



City of VERNON

**FY 2020/2021
ADOPTED
BUDGET**



BUDGET BOOK CONTENT

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Dear Mayor, Members of the City Council, and Vernon Community:

In early 2020, the world was faced with an unprecedented challenge. The COVID-19 pandemic took hold of the world, and changed virtually every aspect of our lives, impacting the global, national, regional, and local economies in unprecedented ways. This event forced the City to quickly reprioritize and adjust its operational plan for fiscal year 2020/2021. With the declaration of a State of Emergency in March of 2020, there was a need to evaluate spending and activity through June, and also reassess the overall plan for approaching the new fiscal year. Uncertainty about the future in a COVID-19 landscape drove the decisions for crafting this year's budget. Conservative, thoughtful, and creative planning facilitated the City's requirement to address its immediate needs, remain fiscally responsible, and allow flexibility to accommodate the unknowns on the horizon. Now is the time to employ thinking that extends beyond traditional boundaries.

Good governance and sound fiscal management remain prevalent themes for 2021/2021. To contend with the existing fiscal impacts of the pandemic and the challenges that may present themselves as the City trudges forward, the budget also incorporates conservative considerations that will grant Vernon room to shift its priorities and resources as necessary.

I proudly transmit the fiscal year 2020/2021 Budget Book on behalf of the City of Vernon. This comprehensive Budget Book has been designed to maintain heightened levels of transparency. The Budget Book communicates information about the City's overall fiscal position, current challenges, and relevant financial strategies as they relate to the recently adopted budget. Staff's goal for creating this resource is to ensure that the Vernon community is well informed, and has access to useful reference materials that detail how the City operates.

As the City moves into the new fiscal year, we will remain attentive to the prevailing economic climate and mindful of managing enhanced services within reasonable limits. While the City contemplates its current challenges, it will also continue to explore opportunities for cost containment and efficiencies that are required for sustainability. This mindset is more critical than ever due to COVID-19. Fortunately for the City, the composition of industrial businesses within its boundaries allows it to mostly maintain its traditional revenue trajectory despite COVID-19 mandated closures of non-essential business operations like retail, restaurants, and recreational facilities. A large population of the Vernon workforce falls into the essential category and, therefore, the City has experienced little financial distress as a result of state and county orders that have limited business operations. Although the City's financial forecast is promising, we will remain cautiously optimistic about the future. Variables related to the pandemic are unforeseeable, and there have been measures taken during the budgetary planning process to ensure that the City is protected.

Many exciting developments, changes, and initiatives are progressing with long-term investments and innovative projects targeted in the new fiscal year. The City continues to take pronounced steps toward its goals to achieve longevity and stability. In fiscal year 2020/2021, the City plans to finalize its transition of Fire Services to the Los Angeles County Fire District (projected to be in October of 2020) which will yield significant cost savings without compromising service to the community; plans for the implementation of a new Citywide Enterprise Resource Platform (ERP) software upgrade that will maximize human resources and improve productivity and integration within departmental systems and processes; plans for large-scale bond-funded improvements to City utility infrastructure that will benefit the business community and make possible the City's commitment to achieve the lowest utility rates in California by the year 2030; and plans for real discussion and progression toward the development of live/work zoning overlays, retail, and

residential projects in the City. These examples are a sampling of the significant efforts underway to support long-term success in Vernon.

The general fund should be able to stand on its own financially in order to support basic City functions such as general government, public safety, health services, and public works. The short-term prognosis for the City is stable, however, it is imperative that the search for additional revenue streams for the City continue in order to secure the type of long-term stability that allows the Vernon population of businesses and residents to thrive. Fiscal year 2019/2020 brought the implementation of a new sales tax measure which was approved by voters in the City's April 2020 election. Collections will not begin until October of 2020; however, it is estimated that Measure V will add \$3.8 million to the City's current sales tax base.

There continues to be a desire to position the City for growth. All is on the table for discussion and will be evaluated while being mindful of feedback from Vernon stakeholders. It is important that Vernon retain its foothold as a haven for commercial and industrial business which means that costs to conduct business within City limits must be highly competitive. Prosperity and longevity remain goals. Preservation of the core values of the City are also important, as the City continues to strive to be a vibrant economic engine in the Southern California region.

The City continues to progress in order to ensure that the most effective solutions are implemented to handle the anticipated fiscal strains that exist on the horizon. Not unlike many other municipalities, Vernon must contend with OPEB, Pension Liability, minute shares of state and federal funding, and debt service obligations. Preparing for these impacts is key. The City will continue to build on the successes and achievements realized last year, and will remain dedicated in its efforts to secure its future.

The Adopted Budget for Fiscal Year 2020/2021 is reflective of the following priorities:

- Conservative Fiscal Planning
- Adaptability and Innovation
- Economic Development
- Resource Focus on Impactful Long-term Projects

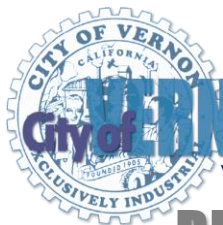
City Council and staff's collaboration on this year's Adopted Budget resulted in a versatile, well-balanced plan for the new fiscal year. This earnest work exhibits our pledge to provide high quality services to the public while remaining efficient and adaptable to factors affecting the general economy and limited City resources; and while balancing community priorities with a sustainable financial plan. The effort amongst City Council, City Management, and community members endeavors to secure a Vernon legacy that can be celebrated.

As always, I encourage all to be engaged and participate in forging a viable path into the future for the City of Vernon – we welcome forward thinking and are actively in pursuit of progress that pushes us beyond traditional boundaries.

Respectfully,



Carlos R. Fandino, Jr.
City Administrator



BUDGET SUMMARY

Overview

The Fiscal Year (FY) 2020/2021 Adopted Budget is balanced and reflects the City's continued commitment to providing public services and programs that enhance the Vernon community. The Adopted Budget utilizes the City's financial, human, and capital resource allocations to achieve its service delivery goals.

The revenue budget was prepared using some basic assumptions about growth of projected revenues based on property values, expected economic growth, the Consumer Price Index, and proposed fee increases. The 2020/2021 budget included additional considerations due to the economic impacts of the COVID-19 pandemic which shaped projected revenues and enhanced the conservative approach to budgeting expenditures.

FY 2020/2021 Adopted Budget

Overview of Funds

The City has two major classifications of funds under which it operates, **Governmental Funds** and **Business-Type Funds**.

Governmental Funds are used to account for tax-supported activities and consist of the following funds:

- 1) General Fund
- 2) Successor Agency Fund

Governmental Funds are established to account for activities under which traditional government activities occur. The adopted budget for the City's FY 2020/2021 Governmental Funds is as follows:

Operating revenues	\$57.8
Operating expenditures	\$67.2
Operating surplus (deficit)	(\$9.4)
Non-operating revenues (expenditures)	\$8.7
Extraordinary items	\$0.7
Net surplus (deficit)	\$0

Business-Type Funds are used to report activities for which fees are charged to external users for goods and services and consist of the following funds:

- 1) Electric Fund
- 2) Gas Fund
- 3) Water Fund
- 4) Fiber-Optics Fund

These four Business-Type Funds are managed by the Vernon Public Utilities Department. Each of these four funds is representative of a utility activity that produces revenue based upon service being provided to customers within Vernon. The adopted budget for the City's FY 2020/2021 Business-Type Funds is as follows:

Operating revenues	\$243.8
Operating expenditures	\$244.0
Operating surplus (deficit)	(\$0.2)
Non-operating revenues (expenditures)	\$8.0
Extraordinary items	(\$7.9)
Net surplus (deficit)	\$0

Governmental Funds

The City's Governmental Funds have been established in order to account for tax-supported activities, as opposed to Business-Type activities where fees are collected for goods and services rendered. Each governmental fund was created for the purpose of generating greater financial accountability to the taxpayers and identifying specific activities. Each of the two funds are discussed in further below.

General Fund

The General Fund is the City's primary operating fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, health services, and public works. The adopted budget for the FY 2020/2021 General Fund is as follows:

Operating revenues	\$51.9
Operating expenditures	\$61.3
Operating surplus (deficit)	(\$9.4)
Non-operating revenues (expenditures)	\$8.7
Extraordinary items	\$0.7
Net surplus (deficit)	\$0

The General Fund supports the majority of basic City services such as general government, public safety, health services, and public works. Public Safety expenditures alone represent roughly \$29.4 million, or 44% of the General Fund. General Fund services are primarily supported by taxes, licenses, permits, and intergovernmental revenues.



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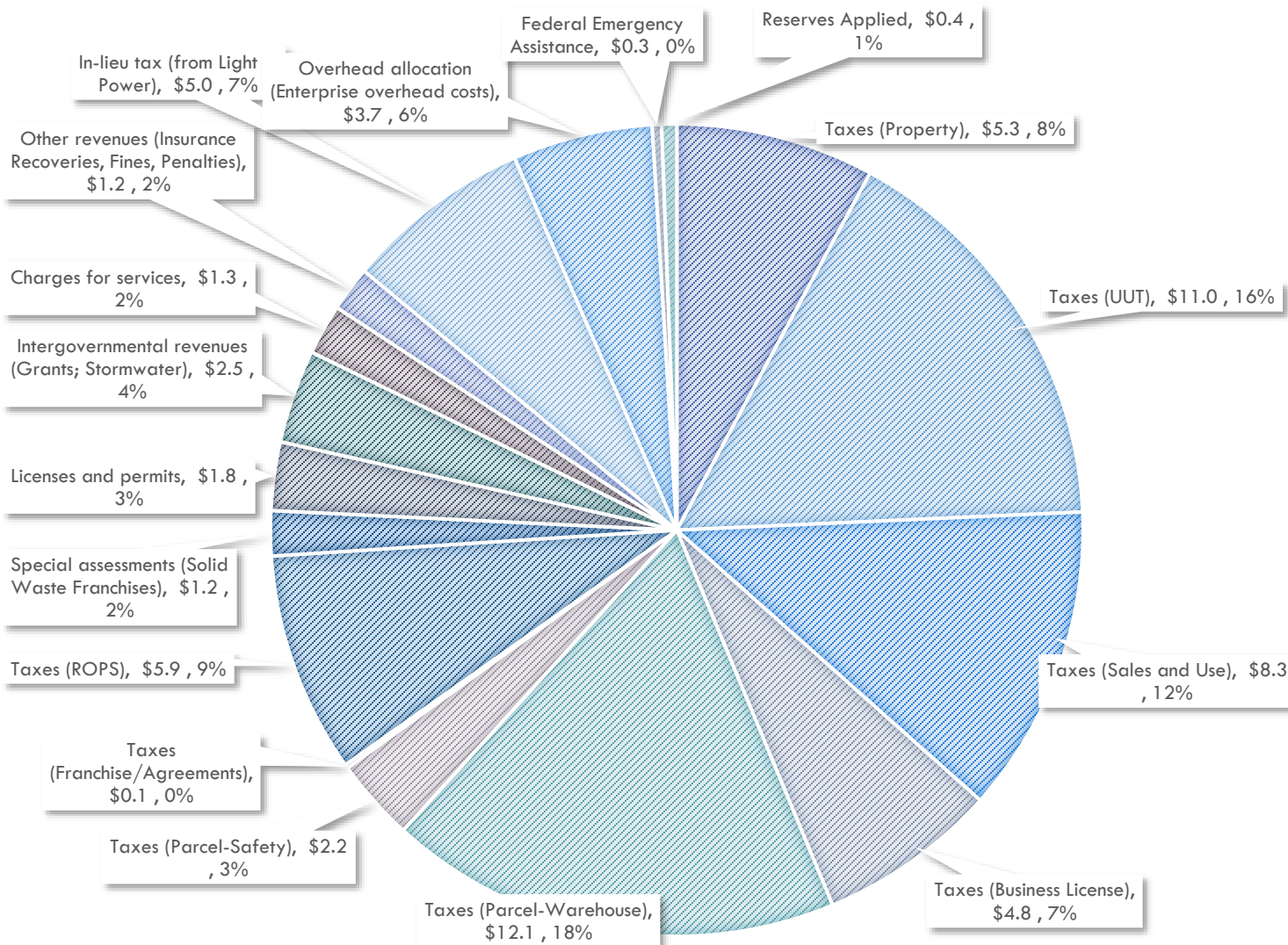
Successor Agency Fund

The Vernon Successor Agency Fund is a private-purpose Trust Fund. This fund reports the City's activities of the Dissolved Vernon Redevelopment Agency, which is now known as the Successor Agency. The revenue source comes from the State of California in the form of semi-annual payments in order to pay bond debt and other administrative expenses to settle the affairs of the dissolved Vernon Redevelopment Agency. The adopted budget for the FY 2020/2021 Successor Agency Fund is as follows:

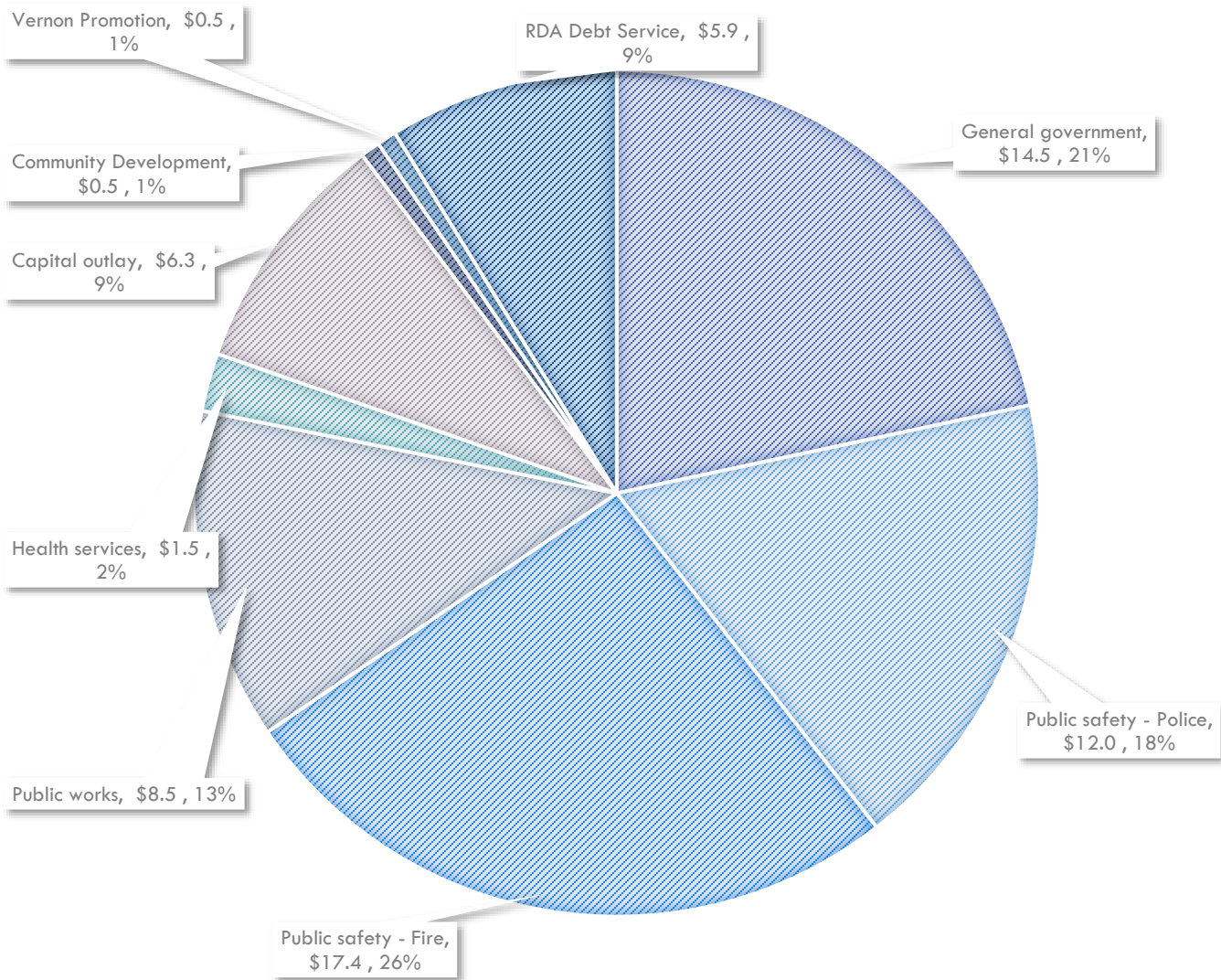
Operating revenues	\$5.9
Operating expenditures	\$5.9
Operating surplus (deficit)	\$0
Non-operating revenues (expenditures)	\$0
Extraordinary items	\$0
Net surplus (deficit)	\$0

The following pie charts demonstrate the City's Governmental Fund revenues and expenditures:

TOTAL REVENUES: \$67.2 M



TOTAL EXPENDITURES: \$67.2 M



The City operates with four Business-Type Funds, also known as **Enterprise Funds**, which account for functions of the Vernon Public Utilities Department. Enterprise Funds are used to report activities for which a fee is charged to external users for goods and services. These activities are comparable to a business enterprise that operates to earn a profit. However, in the City's case, any excess revenues earned are set aside in the reserves to meet future capital and operating requirements. The City uses Enterprise Funds to account for its Electricity, Gas, Water, and Fiber Optics activities.

Electric Fund

The Electric Fund has been established to account for the maintenance and operations of the City's electric utility plant and operations. Revenues come from charges for electricity services and energy trading activity. In addition, there is an extraordinary item of (\$6.1 million) budgeted as addition to reserves. The adopted budget for the FY 2020/2021 Electric Fund is as follows:

Operating revenues	\$218.5
Operating expenditures	\$213.6
Operating surplus (deficit)	\$4.9
Non-operating revenues (expenditures)	\$1.3
Extraordinary items	(\$6.1)
Net surplus (deficit)	\$0

Gas Fund

The Gas Fund has been established to account for gas utility operations. The City's gas customers receive natural gas purchased by the City, which is sourced from Southern California Gas Company and the open market. The natural gas is routed through the City's own natural gas pipelines which are equipped to serve customer requirements. Gas customers served by City infrastructure receive natural gas based upon rates established for cost recovery for the gas commodity, maintenance, and operations. The adopted budget for the FY 2020/2021 Gas Fund is shown below.

