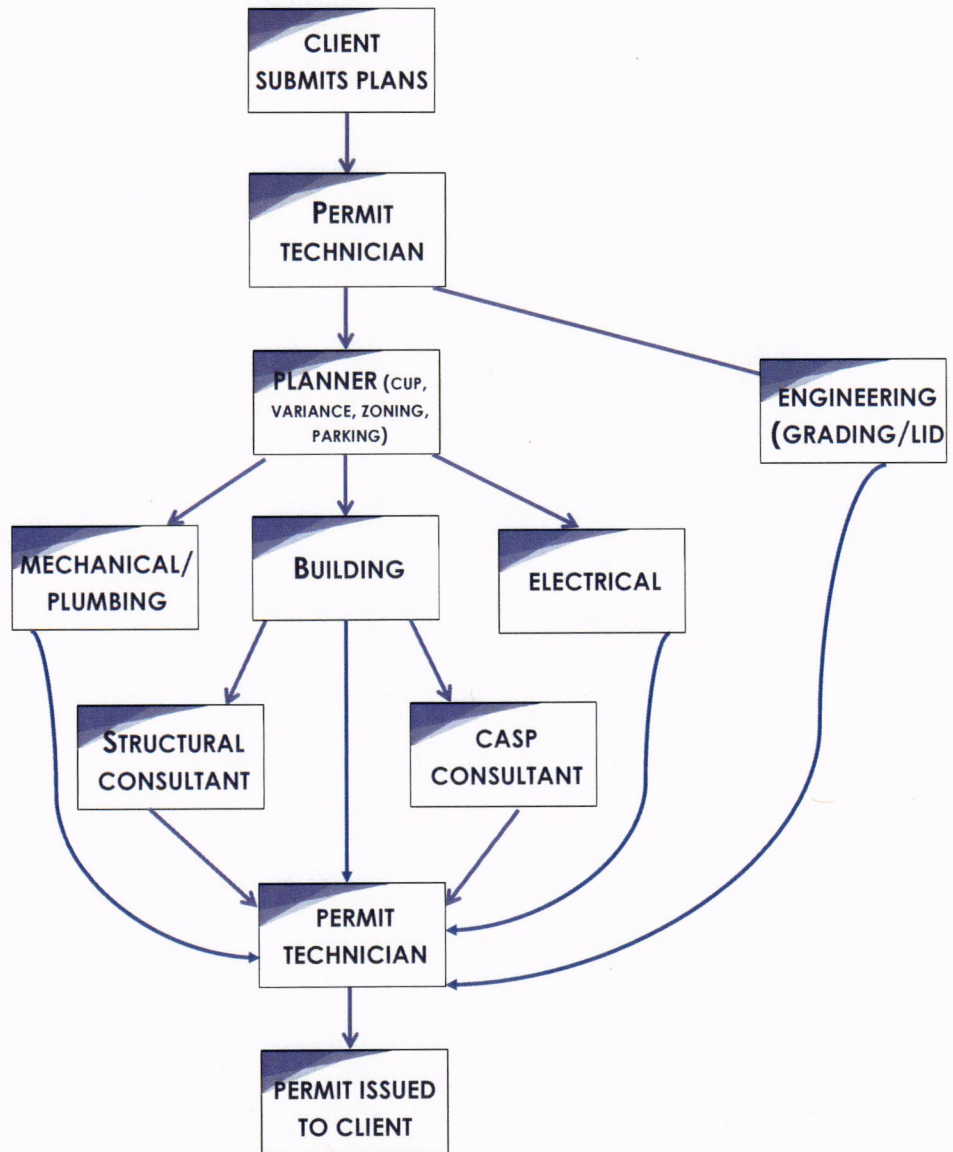
GOVERNMENTAL FUND TYPE			FY2020
GENERAL			
400110	SECURED PROPERTY TAX-CURRENT	\$	3,863,645
400210	PRIOR YEAR SECURED	\$	(8,658)
400310	REAL PROPERTY TRANSFER TAX	\$	237,548
400311	BNSF	\$	624,792
400500	PROPERTY TAX-INTEREST & PENALTIES	\$	7,576
400610	PROP "A" FUNDS	\$	4,340
400630	PROP "C" FUNDS	\$	3,600
400700	HOMEOWNERS' PROPERTY TAX EXEMPTION	\$	16,883
400820	PUBLIC SAFETY AUGMENTATION FUND	\$	1,840
400900	PARCEL TAXES - WAREHOUSE	\$	11,825,874
400950	PARCEL TAXES - SAFETY	\$	2,145,162
401000	UTILITY USERS TAX	\$	12,000,000
401200	SALES AND USE TAX	\$	7,854,000
401206	MEASURE R LOCAL RETURN	\$	2,700
401207	MEASURE M LOCAL RETURN	\$	3,060
401208	ROAD MAINTENANCE AND REHAB - SB1	\$	3,459
401209	TDA ARTICLE 3	\$	5,000
401600	ADMINISTRATIVE FEES - SB2557	\$	(35,541)
401650	STATE FEE - SB1186	\$	750
407500	GAS TAX 2103	\$	1,783
407510	GAS TAX 2105	\$	1,163
407600	GAS TAX 2106	\$	5,487
407700	GAS TAX 2107	\$	1,527
407800	GAS TAX 2107.5	\$	1,000
410100	BUSINESS LICENSES	\$	6,000,000
410210	BUILDING PERMITS	\$	700,000
410211	FIRE PERMIT FEES	\$	27,500
410212	ALARM PERMITS	\$	14,500
410240	PUBLIC HEALTH PERMITS	\$	1,100,000
410250	HEALTH PERMIT LATE FEES	\$	12,000
410270	FILMING PERMITS	\$	4,000
410271	SPECIAL EVENT PERMIT FEES	\$	500
410280	CONDITIONAL USE PERMITS	\$	9,500
410290	ISSUANCE FEE	\$	19,000
410300	FRANCHISES AND AGREEMENTS	\$	115,008
410310	SOLID WASTE FRANCHISE FEES	\$	1,200,000
410320	SOLID WASTE FRANCHISE LATE FEES	\$	12,000
410330	FRANCHISE FEES, PRIOR YEARS	\$	-
410400	CLOSURE REVIEW FEES	\$	5,000
410410	PLAN CHECK REVIEW FEES	\$	100,000
410430	ANNUAL BUSINESS FIRE INSPECTION	\$	70,000
410440	FIRE PREVENTION FEES / BUILDING	\$	-
410450	FIRE CODE CONSTRUCTION PERMITS	\$	-
410460	ANNUAL BUSINESS FIRE RE-INSPECITON	\$	1,750
410470	FIVE YEAR SPRINKLER SYSTEM TESTING	\$	3,750
410480	FALSE ALARM FEES	\$	27,750
410490	FIRE EXTINGUISHER TRAINING	\$	250
420100	VEHICLE CODE FINES	\$	60,000
420110	OTHER VEHICLE FINES	\$	20,000
420120	DUI EMERGENCY RESPONSE	\$	-
420130	VEHICLE INSPECTION FEE	\$	4,000
420510	PARKING CITATIONS	\$	30,000
420515	FRANCHISE TOWING FEES	\$	15,000
420520	COMMUNITY SERVICES INCOME	\$	37,000
420525	IMPOUNDED VEHICLE RELEASE FEES	\$	3,000
420530	DUI VEHICLE RELEASE FEES	\$	3,000
420535	REPOSSESSED VEHICLE RELEASE FEE	\$	300
430110	INVESTMENT INCOME	\$	85,000
431000	RENTS	\$	528,920
440100	GRANT REVENUE	\$	2,897,031
441010	COPS - SLESF FUNDS	\$	-
441014	OVERTIME REIMBURSEMENT REVENUE	\$	-
441015	TASK FORCE REIMBURSEMENT REVENUE	\$	-