Operating revenues	\$14.1
Operating expenditures	\$14.0
Operating surplus (deficit)	\$0.2
Non-operating revenues (expenditures)	\$0
Extraordinary items	(\$0.2)
Net surplus (deficit)	\$0

Water Fund

The Water Fund accounts for maintenance and operations of the City's water utility system. Revenue for this fund is primarily derived from charges for water services. Under Proposition 218 and 26, the State of California precludes transfers of excess revenues as operating transfers. For FY 2020/2021, there is an extraordinary item of (\$1.6 million) budgeted as addition to reserves. The Water Fund budgeted to receive \$7.4 million in proceeds from long-term debt through a bond offering. The adopted budget for the FY 2020/2021 Water Fund is shown below.

Operating revenues	\$10.6
Operating expenditures	\$15.7
Operating surplus (deficit)	(\$5.2)
Non-operating revenues (expenditures)	\$6.7
Extraordinary items	(\$1.6)
Net surplus (deficit)	\$0

Fiber Optics Fund

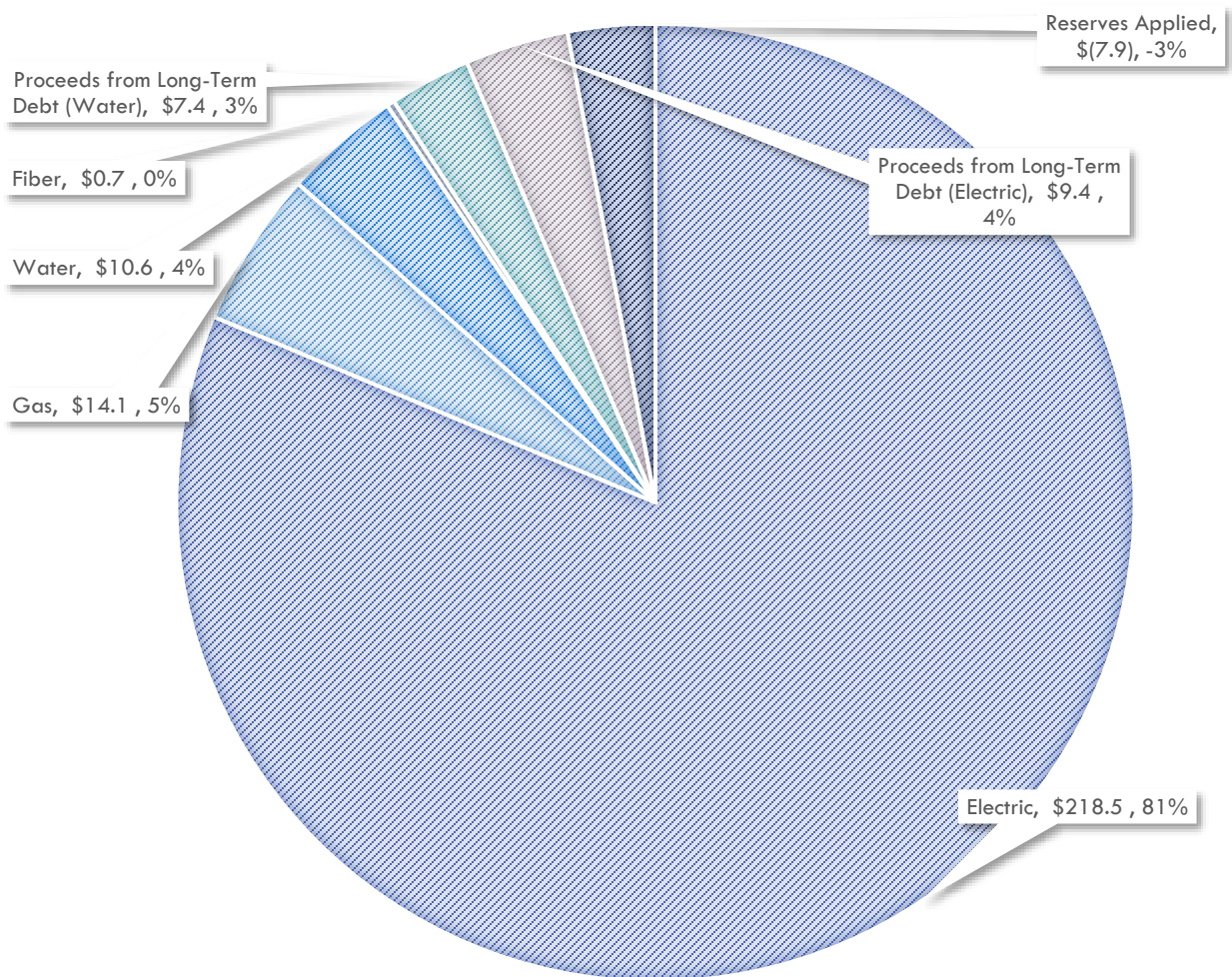
The Fiber Optics Fund accounts for maintenance and operations of the City's fiber optics utility system. Much like the Water Fund, revenue for this fund is primarily derived from charges for fiber optic services. The City's fiber optics system has been built to strategically address major customer needs. The adopted budget for the FY 2020/2021 Fiber Optics Fund is shown below.

Operating revenues	\$0.7
Operating expenditures	\$0.7
Operating surplus (deficit)	(\$0.0)
Non-operating revenues (expenditures)	\$0
Extraordinary items	\$0.0
Net surplus (deficit)	\$0

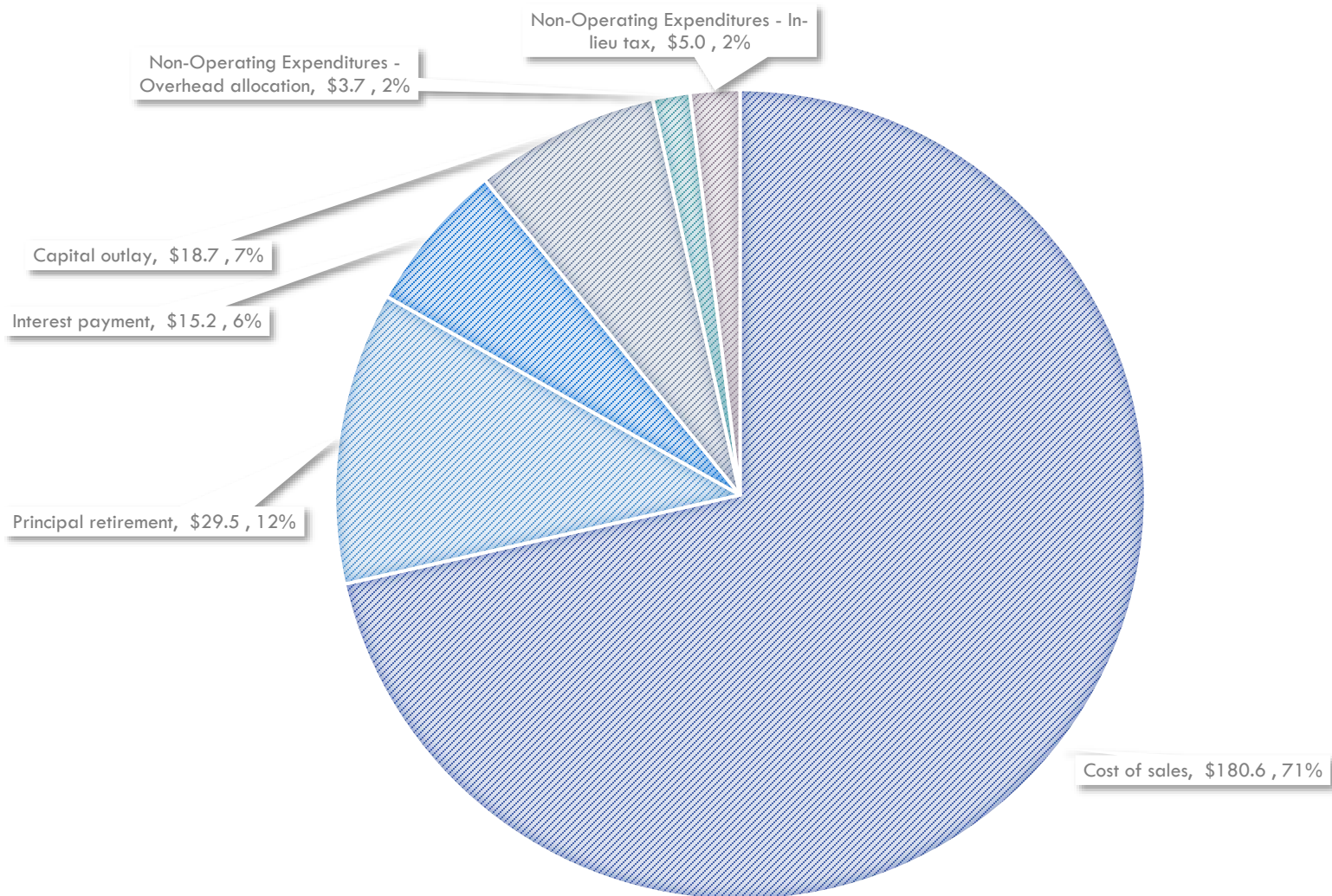
The following pie-charts demonstrate the City's Enterprise Funds budget by detailing anticipated revenues and budgeted expenditures during FY 2020/2021:



TOTAL REVENUES: \$252.8 M



TOTAL EXPENDITURES: \$252.8 M





The **Governmental Funds** Budget consists of two types of Government activities: General Fund and Successor Agency Fund. The total budgeted net increase for the year is \$1.9 million.

Fiscal Year 2020/2021 Governmental Funds Budget

	General Fund	Successor Agency Funds	Governmental Funds Total
Total Operating Revenues	\$51,877,148	\$5,911,113	\$57,788,261
Total Operating Expenditures	\$61,301,835	\$5,911,113	\$67,212,948
Net Operating Increase (Decrease)	(\$9,424,687)	-	(\$9,424,687)
Total Non-Operating Revenues (Expenditures)	\$8,733,862	-	\$8,733,862
Total Extraordinary Items	\$690,825	-	\$690,825
Net Increase (Decrease)	-	-	-

A summary of the overall City budget reflects that a balanced budget was approved, with an addition to reserves of \$7,173,789.

For further detail on the Governmental Funds and Business-Type Funds, please refer to Appendix II of the Budget Book.



A summary of the FY 2020/2021 Adopted City Budget which includes Government Activities and Business Activities can be found below.

CITY OF VERNON
Fiscal 2020-2021 Final Budget Summary as of May 14, 2020
Cash Basis

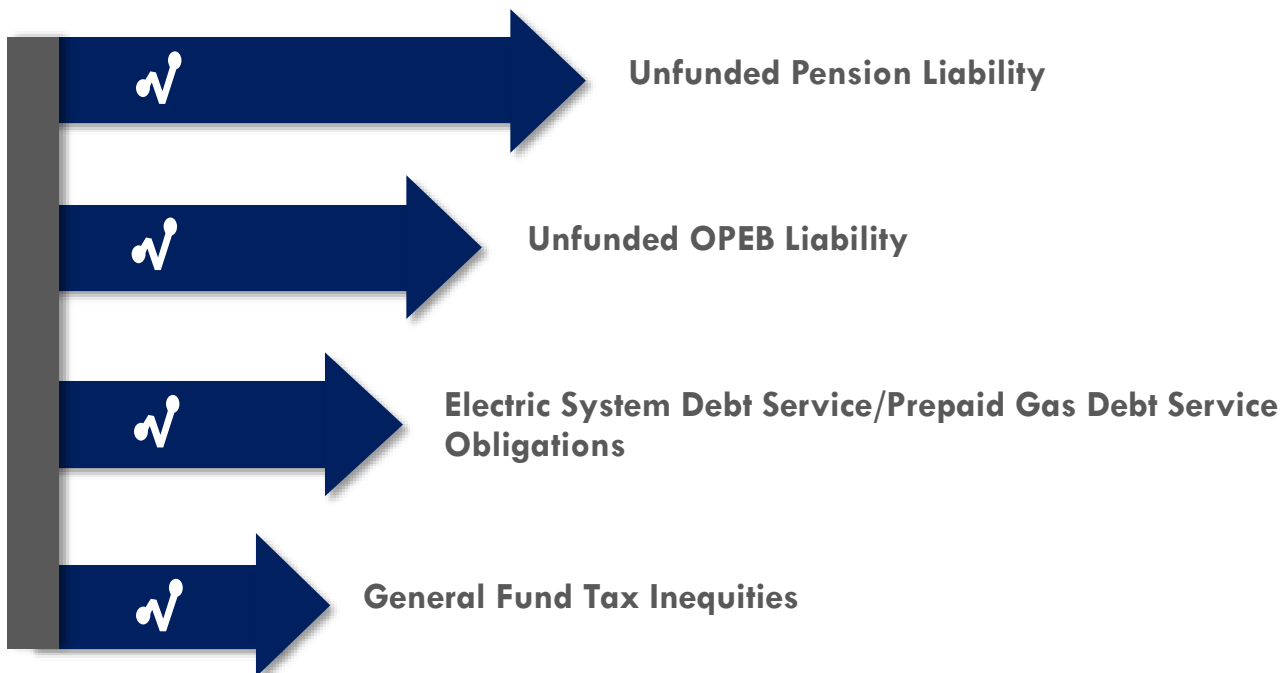
	Governmental Funds			Business-Type Funds					City-Wide Total	Note
	General Fund	Agency Funds	Successor Governmental Funds Total	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Business-type Funds Total		
Operating revenues										
Taxes	43,760,295	5,911,113	49,671,408	-	-	-	-	-	49,671,408	
Special assessments	1,205,000	-	1,205,000	-	-	-	-	-	1,205,000	
Licenses and permits	1,831,367	-	1,831,367	-	-	-	-	-	1,831,367	
Fines, forfeitures and penalties	199,788	-	199,788	-	-	-	-	-	199,788	
Investment income (loss)	86,700	-	86,700	1,000,000	-	-	-	1,000,000	1,086,700	
Intergovernmental revenues	2,501,820	-	2,501,820	-	-	-	-	-	2,501,820	
Charges for services	1,348,724	-	1,348,724	217,453,351	14,133,775	10,556,377	700,000	242,843,503	244,192,227	
Other revenues	943,454	-	943,454	-	-	-	-	-	943,454	
Total operating revenues	51,877,148	5,911,113	57,788,261	218,453,351	14,133,775	10,556,377	700,000	243,843,503	301,631,764	
Operating expenditures										
General government	14,546,841	250,000	14,796,841	-	-	-	-	-	14,796,841	
Public safety - Police	11,968,703	-	11,968,703	-	-	-	-	-	11,968,703	
Public safety - Fire	17,449,210	-	17,449,210	-	-	-	-	-	17,449,210	Half-Year City of Vernon Fire & Half-Year LA County
Public works	8,513,946	-	8,513,946	-	-	-	-	-	8,513,946	
Health services	1,490,775	-	1,490,775	-	-	-	-	-	1,490,775	
Community promotion	500,000	-	500,000	-	-	-	-	-	500,000	
Community development	500,000	-	500,000	-	-	-	-	-	500,000	
Principal retirement	-	3,105,000	3,105,000	29,520,000	-	-	-	29,520,000	32,625,000	
Interest payment	-	2,556,113	2,556,113	15,208,498	-	-	-	15,208,498	17,764,611	
Capital outlay	6,332,360	-	6,332,360	10,707,000	270,000	7,376,685	300,000	18,653,685	24,986,045	
Cost of sales	-	-	-	158,166,930	13,692,225	8,343,537	431,837	180,634,529	180,634,529	
Total operating expenditures	61,301,835	5,911,113	67,212,948	213,602,428	13,962,225	15,720,222	731,837	244,016,712	311,229,660	
Net operating surplus (deficit)	(9,424,687)	-	(9,424,687)	4,850,923	171,550	(5,163,845)	(31,837)	(173,209)	(9,597,896)	
Non-operating revenues (expenditures)										
Proceeds from long-term debt	-	-	-	9,395,000	-	7,376,685	-	16,771,685	16,771,685	
In-lieu tax transfer in (out)	4,995,000	-	4,995,000	(4,995,000)	-	-	-	(4,995,000)	-	
Overhead allocation in (out)	3,738,862	-	3,738,862	(3,140,632)	-	(598,230)	-	(3,738,862)	-	
Total non-operating revenues (expenditures)	8,733,862	-	8,733,862	1,259,368	-	6,778,455	-	8,037,823	16,771,685	
Extraordinary items										
Estimated Fed/State assistance	250,000	-	250,000	-	-	-	-	-	250,000	Pending Federal assistance
Reserves applied	440,825	-	440,825	(6,110,291)	(171,550)	(1,614,610)	31,837	(7,864,614)	(7,423,789)	
Total extraordinary items	690,825	-	690,825	(6,110,291)	(171,550)	(1,614,610)	31,837	(7,864,614)	(7,173,789)	
Net increase (decrease)	-	-	-	-	-	-	-	-	-	

Budgetary Challenges

There are major factors that have an impact on the City and each are considered when planning begins for the new fiscal year budget. The diagram below is a summary of the elements that have been considered in this year's budget development process. The City's goal has been to define a balanced budget and enact strategies that will enhance fiscal stability and sustainability.

General Fund

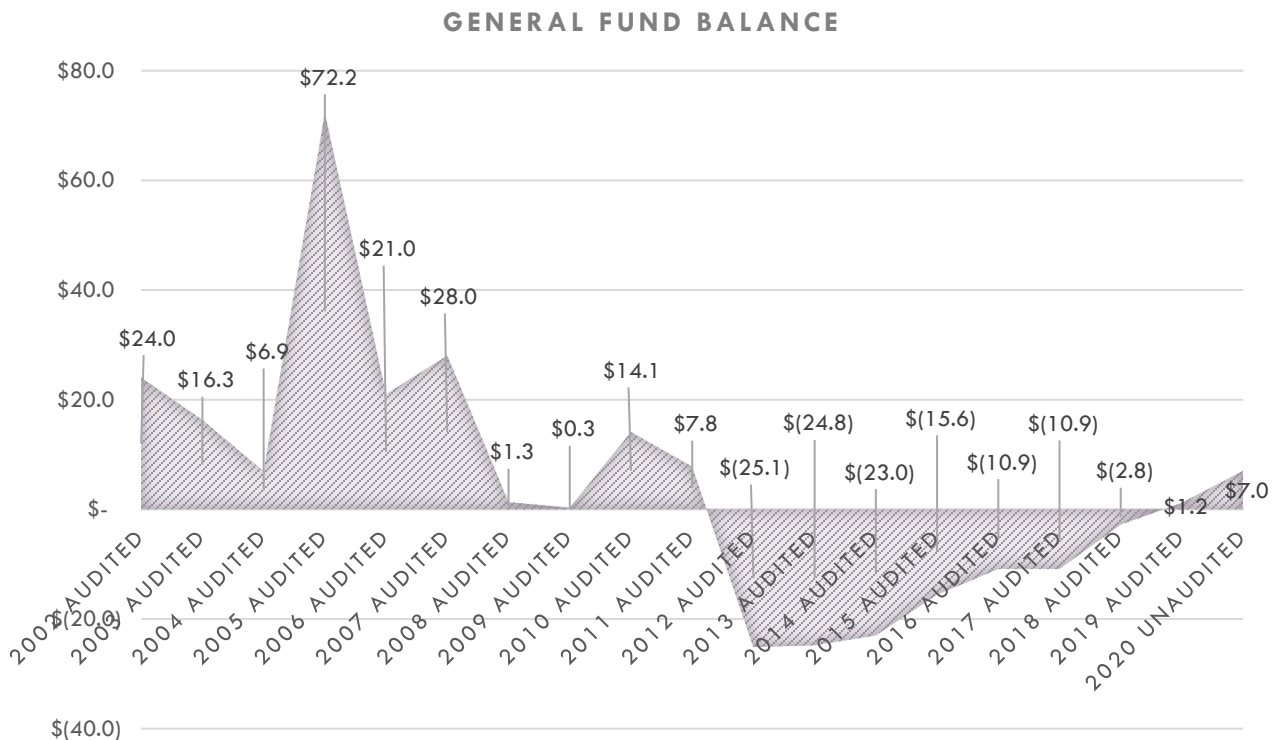
The voters of Vernon passed Measure V in April 2020. This measure adds a transactions tax rate of three-quarters of one percent (0.75%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the incorporated territory of the City. The proceeds from the transactions and use tax shall be deposited in the general fund of the City and available for any lawful governmental purpose will go into effect October 1, 2020. The tax measure helps to address the following shortcomings:



- Vernon Municipal Code Chapter 8.3 requires that tax revenues be generated to fund governmental expenditures
- Historically, tax revenues have not been sufficient to meet governmental expenditures
- In previous years, there was a reliance on Public Utility excess revenue transfers. Measure R, approved in April 2018, has alleviated the need for these transfers; however, the measure has a ten-year sunset
- Fiscal year 2019 was the first since 2011 that the City did not have a structural deficit. This has allowed for reserves; however, fiscal year 2020/2021 will bring economic challenges not experienced since the Great Recession of 2008.



Traditionally, the City has operated with a structural deficit; nevertheless, the City has vastly improved its situation in recent years. As you can see from the chart below, the City has achieved major strides to reduce the overall deficit by increasing revenues and controlling City costs. In FY 2018/2019, the City General Fund was able to operate in a self-sustaining manner and even add to reserves.



Over the course of several years, the City was able to lower the deficit through three revenue generating measures - K, L, and M. Measures L & M will sunset in 2023 and will need to be re-examined at that point in time. The UUT that was approved by voters in April 2018 has effectively halted the need for transfers from the enterprise fund moving forward, and the revenues generated have offset the structural deficit in the general fund. Although the City has stabilized its general fund in the short term with the passage of Measure R, long term planning continues. As noted above, Measures L & M will sunset in 2023. Measure R will also sunset in 2028. The new Transactions and Use Tax will add to General Fund revenues and does not have a sunset; although, the potential impacts of this revenue might not be seen in the immediate future due to decreased consumer spending as a result of the ensuing economic impacts of the coronavirus outbreak. City officials are in pursuit of additional revenue streams for the City that will work to sustain a prosperous future.

Unfunded Pension Liability

Unfunded pension liability has been a major challenge to the development of a budget over many years. Due to the adoption of an early retirement program in 2012 via City Council Resolution and less than forecasted performance of the pension fund managed by CalPERS, Vernon (along with

most municipalities), has been pressed to analyze viable solution(s) to remedy this deficiency. The pension liability challenges currently facing the City can be summarized as follows:

- The City has been paying the pension cost as required by CalPERS
- CalPERS has not always been able to achieve their forecasted rate of return due to market conditions and investment portfolio decisions
- CalPERS projected portfolio earnings has been 7.5% with actual rates of return over the last ten years at 4.7%, thus creating a shortfall
- The City is required to pay the difference between what CalPERS earns on the investments and any shortage that occurs due to actual performance

In FY 2019/2020, the City funded \$8.2 million and in FY 2020/2021, anticipates that it will be funding a total of \$9.1 million. Based on the City's unfunded pension liability of \$134.7 million as of June 30, 2019, there is potential for the structural deficit to climb without the implementation of mechanisms to offset the City's overall expenses. Each year CalPERS has been charging a greater pension fund rate to help reduce the unfunded pension fund liability.

Fiscal Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Miscellaneous	2.9	3.2	3.8	4.3	4.6	4.9
Safety	5.3	5.9	6.6	7.2	7.6	7.9
Total	8.2	9.1	10.4	11.5	12.2	12.8
	\$1.4	\$0.9	\$1.3	\$1.1	\$0.7	\$0.6
% Increase	20.6%	11.0%	14.3%	10.6%	6.1%	4.9%

Other Post-Employment Benefits (OPEB)

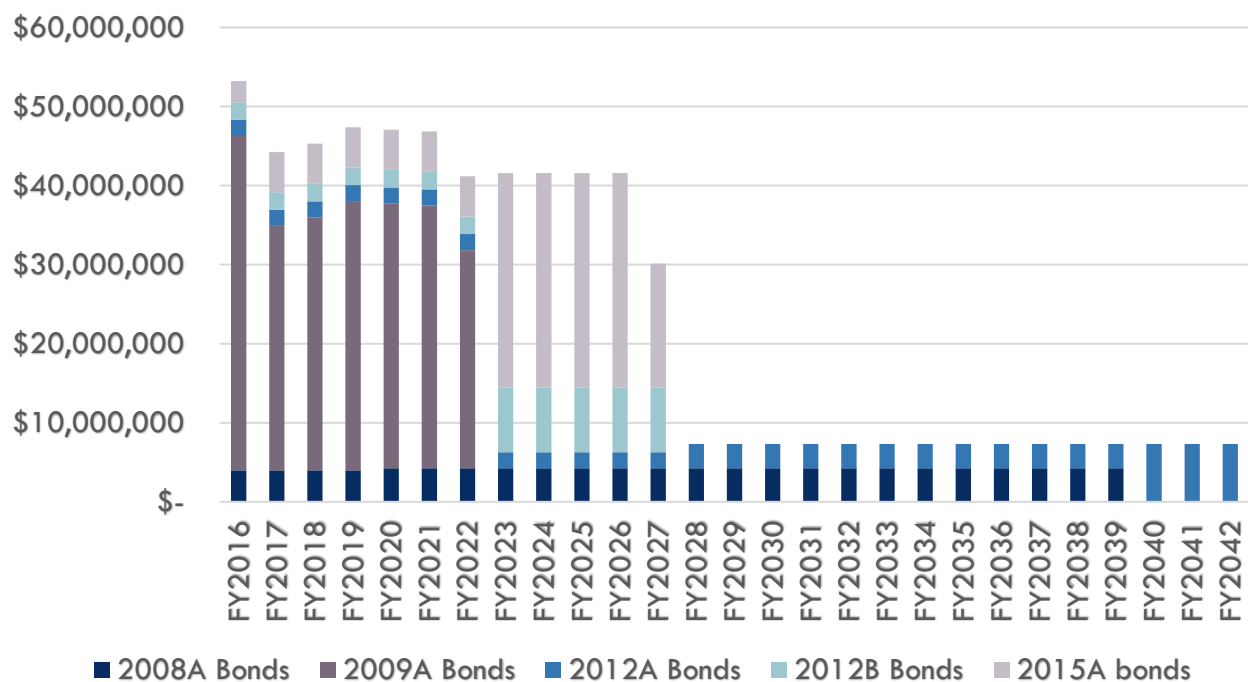
Another major factor impacting the City is the cost associated to post-employment benefits other than pensions. As of June 30, 2020, the City's unfunded OPEB liability was \$21.9 million. The unfunded liability is the result of the 2013 negotiated MOU changes which were passed by City Council Resolution, an early retirement package offered to long-standing employees in 2012, and longer life expectancy of those in retirement receiving such benefits.

Electric System and Pre-Paid Gas Debt Service Obligations

A series of investments in the City's past have impacted its current standing as it relates to debt service obligations. In order to accommodate its debt, the City has been required to monitor its budget carefully. The outlook on the horizon is more positive, but other obligations that have come to light (i.e. OPEB) must be considered as the City journeys toward the future. City staff continues to make strides toward addressing debt and was able to refinance bonds in 2015 to improve the

City's cash flow for operations and to obtain a lower interest rate. The City will continue to monitor bond financing rates for further financing opportunities that would positively impact the stability of the City's financial status.

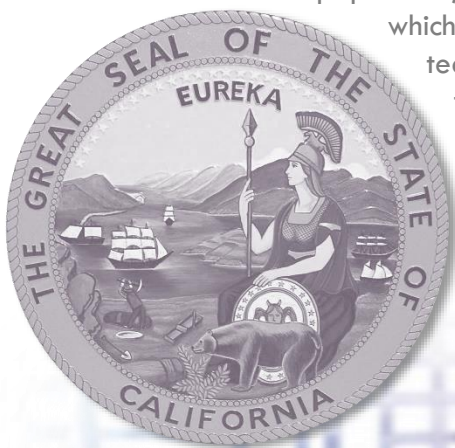
As the chart below indicates, debt continues to present a challenge to the City for the next several years. Some relief is anticipated beginning in the year 2027 as the existing contractual obligation matures.



General Fund Tax Inequities

Despite having over 1,800 businesses in residence with a large employee workforce, the City faces financial challenges due to its small residential population. Formulas to calculate tax revenues from various state and/or countywide measures are often based upon residential population calculations rather than business activity. The City of Vernon is unique in that its large daytime workforce population, estimated to be 50,000, varies significantly from its 250+ residents, which adversely impacts its funding with no consideration for the wear and tear on streets, and/or the economic contributions of its industrial base to the Southern California region. By in large, Vernon receives a lower than average share of LA County property taxes, sales tax, transportation revenues, as well as state subventions such as motor vehicle fees.

The examples below detail many of the tax inequities that affect the City.



- Los Angeles County Property Taxes: Cities average 10.6 cents per dollar collected while Vernon's share is 7.28 cents per dollar, which equates to a shortfall of \$2.0 million per year for Vernon when compared to the average received by other cities
- Sales Tax: Vernon's industrial nature limits its ability to collect sales tax revenues from retail sales operations (Vernon ranked 44th amongst 89 Los Angeles County cities for the second quarter of 2019)
- State Subventions: Revenues from Motor Vehicle License Fees, Motor Vehicle Fuel Tax, Citizens Option for Public Safety (COPS), Proposition 172 – Public Safety Sales Tax, Homeowners Property Tax Relief Reimbursement, and other state mandated reimbursements have little impact on the City which collects approximately \$0.1 million annually



Conclusion

Multiple strategies were discussed during the City's budget development phase and several have been integrated into Vernon's FY 2020/2021 Adopted Budget. Considerations such as those itemized below have driven, and will continue to drive, City-wide processes related to fiscal management, transparency, accountability, and sustainability.

Structural Efficiency Strategies

- ✓ Certain business license revenues previously recorded in the Health Department were transferred to the Finance department to consolidate monitoring and collection of all business license tax under one department. Additionally, expenditures previously recorded under Police department's budget for community outreach were transferred to the Community Development department to be more in line with the department's goals and functions.

Revenue-Centric Strategies

- ✓ Conduct updated Fee Study to optimize revenue generation for City services
- ✓ Continued focus on economic development and partnerships with sales tax generating businesses

Addressing the Structural Deficit

- ✓ Control spending and future commitments to spend by considering overall financial impact as opposed to fiscal impact
- ✓ Be proactive, not reactive



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- Proactive measures to be taken as outlined in the Budget Procedures of the City's Budget Policies and Procedures Manual include:
 - Step 1: Develop Long Term Goals
 - Step 2: Develop a Financial Plan
 - Step 3: Update Operational Plan
 - Step 4: Clear, concise, timely, understandable, and transparent Method(s) of Communication

CITY COUNCIL

Mission Statement

The City Council is committed to providing exceptional service to the Vernon community, preserving and enhancing the City's economic prosperity, maintaining the vitality of the industrial engine that is an integral component to the Southern California economy, and ensuring safety for all those within City boundaries.

About City Council

Vernon's City Council serves as the elected legislative and policy-making body of the City of Vernon. Their primary function is to direct any actions necessary to provide for the general welfare of the community through appropriate programs, services and policies. As an example of their many important duties, the City Council reviews and adopts the operating budget; and through the City's budgetary process, welcomes feedback from the public as a standard practice for its adoption. The City Council is comprised of five members, serving staggered five-year terms. One Council member is elected by the public each year.

Objectives

- ✓ Provide legislative policy directives for City programs and services
- ✓ Approve programs and policies that are in the best interest of the City's socio-economic development
- ✓ Represent the interests of Vernon residents and businesses at various levels of government
- ✓ Encourage cooperation and communication among community leaders, residents, and businesses
- ✓ Work to maintain high quality City programs and services
- ✓ Work closely with the Southern California Area Governments (SCAG), League of California Cities, California Contract Cities, Gateway Cities, and other like organizations to focus attention on problems facing local government in the Southeast area

Changes From Prior Year

City Council salaries have increased slightly, but costs associated to benefits have decreased. The overall budget for the new fiscal year has been reduced by approximately \$4,000. When there is an opportunity identified that allows for cost savings, it is consistently leveraged.

CITY COUNCIL	FY2020 Budget	FY2021 Budget	Increase (Decrease)
SALARIES	\$146,349	\$152,217	\$5,868
BENEFITS	\$61,579	\$67,671	\$6,092
SERVICES/SUPPLIES	\$39,984	\$39,984	\$0
TOTAL EXPENDITURES	\$247,912	\$259,872	\$11,960

CITY ADMINISTRATION

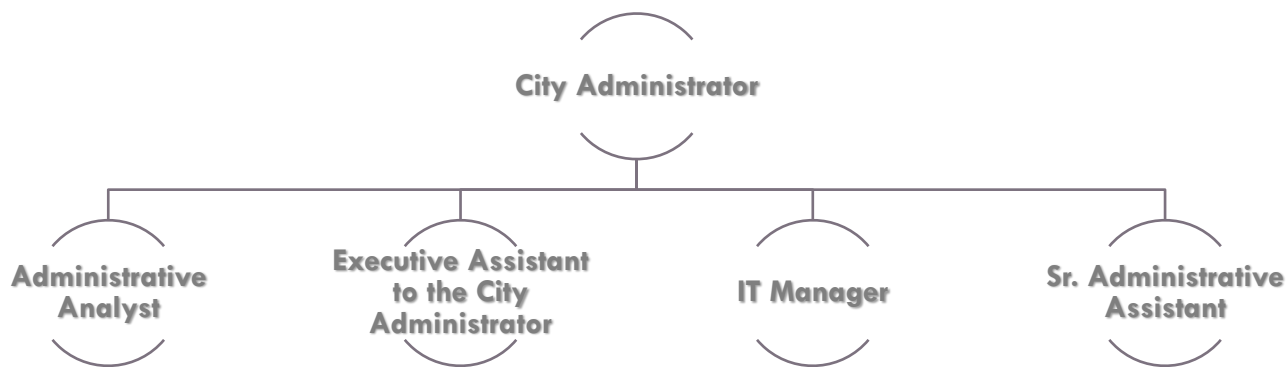
Mission Statement

The City Administration Department is committed to overseeing and effectuating the proper, efficient, and cost-effective management of all affairs of the City, and providing essential information to the City Council to enable their execution of well-advised decisions on City related matters.

About City Administration

City Administration is managed by the City Administrator who is the chief administrative officer of the City. Appointed by the City Council, the City Administrator leads the department's professional staff in the administration of various City related services and activities as directed by the City Council and in accordance with the City's Municipal Code, City policies, and management procedures. City Administration coordinates with Department Heads the implementation of official policies to meet the needs of those who live and work in the City of Vernon.

The department provides City Council with complete and impartial information, ensures that all City departments achieve their program objectives, and develops Citywide strategies to guide the City's long-term development.



Organization

Changes From Prior Year

CITY ADMINISTRATION	FY2020 Budget	FY2021 Budget	Increase (Decrease)
SALARIES	\$570,062	\$596,747	\$26,685
BENEFITS	\$295,607	\$259,838	(\$51,262)
SERVICES/SUPPLIES	\$78,871	\$128,371	\$49,500
TOTAL EXPENDITURES	\$944,540	\$984,956	\$24,923

The City Administration Department continues to make strides toward streamlining processes and reducing expenditures. A conscientious approach to establishing a realistic budget is important to the department and to the City. As a result, expenses have been analyzed and reduced to alleviate excess spend in the department, with an overall increase of just under \$25,000 for fiscal year 2020/2021.