**CITY OF VERNON  
ESTIMATED REVENUES  
2019-2020**

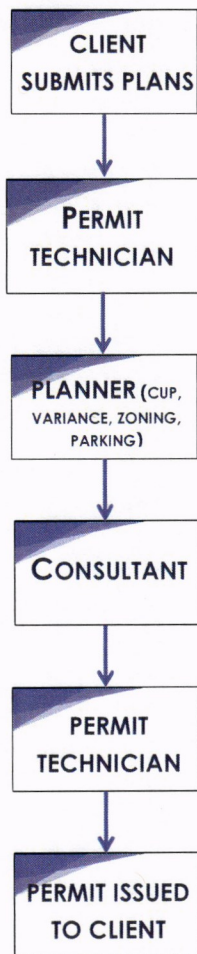
GOVERNMENTAL FUND TYPE	FY2020
<u>GENERAL</u>	
442001 MOTOR VEHICLE IN-LIEU TAX	\$ 8,500
450110 FIRE SERVICE	\$ 10,000
450120 ENGINEERING INSPECTION FEES	\$ 70,000
458000 GENERAL CITY ADMINISTRATIVE SERVICES	\$ 3,665,551
459030 GROUP MEDICAL REVENUE	\$ 228,257
461100 MISCELLANEOUS AND PENALTIES	\$ 45,500
466000 P.O.S.T. REIMBURSEMENT	\$ -
466200 PLAN CHECK FEES	\$ 325,000
466220 GREEN BUILDING STANDARDS FEE	\$ 7,000
466230 ANNUAL FEE	\$ 1,000
466600 COPIES AND PUBLICATIONS	\$ 18,650
466700 BACKFLOW CERTIFICATES	\$ -
466900 MISCELLANEOUS	\$ 18,051
467000 STRIKE TEAM REIMBURSEMENT	\$ 125,000
467100 EMS REIMBURSEMENT	\$ 72,500
467300 BOOKING FEE REIMBURSEMENT	\$ -
468400 VARIANCES	\$ 4,500
469300 RESERVE APPLIED	\$ (2,862,565)
499700 CREDIT FOR GARAGE WORK ORDERS	\$ 375,000
600910 OTHER INCOME	\$ 387,920
630055 LIGHT AND POWER IN-LIEU TAX	\$ 4,925,975
670010 SALE OF CAPITAL ASSETS	\$ -
690100 OPERATING TRANSFER IN	\$ -
<b>TOTAL GENERAL FUND</b>	<b>59,098,587</b>
 <u>FIDUCIARY FUND</u>	
022 RDA/SUCCESSOR AGENCY TAX INCREMENT	5,698,006
<b>SUB-TOTAL FIDUCIARY FUND</b>	<b>5,698,006</b>
<b>TOTAL GOVERNMENTAL TYPE FUNDS</b>	<b>64,796,593</b>
 <u>PROPRIETARY FUND TYPES</u>	
<u>WATER DEPARTMENT</u>	
020 WATER - REVENUES	8,573,244
020 WATER - PROCEEDS FROM LONG-TERM DEBT	1,500,000
020 WATER - RESERVES APPLIED	7,974,218
 <u>LIGHT AND POWER</u>	
055 LIGHT AND POWER - REVENUES	222,206,778
055 LIGHT AND POWER - RESERVES APPLIED	9,307,997
 <u>FIBER-OPTICS</u>	
057 FIBER-OPTICS - REVENUES	983,220
057 FIBER-OPTICS - RESERVES APPLIED	(310,136)
 <u>GAS UTILITY</u>	
056 GAS - REVENUES	14,081,125
056 GAS - RESERVES APPLIED	557,090
<b>SUB-TOTAL ENTERPRISE FUNDS</b>	<b>264,873,536</b>
 <b>GRAND TOTAL ALL FUNDS</b>	 <b>\$ 329,670,129</b>



# Current Building Permit Process (New Construction)



## Reorganized Building Permit Process (New Construction)



The right sizing of the Building Division using a consultant to provide all plan review and inspection service will benefit anyone building in Vernon through streamlining the permit processes by eliminating the multiple person reviews that we are currently using (see graphic). Streamlining will reduce redundant and conflicting plan review comments, improve the quality of plan reviews and inspections, and decrease review times for complex projects.

Currently there are two positions in the Engineering Section that have become vacant through promotions and transfers, and a third position that has been temporary reassigned to Street Maintenance. Using a consultant to provide all plan review and inspection services eliminates the grading and low impact development plan review and inspection work currently being performed by the Engineering Section allowing the engineers to instead focus on the maintenance and betterment of City facilities and infrastructure, resulting in the permanent right sizing of the Engineering Section.

The Warehouse Division will be right sized through a change in processes and the use of technology. The right sizing of the Warehouse Division and of the Engineering Section allows additional employees to be assigned to Street Maintenance and provides for a second Graffiti Abatement Crew.