Department Highlights

- ✓ Continued popular outreach to Vernon and neighboring communities in fiscal year 2019/2020:
 - Annual Spring Egg-Stravaganza in March
 - Family Game Night summertime outreach event in August
 - Annual Spooktacular Halloween in October
 - Huntington Park Holiday Parade in December
- ✓ Active City promotion and communication via City website and social media channels
- ✓ Continued Vernon CommUNITY Fund program to support the Vernon Area and, in early 2020, focus shifted to address immediate needs related to the pandemic
- ✓ Continued evaluation of Citywide/Departmental efficiencies and optimization of resources
- ✓ Prompt prioritization of programs and services in the last quarter of the fiscal year to aid the community during the pandemic
- ✓ Coordination of fluid City response to outbreak of pandemic including:
 - Dissemination of educational materials
 - Distribution of face coverings
 - Use of a multitude of communication tools to maintain sufficient flow of information during the ever-evolving emergency

Goals

- ✓ Continue to support community during the pandemic with a coordinated Citywide effort
- ✓ Partner with City Council to identify specific goals for the new fiscal year and work to accomplish their various objectives
- ✓ Continue to explore opportunities to bring new revenues to the City
- ✓ Continue to evaluate Citywide efficiencies and optimize resources
- ✓ Continue to reinforce positive reputation of the City
- ✓ Continue to increase community engagement; connecting virtually with residents and businesses during the pandemic and beyond
- ✓ Maintain “Community Development” program with focus on Vernon residential population
- ✓ Leverage community partnerships to provide access to social, educational, and recreational program offerings to aid during the pandemic and beyond

CITY ATTORNEY'S OFFICE

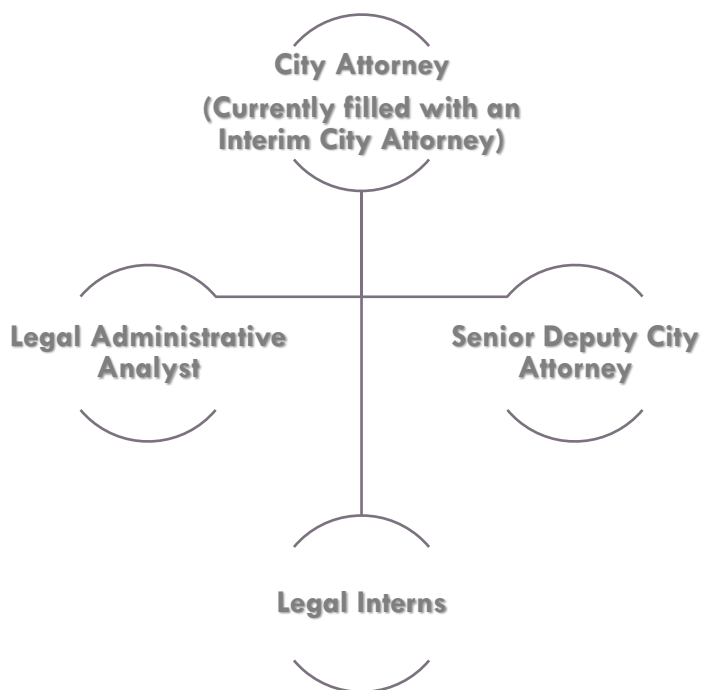
Mission Statement

The mission of the City Attorney's Office is to provide excellent and ethical legal advice, effective legal representation, and other quality legal services for the City Council, City officers, and City employees in order that they may lawfully attain the City Council's goals and other department program outcomes without undue risk.

About the City Attorney's Office

The City Attorney's Office provides legal advice and serves as counsel to the City's elected and appointed public officials, departments and authorities, boards, commissions, and committees. The attorneys in the Office are recognized for their knowledge and expertise in municipal law, civil rights and tort litigation, government contracting and procurement, land use, and labor and employment, among other practice areas.

Organization



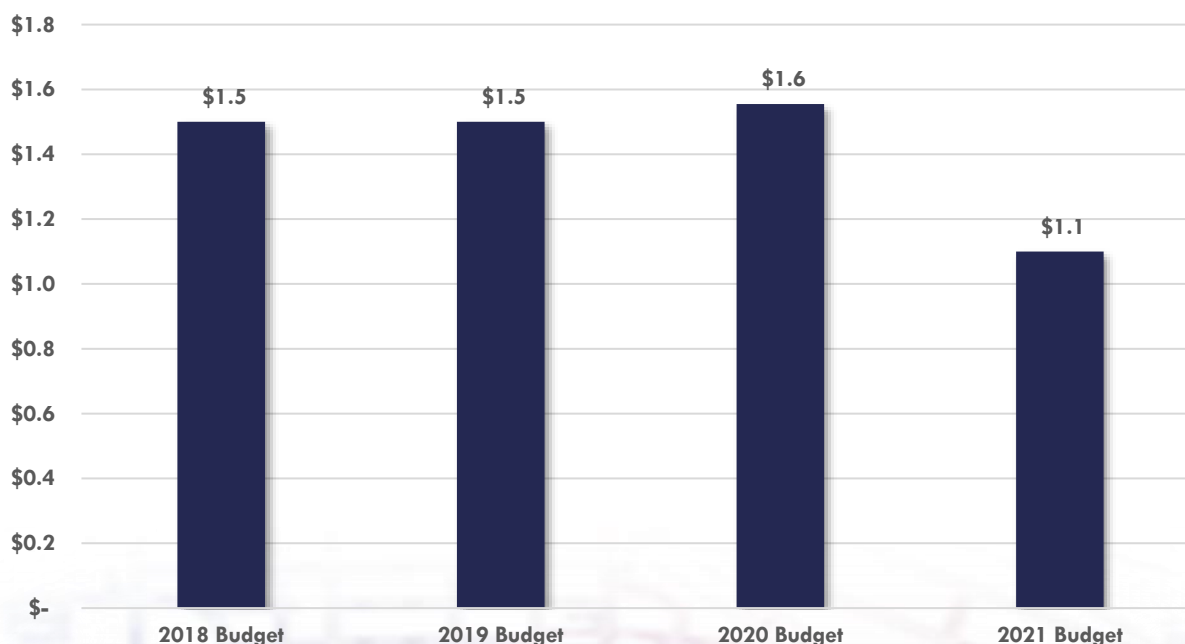
Changes from Prior Year

The City Attorney's Office underwent major changes recently at the direction of City Council, with a shift to a contracted Interim City Attorney and reduction of internal department staff from a full-time City employee City Attorney, two Senior Deputy City Attorneys to one position, with the Legal

Administrative Analyst continuing to support the in-house attorney and contract Interim City Attorney. During this fiscal year, the City Council will evaluate the savings achieved by the hybrid system of both contract and in-house attorney services. The City Attorney's Office and staff remains committed to providing the City with the highest levels of service while reducing expenditures and taking a conscientious approach to spending at all times. The chart on the next page summarizes the City Attorney's Office budget for fiscal year 2020/2021.

CITY ATTORNEY'S OFFICE	FY2020 Budget	FY2021 Budget	Increase (Decrease)
SALARIES	\$785,281	\$309,480	(\$475,801)
BENEFITS	\$342,808	\$170,989	(\$171,819)
SERVICES/SUPPLIES	\$427,500	\$653,500	\$226,000
TOTAL EXPENDITURES	\$1,555,589	\$1,133,969	(\$421,620)

Year after year, the City Attorney's Office has reduced costs without impacting service levels. The Office is committed to handling the legal needs of the City in-house to the greatest extent possible and, as a result, has eliminated excess expenses related to outside legal fees. The expertise amongst staff in the City Attorney's Office is broad and comprehensive. The City Attorney's Office



is readily available to coordinate with City staff to ensure that areas of concern and/or ambiguity are identified and any legal issues are addressed rapidly and efficiently.

Department Highlights

- ✓ Renewed commitment to providing City staff and officials with the highest levels of legal service and collaboration, recognizing that they are internal clients for whom we provide a key service
- ✓ Continued to decrease our reliance on outside counsel/manage City-wide legal expenses
- ✓ Continued to increase our efficiency and productivity and provide sound legal advice and facilitate solutions and preventions
- ✓ Maintain in-house legal library of form templates, documents, and cheat sheets
- ✓ Provided in-house legal training on various legal/compliance related issues
- ✓ Continued to increase revenues and decrease expenditures to the City through negotiations, favorable contract terms, settling claims against the City and receiving revenue recoveries to settlements owed to the City, and prevailing in legal matters, etc.
- ✓ Continued to provide leadership in institutionalizing the Good Governance Reform efforts (drafting/reviewing City ordinances, resolutions, and agreements)
- ✓ Continued to advocate for the City's interests in all legal proceedings and otherwise

CITY CLERK'S OFFICE

Mission Statement

The Office of the City Clerk is committed to serving and supporting the Public, City Council, other City Council appointed governing bodies, and City Staff with a high standard of service in the management, preservation of, and accessibility to the official City records and legislative actions; administering and conducting elections ensuring the integrity of the democratic process; and providing these services efficiently with the utmost professionalism, and a commitment to open and transparent governance.

About the Office of the City Clerk

The Office of the City Clerk is responsible for complete public meeting support and processing services for the City Council and the following appointed governing bodies:

- Vernon Housing Commission
- Vernon Business and Industry Commission
- Vernon CommUNITY Fund Grant Committee
- Green Vernon Commission
- Successor Agency to the Redevelopment Agency
- Board of Library Trustees

The Office of the City Clerk is also responsible for all official City records; maintaining the City's legislative history and the City's Municipal Code. The Office plans, coordinates, directs and conducts annual stand-alone City Elections (the City Clerk is the Elections Official); and oversees the processing of elected and appointed governing body members (City Clerk administers oaths and affirmations). The City Clerk serves as the City's Filing Official for Fair Political Practices Commission (FPPC) forms, manages Public Records Act requests and Subpoena processing, handles the acceptance of claims, and issues all public hearing and ordinance notifications. Collectively, these functions are performed in accordance with all applicable laws, codes, policies, and procedures. The Office is also an information resource and directory hub for the public, local businesses, and internal staff, and is committed to providing exemplary customer service to all.



Organization Changes from Prior Year

The Office of the City Clerk is continually working towards electronic workflows and electronic document retention, emphasizing efficient and effective processes. As a customer service-oriented office, Staff is constantly looking at new ways to enhance services to the public, as well as internal city staff.

CITY CLERK'S OFFICE	FY2020 Budget	FY2021 Budget	Increase (Decrease)
SALARIES	\$363,910	\$348,548	(\$15,362)
BENEFITS	\$141,725	\$155,152	\$13,427
SERVICES/SUPPLIES	\$93,000	\$92,500	(\$500)
TOTAL EXPENDITURES	\$598,635	\$596,200	(\$2,435)

The City Clerk Department's efforts in the area of Voter Outreach has led to a slight increase in the City's electorate, with the city seeing a voter participation rate of over 60% in the last municipal election (April 2020).

With full implementation of the City's Records Management initiative, there is an organized and structured process for records retention and disbursement throughout the City departments.

Department Highlights

- ✓ Full Implementation of the City's Records Management Program
 - Continuing Employee Development
 - Introduced best practices to reduce storage of paper records
 - Completed Records Retention Schedule Update
- ✓ Digitized Agenda Process – Granicus®
 - Continuing upgrades to the paperless agenda process
 - Increased efficiencies
- ✓ Leveraging Technology
 - Implemented Online Public Records Request System - GovQA®
 - Implemented Online Statement of Economic Interest Filing and Ethics Training System – SouthTech Systems by Granicus®
- ✓ Public Outreach
 - Conducted Elections 101 workshop

Goals

- ✓ Explore Opportunities to Enhance Department Services including:
 - Continued Department Outreach
 - Community (e.g. Vernon's Election Process)
 - Staff (e.g. various topic workshops)
 - Updating Procedures
 - Municipal Code Audit
 - Exploring Feasibility of New Public Services
 - Passport Service Center
 - Website Information Portal
 - Youth Civic Engagement
 - Library
 - Community Enrichment Programs
 - Leveraging technology
 - Upgrade to the City's website
 - ADA-compliant Digital posting board
 - Enhanced live-stream of City Council meetings

FINANCE

Mission Statement

The mission of the Finance Department is to develop fiscal policies that ensure a financially strong and effective city government; to implement financial policies and procedures that are consistently monitored and reviewed to maintain the financial integrity of the City and its related agencies; to be responsible for the overall financial management of the City; and to ensure that generally accepted accounting principles are followed and appropriate internal controls are in place to safeguard City assets.

About the Finance Department

The Finance Department is responsible for the overall financial management of the City. The department oversees and is responsible for the functions detailed below.

Annual City Budgets

The City's fiscal year begins on July 1st and ends on June 30th of the following year. The Finance Department coordinates the budget development, working closely with all departments. The City Administrator then submits a proposed budget to City Council for the ensuing year. After receiving the proposed budget, City Council holds a public hearing after statutory public notices are made by the City Clerk. Once the proposed budget is adopted by resolution on or before June 30th by the affirmative vote of a majority of the City Council, it becomes the final budget, which operates as appropriation of funds for the purposes set forth in the budget.

Cash and Investment Management

The City adheres to the California Government Code for the management of its cash and investments portfolio. On an annual basis, the City's written cash and investment policy is reviewed and approved by City Council. There is a full recognition of the importance of managing public funds and the need to be compliant with the State of California Government Code. The essential purpose of the City's investment program is to maximize interest income while preserving principal and maintaining sufficient liquidity to meet the City's expenditure obligations. The investment policy that has been adopted provides the parameters for investing the City's excess funds to achieve its goal, thereby providing important direction to City's management. The City's cash and investment policy improves the quality of decisions and demonstrates to rating agencies, the capital market, and the public that funds are well managed and suitable with the City's operating requirements and economic environment.

Annual Audited Financial Statements

The Finance Department is responsible for maintaining the City's financial records in accordance with the City's Records Retention Schedule. As part of this responsibility, it coordinates the External Auditor's requests for information and is the liaison with other City departments throughout the audit process. The Finance Department prepares the Annual Financial Report for the External Independent Auditor to audit and provide an opinion to City Council. The City's Annual Financial Report and the independent auditor's opinion are also filed with the following agencies as needed:



State Controller's Office, Los Angeles County Auditor-Controller, Municipal Securities Rulemaking Board, and Federal Audit Clearing House.

Purchasing

The Purchasing function is centralized in the Finance Department. It has the responsibility for the City's purchasing activity that is conducted pursuant to the Purchasing Policy adopted by City Council. The objective of the Purchasing function is fivefold:

- 1) Ensure that the City receives optimum value for all taxpayer funds when securing goods, material, equipment and services;
- 2) Ensure that the City obtains goods, materials, services and equipment from a variety of qualified sources;
- 3) Ensure that all City utility and municipal services function at the highest level possible and without any interruption;
- 4) Promote and protect the efficiency, quality, and integrity of the City's purchasing system; and
- 5) Establish processes which guard against favoritism and corruption in the expenditure of public funds.

Risk Management

The Risk Management function is tasked with the responsibility to minimize exposure to financial loss utilizing contractual risk transfer, insurance, and risk financing. Emphasis is on delivering risk management services in the most cost effective ways to help all City Departments meet their operational responsibilities and/or requirements. Its objectives are to develop policies, programs, and services that meet or exceed regulatory requirements in a cost effective manner.

Business Licenses

The Business License function has the responsibility of the billing and collection of over 1,800 business licenses on an annual basis. This is an important task since in order to conduct business within the City, every contractor, sole proprietor, or business entity must obtain a business license. All business licenses are paid in advance and are due prior to the commencement of business operations. The business license is valid for the calendar year, unless it is expressly stated that it is for an alternative duration of time. The business license tax amount is dependent upon the business classification and activity level. Renewals are done annually with renewal notices being mailed in mid-November each year. Business license taxes are due by January 31st of each calendar years. Failure to remit the application and business license tax on or before the close of business on the first day of February will result in the assessment of a 10% penalty. Additional late penalties accrue at a rate of 10% per month, with a penalty cap at 50% of the business license amount owed. It is the sole responsibility of the business owner to make sure the business license is renewed annually.

Capital Asset Management

Capital projects have a major impact on the quality of City services, the community's economic vitality, and the overall quality of life. Each Department is responsible for maintaining the records and support of its capital assets for several major reasons including: planning; budgeting, project management; inspection; maintenance; insurance; salvaging; and reporting. Each of these are important factors of the City's long-term financial sustainability and vitality. Capital assets enable the City to deliver its services to its constituents while recouping the cost of those capital assets through user fees and taxes. The Finance Department assists the City Administration Department in coordinating the efforts above based on the Capital Asset Policy adopted by City Council.

Accounts Payable

The Finance Department is tasked with ensuring that the City pays its commitments timely and in accordance with contractual terms to ensure the ongoing health, safety, and welfare of its constituents so that ongoing operations are not impacted by late or missed payments. The City expends funds in accordance with appropriations set by City Council. As part of best practices, the Finance Department strives to support current operating expenditures with current operating revenues to ensure the budget is being followed. Budget-to-actuals variances are continuously monitored throughout the year. All vendors of the City are instructed to submit their invoices directly to Accounts Payable after the City's receiving departments confirm receipt of those goods and services. This is done to speed up processing time to ensure delinquencies and penalties are avoided. Timely payment processing helps to maintain a good credit rating and confidence with City vendors, suppliers, and consultants.

Accounts Receivable

Revenue generation is important in providing the foundation for a stable institution that can provide reliable services. The Finance Department plays an important role in the timely billing and collection



- **Annual Audited Financial Reports (General Public)**
- **Annual City Budgets (General Public)**
- **Annual Continuing Disclosure Reports (Bond Trustee & Bond Holders)**
- **City's Financial Transaction Report (State)**
- **Cost Study & General Fee Schedules (General Public)**
- **Government Compensation Reporting (State)**
- **Credit Rating Agencies (e.g. S&P and Moody's)**
- **Single Audit Reporting (Federal)**
- **Successor Agency Reporting (State and County)**

- **Accounts Payable**
- **Accounts Receivable**
- **Capital Asset Management**
- **Cash & Investment Management**
- **General Ledger**
- **Business Licensing**
- **Payroll**
- **Purchasing**
- **Risk Management (Insurance & Claims)**



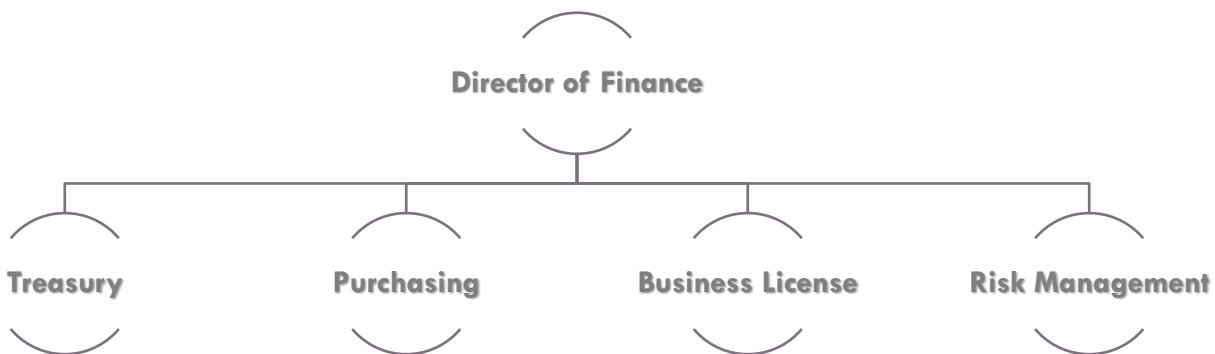
of these revenues. The City strives to create value for the public by keeping its revenues sources fair, consistent and competitive.

General Ledger

The Finance Department maintains the accounting general ledger of the City. The general ledger is the framework that houses the City's accounting transactions. The City has been using an Enterprise Resource Planning (ERP) system called Eden Financial Management Software Solutions developed by Tyler Technologies since fiscal year 2007. Tyler Technologies is a leading provider of integrated ERP systems and provides software and services to more than 11,000 local government offices throughout all 50 states, the US Virgin Islands, Canada, Puerto Rico, the United Kingdom and other international locations. At the end of each fiscal year, an external independent certified public accountant conducts an audit of the City's Annual Financial Report prepared by City's management under the direction of the City Administrator, Finance Director, and Vernon Public Utilities General Manager. As part of the process, the independent auditor is required to audit every general ledger account, including the accounts of all departments, which is used by management to prepare the annual financial report. The City's general ledger keeps track of all financial transactions using a double entry system. The cash accounts within the general ledger are also reconciled against the cash balances of financial institutions holding City funds on a monthly basis.

Grant Accounting

The Finance Department has been using Eden Financial Management Software Solutions (Eden), since fiscal year 2007. The Project Accounting Module within Eden allows the City to track grant activities by funding source and funds expended by phases, tasks, and subtasks as needed to ensure the City is compliant with its federal and state grant requirements. The information is managed in a manner to allow for timely reporting to granting agencies and management responsible for grant administration.



Organization

Changes from Prior Year

The Finance Department's operating budget consists of both revenues and expenditures. The revenues under the department's control are derived from both internal and external sources. The

expenditures are internally generated consisting of labor, benefits, supplies, and services. The fiscal year 2020 budgeted revenues are \$35.3 million versus fiscal 2019 budgeted revenues of \$39.2 million. There is a decrease in revenues of \$3.9 million when comparing the two years. The decrease is mainly due to revenues being saved as reserves applied for future years. The fiscal year 2020 budgeted expenditures are \$3.4 million compared to \$3.3 million for fiscal year 2019. This increase of \$0.1 million is the result of merit step increases and cost of living adjustments. On the previous page is a summary comparing the Fiscal Year 2019 budget to the Fiscal Year 2020 budget.

The Finance Department has continued to be diligent in managing the expenditures budget. During the fiscal year 2019 the budget was \$3.3 million and actual expenditures were \$3.1 million.

FINANCE	FY2020 Budget	FY2021 Budget	Increase (Decrease)
TOTAL REVENUES	\$35,313,266	\$38,260,826	\$2,947,559
SALARIES	\$1,334,418	\$1,310,506	(\$23,912)
BENEFITS	\$562,287	\$602,019	\$39,732
WORKERS COMP	-	-	-
SERVICES/SUPPLIES	\$1,458,294	\$1,194,835	(\$263,459)
TOTAL EXPENDITURES	\$3,354,999	\$3,107,360	(\$247,639)

Department Highlights

The Finance Department has continued to meet its mission of providing timely, relevant and transparent financial information so that departments are able to make informed management decisions and stakeholders are kept apprised of the current state of financial affairs. The City has sound financial policies and procedures in place to ensure that best practices are being followed. Some of the more noteworthy highlights this past year include:

- ✓ Matters pertaining to the Successor Agency was handled by the Finance Department which entailed budgeting; preparing report submissions to the State Department of Finance; and the receipt of excess bond proceeds that will be distributed to the City to fund governmental capital assets and projects
- ✓ Increased reliance on technology has improved accuracy and efficiency, and resulted in productivity improvements, allowing staff size to be reduced from 20 fulltime personnel in 2008 to 12 budgeted positions - a decrease of 8 personnel equating to 40%



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- ✓ Internal operating efficiencies have continued to take place based upon an ongoing valuation of work practices that provides an avenue for employees to share ideas to help facilitate discussion and operating improvements
- ✓ Outstanding customer service is being provided to customers by the City's knowledgeable and helpful employees and greater use/access of technology through the development and placement of forms and applications online has enhanced customer satisfaction
- ✓ The duties of the Risk Manager were absorbed within the Finance Department by existing employees which has resulted in salary and benefit savings through deferring the hiring of a new Risk Manager; and the level of service has been preserved through training and utilization of the City's insurance broker who provides guidance on risk mitigation and claims matters which are being proactively administered
- ✓ Phase I of the City's Infrastructure Valuation Study has been completed with \$133.8 million of governmental infrastructure assets booked on the City's balance sheet

Goals

The Finance Department is an internal service department with the focus of providing financial information in a timely and useful manner in order for City Management to optimize financial decisions. Some of the key goals for 2020/2021 include:

- ✓ Lead the annual financial statement audit effort through providing timely, accurate and thoughtful responses to external independent auditor(s)
- ✓ Monitor bond ratings and provide information responses to rating agency inquiries that place the City in a favorable manner
- ✓ Assist Vernon Public Utilities with its debt management through monitoring the existing debt and identify refunding opportunities that will save interest expense and improve cash flow
- ✓ Assist Vernon Public Utilities while conducting its electric and water rate studies
- ✓ Maximize the interest and dividend income from the City's investment portfolio in accordance with the City's investment policy
- ✓ Finalize the Phase II of the City's Infrastructure Valuation Study to enable business-type capital assets to be recorded on the City's balance sheet
- ✓ Continue working diligently with the State Department of Finance to receive additional excess bond proceeds to be distributed to the City to fund governmental capital assets and projects

HEALTH & ENVIRONMENTAL CONTROL

Mission Statement

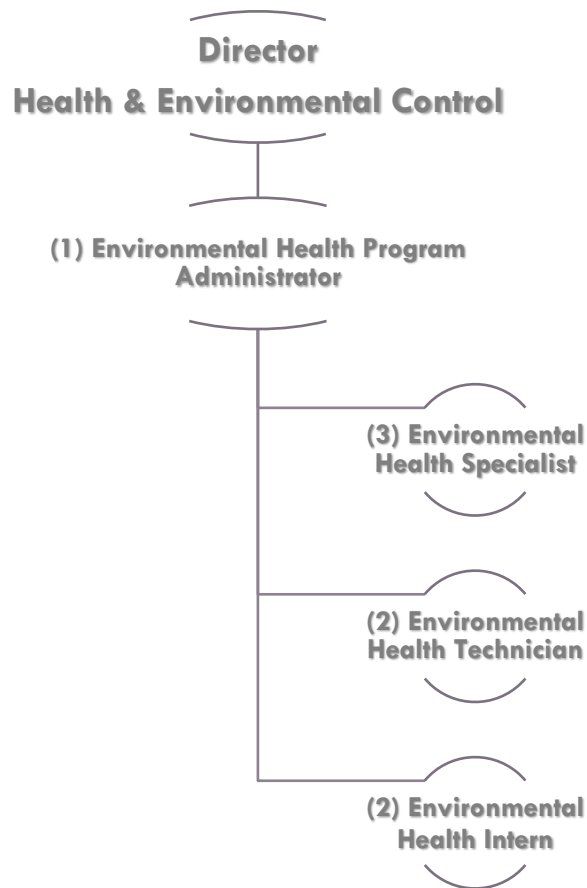
As one of only four cities in the state of California with its own health department, the Vernon Health & Environmental Control Department's mission is to work in partnership with City of Vernon business community and residents to assess environmental health risks; and to create a community-oriented solution that enhance the quality of life for all.

About the Health & Environmental Control Department

The Health and Environmental Control Department focuses on the interrelationships between people and their environments, promotes human health and well-being, and fosters healthy and safe communities. The Department serves the community by protecting public health through programs that reduce chemical and other environmental exposures in air, water, soil and food.

OBJECTIVES

- ✓ Complete mandated inspection for the following programs:
 - Certified Unified Program Agency (CUPA)
 - Retail and Wholesale Food Inspection Program
 - Garment Manufacturing Inspection Program
 - Solid Waste Inspection Program (Local Enforcement Agency)
 - Laundry and Wiping Rag Inspection Program
 - Cross Connection and Stormwater Program
- ✓ Administer the Animal and Vector Control Program
- ✓ Provide plan check review and inspection services
- ✓ Complete occupancy inspections
- ✓ Provide support for the Green Vernon Commission on sustainability issues
- ✓ Apply for and administer State grants



Organization

Changes from Prior Year

While the revenue source for the Health Department has stayed relatively stable over the years, the FY 2020-2021 budget reflects a significant decrease in revenue as a result of the transfer of business license revenues to the Finance Department. The annual business license revenues of approximately \$500,000 is not a fee for service, but a business operations tax, and is more appropriately allocated to the Finance Department.

It is also worth noting that the increase in expenditures in salaries and benefits as a result of the additional Environmental Health Specialist and Environmental Health Technician positions are offset by funding provided through Los Angeles County Measure W.

HEALTH & ENVIRONMENTAL CONTROL	FY2020 Budget	FY2021 Budget	Increase (Decrease)
TOTAL REVENUES	\$2,949,000	\$2,441,500	(\$507,500)
SALARIES	\$540,226	\$769,208	\$228,982
BENEFITS	\$255,017	\$380,367	\$125,350
SERVICES/SUPPLIES	\$627,626	\$341,200	(\$270,894)
CAPITAL	\$11,000	\$0	(\$11,000)
TOTAL EXPENDITURES	\$1,433,869	\$1,490,775	\$72,437

Department Highlights

- ✓ Conducted inspections, complaint investigations, education, and outreach relating to the COVID-19 pandemic.
- ✓ Conducted 1332 routine inspections and 18 complaint investigations of permitted businesses.
- ✓ Revised permit fees to align with services.
- ✓ Consolidated calendar and fiscal year health permit invoices into single billing cycle.
- ✓ Initiated implementation of Syncta data management system to efficiently manage backflow prevention devices testing results.
- ✓ Processed plan check submittals for food facilities, water wells, and underground hazardous material storage tanks.
- ✓ Facilitated 7 meetings with Vernon business operators to improve environmental compliance and enhance the quality of life in the community.
- ✓ Initiated annexation of the City of Vernon into the Greater Los Angeles County Vector Control District.

Goals

- ✓ Complete implementation of Syncta data management system
- ✓ Develop Stormwater and Cross Connection program
- ✓ Develop recycling program to meet Senate Bill 1383 mandates
- ✓ Develop program policies and procedures
- ✓ Standardize workflows to build efficiencies
- ✓ Engage with industry to build strong collaboration

HUMAN RESOURCES

Mission Statement

The Vernon Human Resources (HR) Department is responsible for benefits administration, workers' compensation, employee/labor relations, classification, recruitment and selection, and training and development. Additionally, HR is responsible for all safety programs. The Human Resources Department provides support to the various departments in hiring and retaining talented people who are self-motivated and strive to deliver a high quality of service.

About the Human Resources Department

The City's Human Resources Department maintains the integrity of the workforce. The department is designed to balance the concerns and operational activities of both the City, as the employer, and the employees. As an internal service partner, the Department engages City management providing direction and counsel regarding best employment practices and also provides support to City employees to assist them in the performance of their work. The professional staff is dedicated to creating a variety of programs, activities, policies, and procedures for City employees that are founded in sound principals and best HR practices, serving the organization as a whole.

Organization



Changes from Prior Year

Salaries and benefits reflect the majority of financial impact to the Human Resources Department budget for FY 2020/2021. The chart below summarizes the HR Department's budget.

HUMAN RESOURCES	FY2020 Budget	FY2021 Budget	Increase (Decrease)
TOTAL REVENUES	\$228,257	\$228,257	-
SALARIES	\$620,442	\$645,646	\$25,204
BENEFITS	\$2,435,017	\$3,513,573	\$1,078,556
SERVICES/SUPPLIES	\$343,440	\$305,890	(\$37,550)
WORKERS COMP	\$83,000	\$98,000	\$15,000
TOTAL EXPENDITURES	\$3,481,899	\$4,563,109	\$1,081,210

Department Highlights

- ✓ Conducted 19 recruitments
- ✓ Hired and promoted 20 City employees
- ✓ Reviewed and processed over 2,000 applications for employment
- ✓ Conducted classification and compensation studies of 55 job classifications
- ✓ Hosted Health and Wellness Fairs including health screenings for all employees
- ✓ Hosted 3 Employee Engagement Events
- ✓ Hosted 4 ICMA-RC Retirement Deferred Compensation Planning meetings
- ✓ Completed Training Needs Assessment survey

Goals

- ✓ Continue to provide and encourage industry leading Human Resources best practices
- ✓ Complete Citywide Harassment Prevention Training for all employees to conform to new legislative requirements
- ✓ Continue to implement paperless technology
- ✓ Continue employee engagement efforts
- ✓ Secure top talent to fill existing and anticipated leadership vacancies

INFORMATION TECHNOLOGY DIVISION

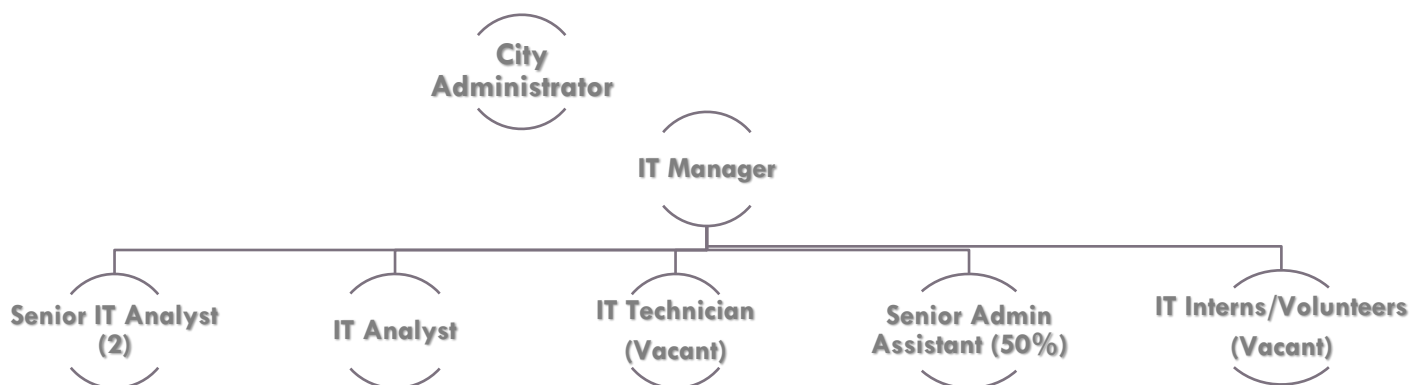
Mission Statement

The Information Technology Division will provide the highest quality-based services, in the most cost-effective manner, to facilitate the city's efficiency and reliable access to all information systems.

About the Information Technology Division

The Information Technology (IT) Manager reports directly to the City Administrator. He/she leads the Information Technology Division in the administration and management of the City's information networks which include all technology infrastructure, servers, user accounts, security, storage, e-mail, internet access, back-up and recovery, capacity planning and help desk support. Additionally, the Division is responsible for supporting remote access connectivity to authorized staff. The Division is responsible for the installation and maintenance of all computers and related equipment and providing support to staff who experience problems with computers, peripheral devices and software applications.

Organization



Changes from Prior Year

The division has a major increase in expenditures for FY 2020/2021, due to a financial system update to a new system. The cost of the new system will be approximately \$900,000. The new financial system will be hosted in the cloud and consolidate multiple systems used by multiple departments into one system. Also, as with many other departments, costs for salaries and benefits will also increase in FY 2020/2021. The overall impact to the division is a total increase of \$1,058,954. IT is committed to ensuring that service and performance of all technological systems are operating effectively and efficiently.

INFORMATION TECHNOLOGY	FY2020 Budget	FY2021 Budget	Increase (Decrease)
SALARIES	\$607,879	\$701,848	\$93,969
BENEFITS	\$236,904	\$309,639	\$72,735
SERVICES/SUPPLIES	\$1,261,225	\$1,425,475	\$164,250
CAPITAL	\$312,000	\$1,040,000	\$728,000
TOTAL EXPENDITURES	\$2,418,008	\$3,476,961	\$1,058,954

Department Highlights

- ✓ Completed Video Camera project for VG&E Remote Locations
- ✓ Currently implementing two factor authentication for remote users
- ✓ Expanded our use of server virtualization, server consolidation, and server redundancy
- ✓ Upgraded Network Data Closet Equipment
- ✓ Assisted Fire Department in setting up Fire Field Inspection System
- ✓ Upgraded Network Switching Infrastructure Bandwidth Capacity
- ✓ Upgrade City Hall Data Center Infrastructure
- ✓ Citywide implementation of new time keeping system
- ✓ Implemented new Work Order System for the Public Works Department
- ✓ Migrated to a more advanced Helpdesk Support System
- ✓ Implemented Streaming Council Meetings
- ✓ Expanded capacity for Remote Workers due to COVID
- ✓ Implement Advanced Network Segmentation technologies

- ✓ Continue to implement industry best practice in Information Technology
- ✓ Upgrade all City Hall End User computers to Windows 10
- ✓ Upgrade all Servers to latest Operating System
- ✓ Continue to advance and improve our Disaster Recovery System for our computer systems
- ✓ Continue to advance the City's GIS System
- ✓ Upgrade to a new financial system
- ✓ Continue to advance City Well Sites, Substations, and City Hall camera systems
- ✓ Continue to advance server virtualization infrastructure
- ✓ Continue to upgrade switching networking infrastructure
- ✓ Upgrade our Utility Billing System
- ✓ Continue to advance Cyber Security Infrastructure
- ✓ Continue to advance the use of our Laserfiche Document Management/Paperless Office System
- ✓ Update City Website to allow for a better user experience
- ✓ Upgrade Digital Phones to VOIP Phones
- ✓ Implement Sharepoint Local Intranet Site
- ✓ Implement Microsoft Office 365
- ✓ Implement Microsegmentation for Virtual Infrastructure
- ✓ Virtualize entire Data Center

PUBLIC SAFETY: FIRE

Mission Statement

"It is our purpose to protect and preserve lives, property, and the environment, by providing dedicated and skillful services."

Core Values

The Core Values that reflect fundamental expectations from the men and women representing the Vernon Fire Department are:

- COURAGE – to act
- INTEGRITY – without compromise
- PRIDE – in yourself and the Department
- PROFESSIONALISM – in attitude and performance

About the Fire Department

Vernon Fire Department team members are highly-trained to provide "all hazards" fire and life-safety fire protection services. Fire Department personnel core responsibilities and readiness expectations are: Fire Suppression, Emergency Medical Services, Emergency Management, Fire Apparatus & Equipment, Training & Safety, Hazardous Materials and Administration.

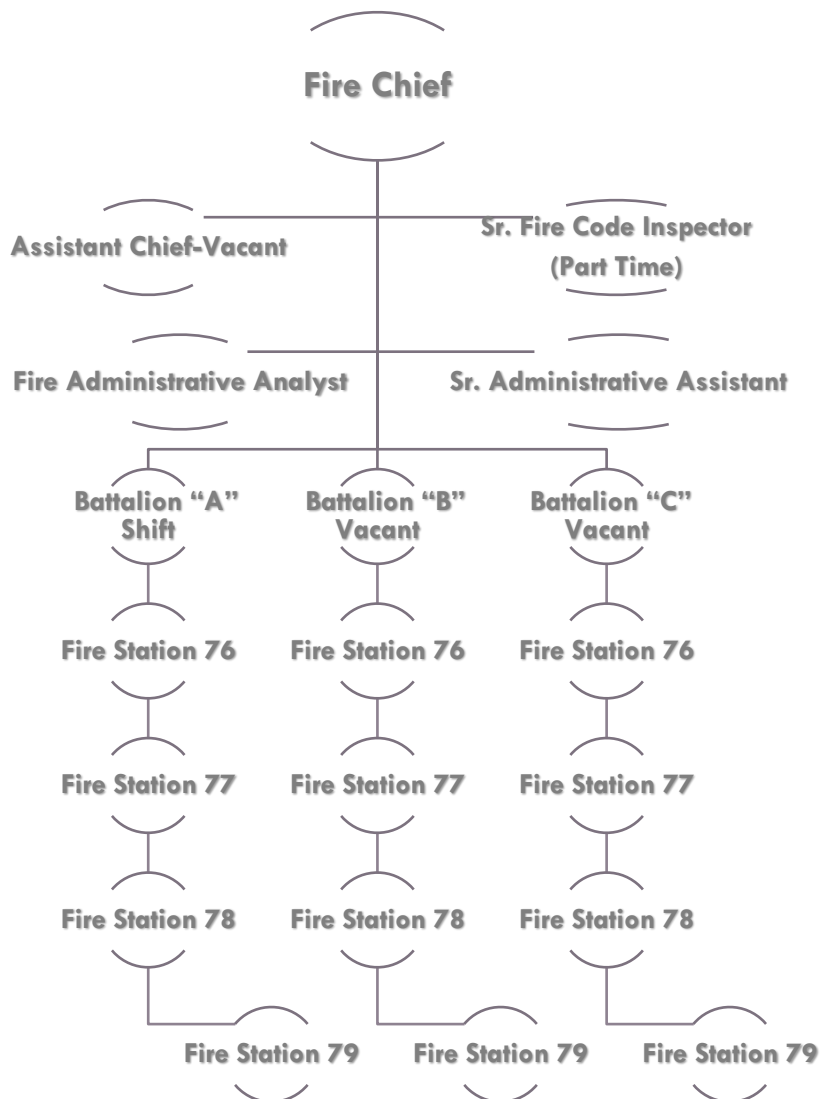
Vernon Fire Department team members are public servant-oriented and take pride in the superior service that is provided to the community.

2019/2020 Challenges

- Sustaining 60 Operations positions and commensurate logistical provisions.

2019/2020 Solutions

- Optimized to 49 Operations positions.
- Establish an Agreement with Los Angeles County Fire District (LA County) to provide cost-effective Battalion Chief services.
- Control request for discretionary time off.
- Complete annexation into Los Angeles County Fire District by October 2020.



*Proposed LA County staffing model will take effect in late October 2020. Vernon Engine 78 and Engine 79 response districts will be covered by adjacent LA County units located in the Cities of Commerce, Cudahy, Maywood and Huntington Park. The below chart represents City-funded operational and administrative positions staffed by LA County Fire District personnel.

Vernon Station	LA County Staff/Equipment Per Shift	Post Positions
76	Truck	4
	Engine	3
	Truck	2
77	Engine	4
78	Leased to the LA County Fire District	
79	Station Closed	
City Hall	Fire Prevention Engineering Asst. II	.5
	Captain	.5
	Firefighter Specialist (Fire Inspector)	3

Changes from Prior Year

The budget adopted by City Council reflects a “hybrid” of the existing operational costs coupled with the LA County operational costs. As such, the supplies/services category includes the conversion-related expenditures required for the City’s Fire Services contract with LA County and, therefore, this budget line item is significantly greater than that of the previous year. Inversely, salaries, benefits, and capital expenses are lower than those of the previous year due to the cost-control measures and estimated transition-related savings.

PUBLIC SAFETY: FIRE	FY 2020 Budget	FY 2021 Budget	Increase (Decrease)
REVENUES	\$393,250	\$339,575	(\$53,675)
SALARIES	\$5,326,889	\$4,310,568	(\$1,016,321)
BENEFITS	\$3,521,026	\$2,818,869	(\$702,157)
SUPPLIES/SERVICES	\$8,447,176	\$10,319,773	\$1,872,597
CAPITAL	\$365,800	\$1,780,160	\$1,414,360
TOTAL EXPENDITURES	\$17,660,891	\$19,229,370	\$1,568,479

Department Highlights

- ✓ Provided leadership training and education
- ✓ Implemented COVID-19 protective guidelines specified by the Center for Disease Control and the Los Angeles County Department of Emergency Medical Services Agency.
- ✓ Reviewed Emergency Operation Center (EOC) procedures and personnel emergency readiness – facilitated EOC position-specific training for City personnel.

Goals

- ✓ Continue to develop EOC operations and personnel readiness
- ✓ Pursue Hazard Mitigation Plan
- ✓ Maintain Fire Department Programs and cost efficiencies
- ✓ Coordinate a seamless transition into the County of Los Angeles Fire District
- ✓ Continue joint training efforts and seek opportunities to minimize the transition-related cost to the City.

PUBLIC SAFETY: POLICE

Mission Statement

The mission of the Vernon Police Department is to provide swift, skillful and responsive law enforcement services to the people and businesses of the Vernon community through the application of proactive problem-solving strategies and the development of equal partnerships with the people served.

Vernon Police Department (VPD) will seek to ensure a sense of well-being in the community, guided by commitment to working closely with the industrial population. VPD is dedicated to maintaining the highest degree of professionalism and ethical standards in its pursuit of this mission, ever mindful of the need to safeguard the individual liberties of all members of the community.

The Police Department subscribes to a set of governing values, which clearly state the department's beliefs as an agency.

- Integrity; "We share a commitment to ethical conduct by all members of the Department"
- Quality Service; "Service to the Community is paramount"
- Professionalism; "We are committed to community betterment by creating an environment of teamwork, innovation and continuing professional development"
- Teamwork; "Our greatest asset is our people"
- Innovation; "We are open to new ideas, methodologies and technologies in our efforts to prevent crime and solve community problems"

About the Police Department

The Vernon Police Department provides a full range of policing services to a very unique community comprised primarily of businesses and industry. The Department Patrol Division is the largest unit in the Police Department. The Patrol Division also utilizes a Bicycle Patrol Team, Mental Health Team, Mobile Field Force Team and a D.A.R.E. Program for the local Vernon Elementary School.

Patrol officers respond to all calls for service from the community. They are responsible for handling a wide variety of duties including responding to emergencies, investigating crimes and filing reports, checking out suspicious persons and vehicles, conducting traffic accident investigations and enforcing all traffic laws. Officers take a very pro-active approach to reducing the opportunity for crime and work closely with members of the business community to ensure a safe environment in which to conduct business. Our officers maintain a high level of visibility within the community and work to identify and eliminate those conditions or situations that may be attractive to the criminal element.

To accomplish its mission, the Department operates two major divisions: Patrol and Support Services.

Divisions

Patrol Division

The Patrol Division is responsible for handling all calls for service from the public. The Division is managed by a Police Lieutenant who manages both the day and night patrol shifts. The Patrol Division also utilizes specialized uniform details such as Bicycle Patrol, Mental Health Team, Mobile Field Force Team and a D.A.R.E. Program for the local elementary school.

Drug Abuse Resistance Education Program:

The Department implemented the Drug Abuse Resistance Education (D.A.R.E.) Program at the Vernon City Elementary School since 1999. The program consists of 10 weekly lessons that include lectures, discussion, cooperative learning group activities, role-playing, classwork, homework and the introduction of role models. Students are taught to recognize various drugs and other harmful substances. They learn about the effects of these substances on themselves, family and community. Personal worth is reinforced and they are taught the skills which can help them to avoid involvement with drugs in the future. The idea is to educate them prior to the opportunity for drug involvement.

The D.A.R.E. officer and a program administrator work closely with the staff at the Vernon City Elementary School to coordinate the presentation of the D.A.R.E. curriculum to all 5th grade students.

The D.A.R.E. officers also visit with the children in grades kindergarten through 5th grade, presenting information on a variety of child safety topics. This contact helps to create positive relationships between law enforcement and the children while building interest and enthusiasm for participating in the D.A.R.E. program when they get older.

Mobile Field Force:

The Mobile Field Force was developed by the Department in the early 1990's. The Mobile Field Force is an experienced and well-disciplined squad, trained to address crowd management and deal with large gatherings that can transition into an unlawful assembly or riot. The team currently has nineteen members and two Sergeants.

The Mobile Field Force is a part of the Los Angeles County area "E" mutual aid program that includes twenty-four other surrounding cities.

Support Services

The Support Services Division includes the Detective Bureau, Communications Center, Records, and Professional Standards.

Detective Bureau:

The Police Department Detective Bureau consists of a Sergeant, four full time detectives, and one detective assigned to a task forces. The sergeant handles the administrative duties and manages the daily operations of the Detective Bureau.

Each Detective is assigned a specific desk and investigates cases associated with that assignment. For example, one detective handles all of the thefts in the City while another handles all of the robberies.

The Detective Bureau conducts follow-up investigations to ensure a successful prosecution on criminal cases. This includes obtaining DNA samples from suspects, interviewing witnesses, victims and suspects, analyzing cell phone data, retrieving surveillance videos, preparing and serving search warrants, and conducting parole and probation searches.

Detectives file criminal cases with the Los Angeles County District Attorney's Office and can respond to emergency calls to help augment patrol officers. They also arrange for extradition of suspects from out of the county or state.

Detectives work with other local, county, state and federal law enforcement agencies to help solve crimes. Many suspects are identified through this mutual partnership.

Communications Center:

The Communications Center is responsible for one of the most important services provided by the Vernon Police Department. It is the link between the public and the Police Department. Vernon's Public Safety Dispatchers are responsible for answering E911, emergency, internal lines and business lines. The Communications center dispatch personnel are trained to handle a variety of police related calls.

The Communications Center is equipped with Tri-Tech Computer Aided Dispatch (CAD) system. The CAD system is linked to the E911 system, Records Management System (RMS) and the mobile computer units (MCTs) mounted in each of the patrol units. This configuration allows for the efficient flow of information, resulting in reduced response times and allowing critical information to reach officers in the field as quickly as possible. The CAD system is also linked to local, state and federal databases, allowing for access to a variety of information for officers assigned to patrol functions.

The Department's E911 upgraded system provides the businesses and citizens of Vernon with the most responsive system available. The E911 system delivers E911 calls, emergency calls and business calls to all three dispatch positions. Each call is recorded and instantly replayed if needed. The E911 system automatically provides information to the CAD, reducing the amount of information that must be entered before officers can be sent to a call.

All calls received by the Communications Center are entered into the computer and prioritized dependent on the nature of the call.

Records Division:

The Records Division maintains the Police Department's statistics for internal staff, other City Departments and various California agencies. The Records Division is responsible for reviewing and validating every report generated by Patrol and the Detective Bureau, distributing and archiving the reports as required. The Division provides support services for the different divisions within the department, to the city at large and the general public.

Professional Standards Division:

The Professional Standards Division is responsible for the business labor relations, crime prevention, citizen personnel complaints, training, recruitment, and for the coordination and release of information to the public and news media.



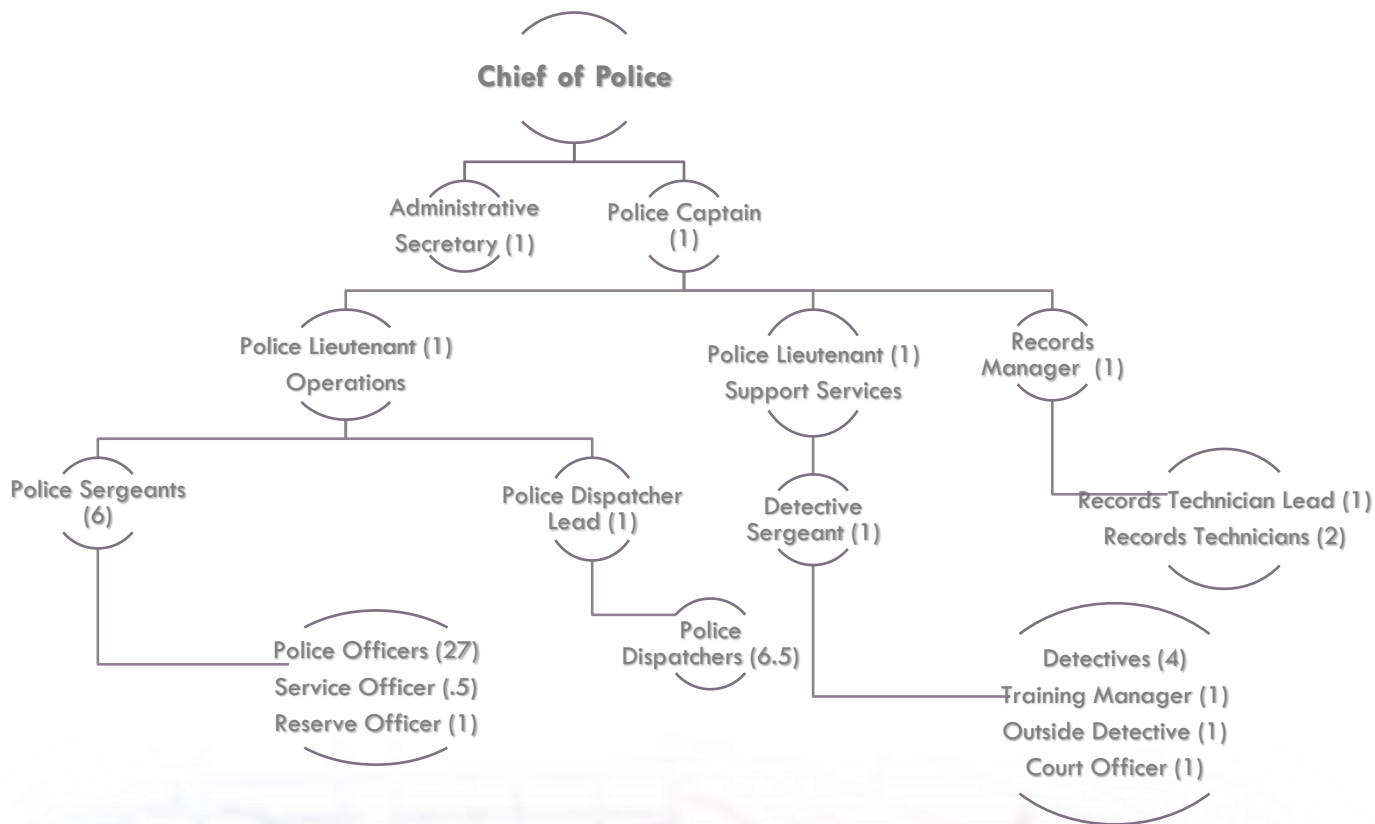
The division establishes a liaison with the labor/management community to provide expertise during disputes. The unit maintains positive liaisons with related governmental agencies, such as the National Labor Board. They ensure that crimes evolving from labor/management disputes are investigated promptly and the investigations are carried to their proper conclusion.

The division works with the community on crime prevention as well. This is an area of primary concern of the Department. The unit members will respond to businesses in the community and will make recommendations on how to improve business security and provide information on crime prevention.

The Internal Affairs Unit of the Division conducts internal investigations for citizen personnel complaints.

The Training Unit is responsible for ensuring that all officers and staff are properly trained as required by the California Commission on Peace Officers' Standards and Training and the Department of Corrections and Rehabilitations Corrections Standards Authority.

Organizational Chart



Ongoing Initiatives

- The Department addresses homelessness with support from local law enforcement agencies, the Southeast Region Mental Health Evaluation Teams (“SRMET”), and members from participating Los Angeles regional efforts. Homelessness is a regional issue and working with region wide partners has developed strides in providing temporary housing for people seeking resources at local homeless shelters.
- To address the increase in homelessness in the City and surrounding city borders, patrol staff has been working with local law enforcement agencies and members from SRMET to conduct monthly homeless outreach within the Southeast region.
- The Department has committed to providing a wide-range of training for performing critical core tasks that will build confidence and provide staff development.
- The Department received grant funding from the Office of Traffic Safety to conduct Driving Under the Influence (DUI) and driver license checkpoints, as well as pedestrian safety enforcement events to reduce collisions and pedestrian’s injuries, motorcycle and bicycle safety enforcement, and improve traffic safety.

The aforementioned issues have impacted the budget planning for FY 2020/2021. Increases in Salaries, Benefits and Services/Supplies have elevated the overall budget for this fiscal year. A chart below depicts a comparison between FY 2019/2020 and FY 2020/2021.

POLICE	FY2020 Budget	FY2021 Budget	Increase (Decrease)
REVENUES	\$306,300	\$307,300	\$1,000
SALARIES	\$6,765,061	\$7,079,452	\$314,391
BENEFITS	\$4,323,535	\$4,330,041	\$6,505
SERVICES/SUPPLIES	\$469,426	\$442,526	(\$24,900)
WORKERS COMP	\$116,684	\$116,684	-
CAPITAL	\$120,200	\$272,200	\$152,000
TOTAL EXPENDITURES	\$11,794,907	\$12,240,903	\$445,996

Department Highlights

- ✓ Maintained response times at 3 minutes and 30 seconds on average for Part I crimes
- ✓ Provided management and first line supervisors additional training as part of succession planning and staff development
- ✓ Utilized federal asset forfeiture funds to purchase necessary non-budgeted police equipment (expenditures: well over \$118K)
- ✓ Hired four Police Officer trainees during this fiscal year
- ✓ Raised the level of civic engagement
- ✓ Coffee with a Cop event
- ✓ Participated in the 2020 Graduation Parade
- ✓ Hosted 2019 National Night Out at the Village Apartments
- ✓ Partnered with Vernon Fire on the Great Shake Out Earthquake drill
- ✓ Greeted Vernon Elementary students on the 1st day of school
- ✓ Participated in the Halloween Spooktacular Event, Station wide maze 1st Place
- ✓ Celebrated Employee appreciation dinner at the PD
- ✓ Represented the City of Vernon in the Annual Huntington Park Christmas Parade with our Honor Guard and classic 1961 police cruiser.
- ✓ Delivered Soccer balls to every student at Vernon Elementary School
- ✓ Partnered with Vernon Fire on Operation Santa gift giving to every child in Vernon
- ✓ Chief Miranda threw out the 1st pitch at Dodger Stadium for Pink Patch Night

Goals

- ✓ Maintain the highest level of customer service
- ✓ Proactive approach dealing with homeless in Vernon
- ✓ Full time Mental Evaluation Team member
- ✓ Continue to build on our community policing efforts
- ✓ Maintain our average response time of 3:30 or less for priority 1 calls
- ✓ Continue succession planning; there are 5 anticipated retirements within the next 5 years
- ✓ Continue efforts to provide supervisory and management leadership training for succession planning
- ✓ Assign a detective to the Los Angeles County Task Force for Regional Auto Theft Prevention aka: TRAP
- ✓ Complete the installation of the Bi-Directional Amplifier System for the ICI Radio System
- ✓ Maintain police services during the COVID-19 pandemic

PUBLIC WORKS

Mission Statement

Public Works' mission is to preserve and enhance the physical environment and economic vitality of Vernon by efficiently and effectively providing prompt and sustained maintenance, design, construction, planning, and inspection services in support of our residents, businesses, other City Departments, the City Administrator, and the City Council.

About the Public Works Department

The City of Vernon Public Works Department offers a streamlined approach to permitting for new development. One counter serves as the central location to process permits and answer questions regarding building codes, zoning codes and work in the public right of way.

Consistent with its goal of providing streamlined services, the City has consolidated its divisions pertaining to community development and maintenance of the public infrastructure into one department. The consolidation of these divisions permits the coordination of projects and programs to promote consistency, efficiency, and proper customer service to the community.

Divisions

Administration

The Public Works Administration Division provides administrative, financial, legislative, and employee relations support for the Department

OBJECTIVES

- ✓ Coordinate interdivisional and interdepartmental activities
- ✓ Provide organizational analysis
- ✓ Review and approve all agenda bills, staff reports, resolutions, ordinances and agreements for City Council
- ✓ Provide research and analysis of Public Works legislation and major Public Works issues
- ✓ Coordinate departmental budget development and provide fiscal administration
- ✓ Coordinate and monitor progress toward achieving the Public Works Department Work Program goals
- ✓ Respond to phone calls involving customer inquiries, complaints, and requests for extra services
- ✓ Respond to citizen notifications/complaints regarding illegally dumped items and possible hazards
- ✓ Process payroll, invoices, purchase orders, warehouse/purchase requisitions, warrants, budget transfers, fixed asset transfers and inventories.
- ✓ Maintain divisional personnel records
- ✓ Process correspondence, maintain records/files and assist the public with information

- ✓ Conduct inspections of solid waste facilities and prepare and file regulatory reports

Street Operations

The Street Operations Division includes both the engineering section and street maintenance field crews. The engineering section administers the Department's Capital improvement program, including the design and construction of roadway rehabilitation projects, sewer and storm drain upgrades, bridges, traffic signals and City buildings including City Housing. The section also reviews private development grading plans and processes lot mergers, lot line adjustments, compliance with storm water pollution requirements and City easements and deeds. This section is also responsible for the issuance of encroachment permits for all construction within the public right of way. The Division's field crews are responsible for the maintenance of the City's streets, storm drain and sewer systems and traffic sign and striping. This division provides graffiti abatement, and oversees street sweeping, tree trimming and traffic signal maintenance contracts.

OBJECTIVES

- ✓ Award and effectively administer capital improvement projects contracts
- ✓ Provide timely engineering and administrative support to other City departments
- ✓ Respond to public inquiries and concerns on engineering matters
- ✓ Provide inspection of construction work in the public right-of-way
- ✓ Address unsafe or improper construction activities within the public right of way
- ✓ Maintain and update engineering records and City Maps
- ✓ Issue and monitor permits for all work and encroachments in the public right of way
- ✓ Properly maintain City streets, sewers, storm drains and traffic signals
- ✓ Implement Low Impact Development regulations

Building and Planning

The Building and Planning Division is primarily responsible for oversight of private development to ensure that all construction is performed in accordance with City requirements. The work of this division includes conducting field inspections, plan checks, development review, code updates and issuing compliance orders. The building section is comprised of three inspectors, one permit technician, and one assistant planner, with regular collaboration with the Department's Engineering Division, and Health Department. These inspectors are also responsible for performing code enforcement. All inspectors hold multiple International Code Council (ICC) certifications for inspection and plan examination. In order to maintain ICC certification, staff members attend regular training seminars to accumulate the required amount of units to satisfy recertification. The City of Vernon enforces codes and regulations stipulated by the California Building Standards Commission. It is the responsibility of the planning section to ensure that new development conforms to the City's General Plan and zoning ordinance. It also processes entitlements for private development projects including parcel and tract maps, conditional use permits, variances and development agreements.

OBJECTIVES

- ✓ Respond in a timely manner to the public, other departments, and contractors
- ✓ Assist in resolving construction issues and other development matters.
- ✓ Provide streamlined entitlement, plan check and inspection services

Garage

The City's Garage Division is responsible for the maintenance of nearly 500 City vehicles and pieces of equipment. These vehicles and equipment are an integral part of the daily operation of the City. This section does much of its work in-house.

OBJECTIVES

- ✓ Respond to all vehicle repair and maintenance requests in a timely manner
- ✓ Properly maintain the City's fleet.
- ✓ Ensure compliance with State regulations for municipal fleets
- ✓ Provide vehicle acquisition and disposal consultation to all City Department

Warehouse

The Warehouse Division maintains the required supplies and parts necessary to support the operations of the Public Works Department. Refined inventory control procedures and practices ensure that adequate supplies are available for routine and emergency situations. A database is used to track and control inventory related requirements. The Warehouse Section also performs a variety of miscellaneous functions including maintaining the fuel pumps, performing dispatch duties, preparing vehicle accident reports, and preparing personnel injury reports.

OBJECTIVES

- ✓ Maintain the City's supplies and equipment required to support the daily operations of Public Works

City Housing

The Housing Division is responsible for the administration of the City's 26 housing units including responding to our tenants, and the administrative duties related to prospective tenants. This Division is also responsible for the maintenance and repair of 18 City-owned housing units, and 8 City-owned apartment units.

OBJECTIVES

- ✓ Maintain the City's housing stock in a safe and habitable condition
- ✓ Monitor City housing's repair and maintenance
- ✓ Respond to all tenant requests within a reasonable timeframe

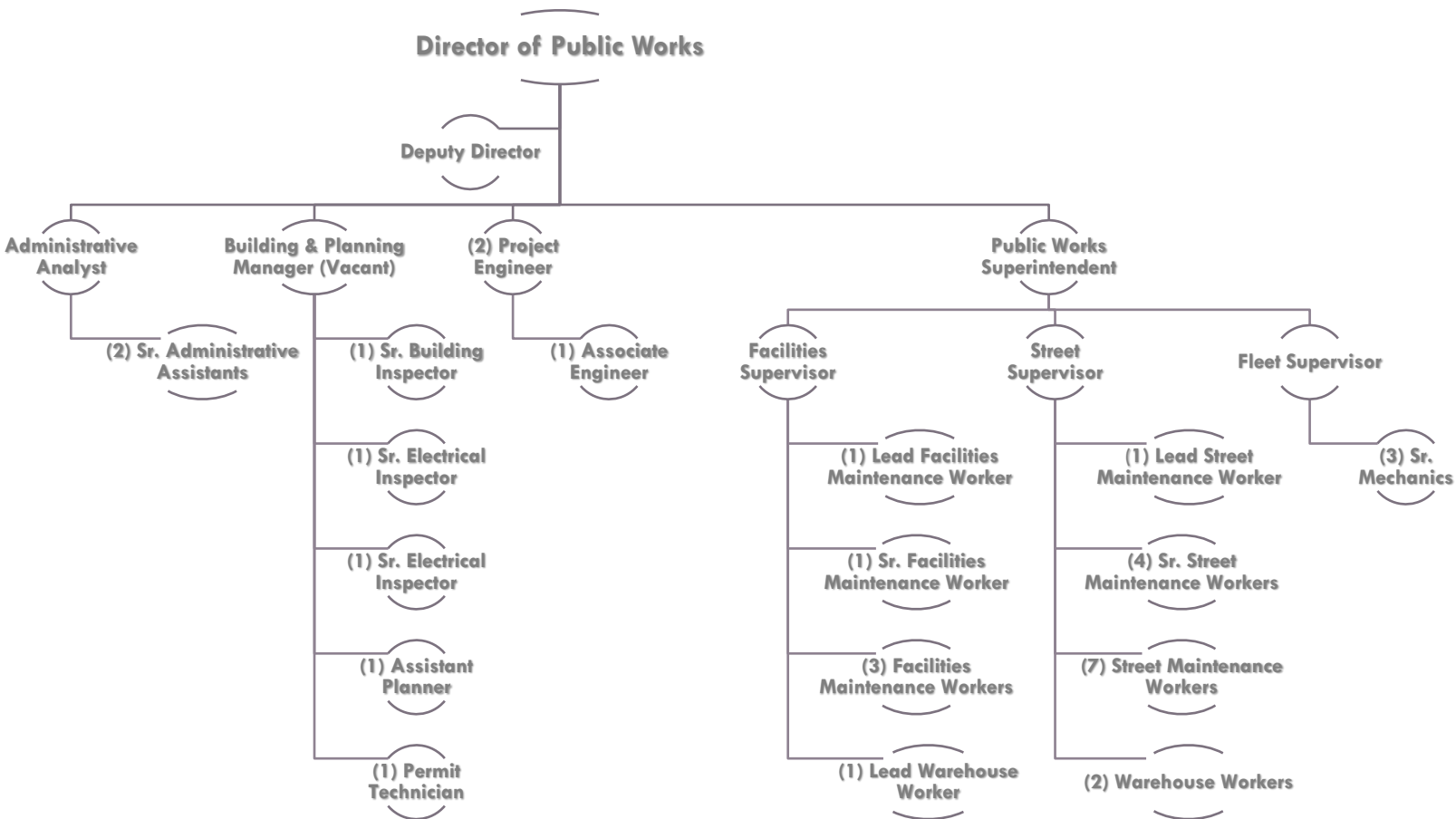
Facilities

The Facilities Division is responsible for the maintenance of City owned buildings. This Division performs routine maintenance functions including minor and major remodeling, painting, plumbing, minor heating and air conditioning checks, underground tank maintenance, and electrical work. The Division also handles the logistical functions associated with facility upgrades and repairs. This Division oversees the grounds maintenance and janitorial contracts.

OBJECTIVES

- ✓ Continue to maintain all City buildings in a safe and habitable condition
- ✓ Respond to all maintenance repairs in a timely manner

Organization



Changes from Prior Year

Several significant changes are to occur in Fiscal Year 2021. The Department will eliminate several currently vacant positions and transfer some personnel between divisions. This will result in a reduction in budgeted Salaries and Benefits costs. The Department will also increase capital spending by \$1 million.

Other expenses in the department related to Supplies/Service have undergone minimal changes for FY 2019/2020. These diagrams depict comparisons between the last fiscal year and FY 2019/2020.

PUBLIC WORKS	FY2020 Budget	FY2021 Budget	Increase (Decrease)
REVENUES	\$20,387,526	\$19,724,376	(\$663,150)
SALARIES & BENEFITS	\$6,132,550	\$6,225,988	\$93,438
SERVICES/SUPPLIES	\$ 3,798,570	\$ 3,700,890	(\$97,680)
CAPITAL	\$5,104,000	\$3,240,000	(\$1,864,000)
TOTAL EXPENDITURES	\$15,035,120	\$13,166,878	(\$1,868,242)

Highlights

Engineering Division

- ✓ Vernon was named a "Tree City, USA"
- ✓ Planted 200 street trees
- ✓ Repave Sierra Pine Avenue, 53rd, 54th, 55th, 57th and Hampton Streets
- ✓ Annual Slurry Seal Project
- ✓ Initiated an ADA Transition Plan

Building and Planning Division

- ✓ Issued 581 permits, w/ a construction valuation of \$88.7 million in 2019

Public Works Crews Maintained

- ✓ 49.1 centerline miles of streets
- ✓ 44.6 miles of sewer lines
- ✓ 12.4 miles of storm drain lines
- ✓ 431 catch basins/grates
- ✓ 6 bridges
- ✓ 12 buildings
- ✓ 26 housing units
- ✓ 168 city vehicles
- ✓ 42 traffic signals
- ✓ 1,044 city trees
- ✓ 4,971 street and traffic signs
- ✓ Started a sidewalk sweeping program



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City Building and Housing Division

- ✓ Began remodeling of two City-owned houses
- ✓ Maintained a public used oil collection station at the City Yard

Goals

- ✓ Start Preparation of the Westside Specific Plan
- ✓ Initiate transition to paperless/online permitting and reporting system
- ✓ Add a second graffiti abatement crew
- ✓ Create Sign shop to make all street signs in-house
- ✓ Upgrade the City Hall air conditioning system for comfort and efficiency
- ✓ Initiate and complete city-wide traffic signal upgrades

VERNON PUBLIC UTILITIES

Mission Statement



Vernon Public Utilities (VPU) is committed to being a trusted partner with our customers and community, providing affordable and reliable energy, natural gas, water, and communication services.

About Vernon Public Utilities

The City of Vernon Public Utilities Department (VPU) plays a vital role in serving the City's business and residential communities, providing personable, dependable, high-quality utility services at competitive rates. VPU offers electricity, natural gas, water, and fiber optic services to Vernon based businesses and residents, often at a cost savings compared to neighboring utility providers. The City-owned utility distribution systems have a strong, established history of reliability, capable of efficiently and successfully serving the needs of the City's uniquely industrial customer base.



Divisions

Compliance

The Compliance Division evaluates existing and proposed legislation and regulations, ensuring that VPU's operations, programs, documentation, and certifications are maintained in accordance with applicable regulations and requirements. VPU Compliance Administrators serve as liaisons to regulatory and legislative bodies to maintain compliance and convey VPU's objectives and goals. The Compliance Division also identifies and assists in mitigating risks to the safe and reliable supply of services to VPU customers, including financial, legal, and organizational risks. Additionally, the Division coordinates safety and training activities to enhance employee skill sets, improve performance, and foster engagement.

Customer Service

The Customer Service Division is responsible for providing timely and accurate billing, prompt processing of utility transactions, and superior customer service through effective, personalized communication with Vernon utility customers. The Division also offers customer incentives/rebates for all electric and gas customers to encourage energy efficiency and reduce greenhouse gas emissions consistent with Assembly Bill 32 (AB-32) goals. Customer Service also processes

applications intended to increase the installation of commercial/industrial solar energy systems within the City. The Division has taken a key accounts approach to address customer concerns and issues, offering remedies to solutions promptly to help Vernon customers succeed in the marketplace.

Engineering

The Engineering Division is committed to designing and developing work packages to construct, reconfigure, and upgrade the VPU electric system in a safe, reliable, efficient manner while considering industry best practices and regulatory standards. The Division prepares a capital improvement plan (CIP) and related budget, and issues notice inviting bids (NIB) or request for proposals (RFP) for the procurement of substation and electric service delivery equipment and related services. A large portion of the Capital work in this Division is funded through the use of tax-exempt bonds. The Engineering Division also manages the fiber-optics service for VPU.

- **Fiber Optics**

The Fiber Optic Division is responsible for the design, construction, and installation of the City's facilities network communication connections using a fiber-optic cabling system. The Division also provides secure point-to-point dark fiber-optic connection services to Vernon businesses with multiple facilities while delivering high-speed, dedicated internet access to both businesses and residents.

Integrated Resources

The Integrated Resource Division is responsible for the planning, procurement, scheduling, and dispatching of gas and electric resources. The Division procures resources to meet customer demand reliably and its regulatory requirements. The Division strives to procure resources at the lowest cost possible and generate additional revenues for the City through various bilateral trades. Furthermore, the Division is responsible for ensuring compliance with environmental laws and regulations, including the renewable portfolio standard and the greenhouse gas reduction requirement. Compliance consists of resource procurement to meet its regulatory requirements and submittal of the associated compliance reports to the appropriate regulatory agencies.

Department Operations:

- **Electric Utility**

Electric Operations is staffed 24/7 by Utilities Dispatchers and Electric Operators. They continuously monitor real-time operations and the maintenance activities of the electric generation, the electric distribution systems, gas system, and water system. Stationed out of the Control Center, this group responds to, troubleshoots, and works to restore utility service during interruptions. Additionally, the Utilities Dispatchers and Electric Operators receive and handle all customer calls outside of regular City operating hours, dispatch appropriate crews to handle trouble calls and address street issues, City facility problems, and water system issues. In addition to the Control Center, the Electric Metering and Test Technician groups manage and maintain customer electric meters, electrical substations, electric generation, and many other power-plant based activities. VPU contracts the construction and maintenance of the sub-transmission and distribution field network, with the contractor replacing and repairing infrastructure and responding to interruptions in electric service.

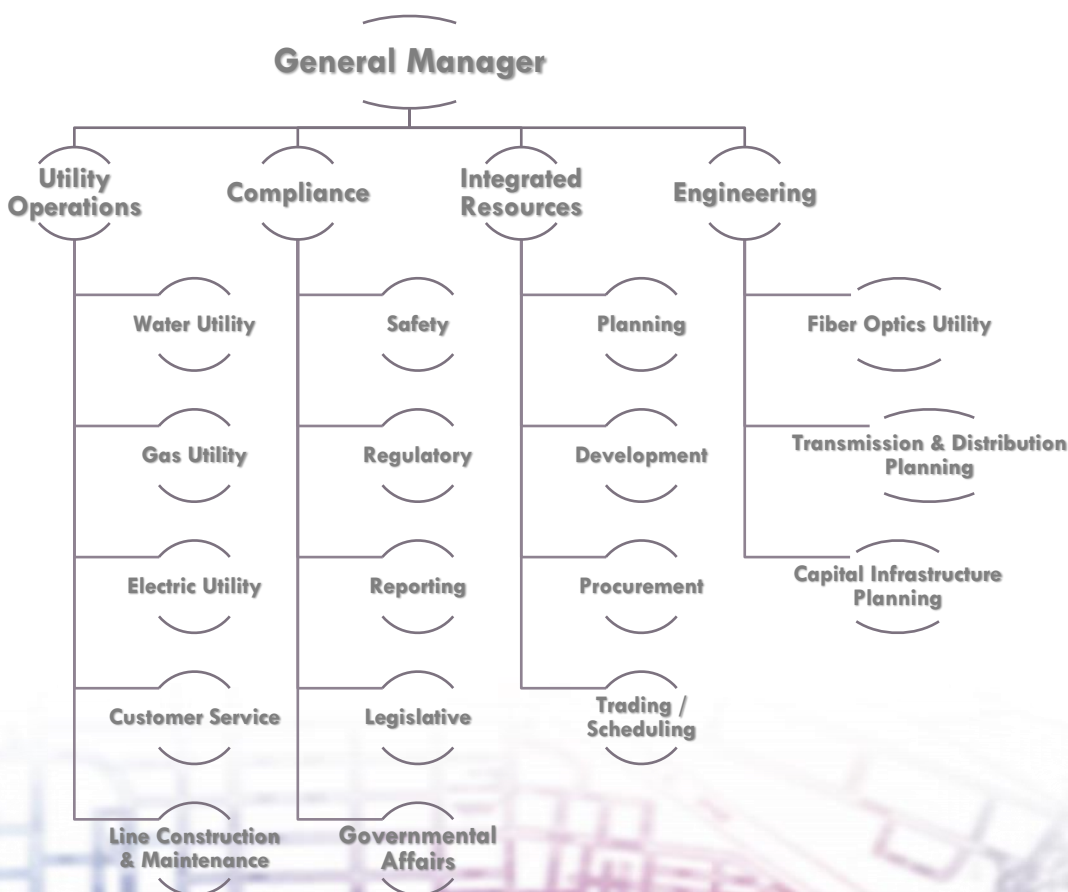
■ **Gas Utility**

The Gas Division continues to grow and serves as an essential resource for the City's business community, providing reliable, high-quality service at some of the lowest rates available. It is responsible for delivering natural gas to approximately 120 commercial and industrial users. VPU is the second largest municipal gas utility in California and 15th in the country based on the volume of gas delivered. The Vernon-owned natural gas transmission and distribution systems enjoy a history of safety, dependability, and has the capability of effectively serving the City's small and large manufacturing, commercial, and residential sectors. The Gas Division is very responsive to customer needs.

■ **Water Utility**

The Water Utility provides potable drinking water to Vernon at some of the lowest rates in the region, maintaining a system of groundwater wells, reservoirs, and conveyance systems. This Division oversees the administration and maintenance of this system and the construction of new water service infrastructure. The water distribution system serves approximately 1,000 connections, distributing approximately 2.2 billion gallons of water annually. The Division develops and produces an annual public water quality report. The Division is making steady progress on a three-year, \$15 million tax-exempt bond-funded capital improvement program, aiming to rehabilitate and upgrade infrastructure. This program aims to put the utility on a sustainable path toward high quality, high reliability, and low rates through pumping groundwater.

Organization



Changes from Prior Year

Historically, the actual expenditures have been lower than budgeted. VPU forecasts and projects conservative estimates based on the best information available at the beginning of the fiscal year. Throughout the fiscal year, VPU proactively manages contracts, purchases, and O&M costs to control expenditures, ensuring that the budget ceiling is not in jeopardy of being reached.

PUBLIC UTILITIES	FY2020 Budget	FY2021 Budget	Increase (Decrease)
TOTAL REVENUES	\$264.9	\$252.8	(\$12.1)
SALARIES & BENEFITS	\$11.6	\$12.0	\$0.4
SERVICES / SUPPLIES	\$232.8	\$222.1	(\$10.7)
CAPITAL	\$20.6	\$18.7	(\$1.9)
TOTAL EXPENDITURES	\$264.9	\$252.8	(\$12.1)

There are five main categories of expenditures that result in variation from year to year. The cost of the natural gas commodity has, at times, been volatile over the past couple of years due to Southern California Gas Company pipeline outages and issues with gas facility storage. Across the electric industry, energy and capacity costs have increased. Power transmission costs have also increased due to the addition of new transmission lines in the CAISO balancing area to accommodate increased and distant renewable resources. Increased renewable energy resources to meet state requirements increase costs as well. Finally, the utilities' infrastructure is undergoing significant maintenance and capital improvement plan (CIP). Maintenance of the infrastructure will help save future costs in terms of outages and reliability. Reserves will fund any shortages created by the CIP.

VPU has seen several notable changes in staffing, particularly in management during this fiscal year. The former Integrated Resources Manager has assumed the role of General Manager. The position of Utilities Engineering Manager has been filled permanently, and the Engineering Manager is currently filling open Electrical Engineer positions in the Division. Similarly, other vacancies resulting from retirement and separation have been filled by existing staff. VPU staff has fulfilled these additional tasks while maintaining a consistent service level to Vernon customers, even during the COVID-19 pandemic. VPU has a number of approved positions in the fiscal year 2021 budget in various phases of the recruitment process and will assist in effectively managing the four separate enterprise funds.

Department Wide

- ✓ APPA RP3 Diamond Level Recognition of Operational Excellence in the key areas of Reliability, Safety, Workforce Development, System Improvement
- ✓ Served as an elected Board Member on the California Utilities Emergency Association Board of Directors
- ✓ Community Outreach Event and BIC presentation of Water Division CIP and Tax Exempt Bond
- ✓ Initial Water Enterprise Credit Rating earns a solid A- categorization
- ✓ Moody's upgraded the Electric Enterprise Credit Rating from Baa3 to Baa2 Benchmarking study ranks VPU electric reliability top 10% nationwide
- ✓ Multiple VPU staff members were nominated and received VEEP (Vernon Exceptional Employee Program) awards in both individual and team categories in acknowledgment of their exceptional work throughout the year

Electric Division

- ✓ Completed replacement of the Leonis Substation Number 2 Bank 66 to 7KV Substation Distribution Transformer in service since 1951
- ✓ Work in progress to replace and convert the 7kV Leonis Substation Number 3 Bank which has been in service from 1957 to 16kV Substation Distribution Transformer
- ✓ Created design for 16kV re-configuration with balanced load and 4 additional circuits
- ✓ Identified project areas and created design plans for 7kv to 16kV Conversion

Fiber Optic Division

- ✓ Increased source carrier bandwidth (capacity) from 400 mbps to 2000 mbps

Resource Division

- ✓ Maximized revenues from Resource Adequacy transactions and Ancillary Service Capacity
- ✓ Negotiated gas contracts to stabilize gas customer rates
- ✓ Met CEC Renewable Portfolio Standard (RPS) mandate (33% of retail sales) for compliance period 3.
- ✓ Maximized revenues from the sale of excess Import Transfer Capacity (ITC)
- ✓ Created saving opportunities by purchasing Carbon Credit Allowances CCA through the secondary market

Customer Service

- ✓ Installed & tested remote meter reading software to begin an Advanced Metering Infrastructure (AMI) initiative

- ✓ Water Replenishment District New Well Construction and Rehabilitation Loan Program financially assisted the successful drilling and casing for Well 22
- ✓ Continued implementation of program to automate efficient and safe operation of water production, storage, and conveyance facilities
- ✓ Ongoing investment into Advanced Metering Infrastructure
- ✓ Revised the 5-year Capital Improvement Plan
- ✓ Began Water Master Plan and Operational Analysis
- ✓ Continued proactive maintenance based bi-directional flushing program to improve water quality
- ✓ Initiated rehabilitation projects on Well 15, Well 17, and Well 21
- ✓ Secured Tax Exempt Water Bond to fund \$15 million in Water related Capital Improvement Projects
- ✓ On behalf of the City, the Water Replenishment District of Southern California secured a state grant to destroy Well 5

Gas Division

- ✓ 15 new Vernon businesses connected to the Gas System, for a total of 125 gas customers.
- ✓ Named American Public Gas Association (APGA) safety contest winner in September 2019.
- ✓ Replaced a short radius 90-degree bend on the city's transmission pipeline which allowed a smoother, faster and more cost effective internal corrosion assessment.
- ✓ Completed a 7-year transmission pipeline integrity assessment
- ✓ Completed two Distribution main extensions to bolster reliability. (26th St. and 44th St.)
- ✓ Increased efficiency and cost savings through cooperative planning, training and working with various city resources (VPU, Public Works and Water Divisions).
- ✓ Conducted multiple Gas Safety Awareness meetings: First responders, City of Vernon PD and Fire, Petrelli Electric, and City of Vernon's Health and Wellness Fair.

Compliance

- ✓ Development and implementation of Policy on Residential Water Service Disconnection in compliance with Senate Bill 998
- ✓ Development, implementation and regulatory submittal of Wildfire Mitigation Plan in compliance with Senate Bill 901
- ✓ Successful completion of Federal Natural Gas Pipeline Safety Audit
- ✓ Performed Gas System Compliance Gap Analysis
- ✓ Development and implementation of Natural Gas Compliance Programs: Transmission Integrity Management, Distribution Integrity management, Operations & Maintenance, Emergency Response, Public Awareness, Operator Qualifications, and Damage Prevention.
- ✓ Performed Transmission and Distribution Pipeline Threat and Risk Assessments. Developed and implemented Risk Mitigation Plan.
- ✓ Developed Energy Portfolio Risk Management Program
- ✓ Developed Anti-Drug & Alcohol Misuse Prevention Program in compliance with US Department of Transportation and Pipeline Hazardous Materials Safety Administration regulations.
- ✓ Served in APPA's Reliable Public Power Provider grading panel



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- ✓ Reliability Metrics benchmarked among the highest in the country in 2019
 - SAIDI in the top quartile across the US (42 min v. 96 min)
 - SAIFI in the second quartile in the US (0.74 vs 0.99)
 - CAIDI in the top decile across the US (61 min vs 99 min)
- ✓ Implement Compliance Management Software for compliance with gas pipeline safety regulations

Goals

Reinforcing Vernon's "Exclusively Industrial" and "Vernon Means Business" ideals, VPU has adopted a guiding principle "Committed to Customer Competitiveness." VPU strives to plan, operate, and offer programs to give our business community a competitive edge and enable Vernon to remain one of the region's "Most Business Friendly Cities."

Ongoing Department Goals

- ✓ Provide valuable, responsive, and reliable services to businesses and residents cost effectively, sustainably and with a customer service approach
- ✓ Improve customer relations through communications, platforms, programs and outreach
- ✓ Provide continuous training and growth opportunities in order to foster stronger working relationships and increase effective communication amongst staff
- ✓ Research potential revenue streams to fund Capital Improvement Projects & reinvest in utility infrastructure
- ✓ Work through SCPPA to procure long-term renewable PPAs to meet the 60% RPS mandate by 2030
- ✓ Explore various energy markets and transaction platforms to reduce cost and increase contracting efficiency
- ✓ Expand the counterparty pool for electric and gas trading
- ✓ Research safe & effective methods to decrease frequency & duration of electric outages
- ✓ Research new technologies in the market for applicability and cost effectiveness

Division Goals

Resource Planning

- ✓ Develop Business Plan to market Resource Adequacy Capacity
- ✓ Provide Scheduling Coordinator Services to other utilities
- ✓ Continue to increase its renewable resource portfolio
- ✓ Negotiate City's largest renewable PPA as well as its first energy storage PPA
- ✓ Develop rate design and cost or service based on existing gas rates and tariffs

Water Division

- ✓ Begin the process of destroying Well 5 as required by the State Water Resources Control Board Commission
- ✓ Continue constructing standalone Water SCADA Control and Automation Platform
- ✓ Install Water System Smart Meters



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- ✓ Decrease any dependency on imported water
- ✓ Install emergency backup generators at multiple water facilities
- ✓ Complete construction of Well 22 and related improvements
- ✓ Complete repair and rehabilitation projects on Wells 15, 17 and 21

Electric Division

- ✓ Add additional Automatic Line Reclosers to 16kV system.
- ✓ Replace 7kV getaway cables and aging Steel pole risers.
- ✓ Replacement of Leonis Bank 4 and 5 16kV transformers.
- ✓ Purchase substation transformer for Leonis 7kV transformer Bank 1 replacement

Fiber Optics Division

- ✓ Restructure customer rates and plans
- ✓ Increase customer base by increasing advertising and customer awareness
- ✓ Infrastructure Upgrades, including areas with no service, i.e. Malburg Way

Gas Division

- ✓ Continue to grow customer base
- ✓ Continue to look for opportunities to loop the distribution system to increase reliability
- ✓ Complete PHMSA/CPUC Audit
- ✓ Continue to support development and implementation of the new compliance management software
- ✓ Add additional FTE
- ✓ Develop Gas Strategic and Business Plan for sustained growth

Compliance

- ✓ Develop Gas Division Strategic Plan
- ✓ Successful completion of California Public Utilities Commission (CPUC) audit of pipeline safety regulations for Operations & Maintenance and Emergency Response
- ✓ Develop an Alternative Fuel Vehicle Infrastructure Plan
- ✓ Implement Key Performance Indicators
- ✓ Develop a VPU Communication Plan to provide customers and stakeholders clean and consistent information and messaging.
- ✓ Implement Compliance Management Software for compliance with Electric Reliability Standards



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APPENDIX I

To access entire FY 2020/2021 budget, visit:

<http://cityofvernon.org/departments/finance>

RESOLUTION NO. 2020-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VERNON
APPROVING THE FISCAL YEAR 2020-2021 BUDGET

SECTION 1. Recitals.

- A. On April 7, April 21, and May 5, 2020, staff presented the proposed budget to the City Council.
- B. The proposed budget maintains the proper balance between revenues and expenditures, and establishes thoughtfully considered priorities.
- C. Pursuant to Government Code Section 66002, the City Council held a public hearing on the budget, which included the Capital Improvement Plan.
- D. 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 2. The City Council hereby finds and determines that the above recitals are true and correct.

SECTION 3. The City Council hereby approves the budget as set forth in Exhibit A, attached hereto and incorporated by reference, to anticipate the requirements for fiscal year 2020-2021 for the different departments of the City of Vernon.

SECTION 4. The anticipated revenues for the fiscal year 2020-2021 are set forth in Exhibit B, attached hereto and incorporated by reference.

SECTION 5. The City Council 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 further finds and determines that the same are in the best interests of the City, and necessary for the further development of the City and constitute a reasonable expenditure of public funds.



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SECTION 6. The City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

APPROVED AND ADOPTED this 2nd day of June, 2020.

LETICIA LOPEZ, Mayor

ATTEST:

LISA POPE, City Clerk
(seal)

APPROVED AS TO FORM:

ARNOLD M. ALVAREZ-GLASMAN,
Interim City Attorney

APPENDIX II



Business-Type Funds				
Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Business-type Funds Total
1,000,000	-	-	-	1,000,000
217,453,351	14,133,775	10,556,377	700,000	242,843,503
-	-	-	-	-
218,453,351	14,133,775	10,556,377	700,000	243,843,503
				301,631,764

Operating Expenditures

Government Funds & Business Type Funds

		Governmental Funds				
		General Fund	Successor Agency Funds	Governmental Funds Total		
Operating expenditures						
General government			250,000		14,796,841	
	14,546,841					
Public safety - Police			-		11,968,703	
	11,968,703					
Public safety - Fire			-		17,449,210	
	17,449,210					
Public works			-		8,513,946	
	8,513,946					
Health services			-		1,490,775	
	1,490,775					
Community promotion			-		500,000	
	500,000					
Community development			-		500,000	
	500,000					
Principal retirement	-		3,105,000		3,105,000	
Interest payment	-		2,556,113		2,556,113	
Capital outlay			-		6,332,360	
	6,332,360					
Cost of sales	-		-		-	
Total operating expenditures		61,301,835	5,911,113	67,212,948		
		Business-Type Funds				
		Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Business-type Funds Total
Operating expenditures						
Principal retirement			-	-		29,520,000
	29,520,000				-	
Interest payment			-	-		15,208,498
	15,208,498				-	
Capital outlay			270,000			18,653,685
	10,707,000			7,376,685	300,000	
Cost of sales						180,634,529
	158,166,930		13,692,225	8,343,537	431,837	
Total operating expenditures		213,602,428	13,962,225	15,720,222	731,837	244,016,712
Grand Total						311,229,660

Non-Operating Revenues & Expenditures

Government Funds & Business Type Funds

	Governmental Funds				
	General Fund	Successor Agency Funds	Governmental Funds Total		
Non-Operating Revenues (Expenditures)					
Sale of property	-	-			-
In-lieu tax transfer in (out)	4,995,000	-			4,995,000
Overhead allocation in (out)	3,738,862	-			3,738,862
Operating transfer in (out)	-	-			-
Total non-operating revenues (expenditures)	8,733,862	-			8,733,862
	Business-Type Funds				
	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Business-type Funds Total
Non-Operating Revenues (Expenditures)					
Proceeds from long-term debt	9,395,000	-	7,376,685	-	16,771,685
In-lieu tax transfer in (out)	(4,995,000)	-	-	-	(4,995,000)
Overhead allocation in (out)	(3,140,632)	-	(598,230)	-	(3,738,862)
Operating transfer in (out)	-	-	-	-	-
Total non-operating revenues (expenditures)	1,259,368	-	6,778,455	-	8,037,823
Grand Total					16,771,685

Extraordinary Items

Government Funds & Business Type Funds

Governmental Funds					
	General Fund	Successor Agency Funds			Governmental Funds Total
Extraordinary items					
Non-operating transfer in (out)					-
Estimated Fed/State assistance	-	-			
Reserves applied	250,000	-			250,000
	440,825	-			440,825
Total extraordinary items	690,825	-			690,825
Business-Type Funds					
	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Business-type Funds Total
Extraordinary items					
Non-operating transfer in (out)					-
Excess bond proceeds	-	-	-	-	-
Reserves applied	-	-	-	-	
	(6,110,291)	(171,550)	(1,614,610)	31,837	(7,864,614)
Total extraordinary items	(6,110,291)	(171,550)	(1,614,610)	31,837	(7,864,614)
Grand Total					(7,173,789)