

CITY OF VERNON

2017-2018

Final Adopted Annual Budget



BUDGET BOOK CONTENT	PAGE #
CITY ADMINISTRATOR MEMORANDUM	2
BUDGET SUMMARY	4
DEPARTMENTAL REVIEWS	
CITY COUNCIL	21
CITY ADMINISTRATION	23
CITY ATTORNEY'S OFFICE	26
CITY CLERK'S OFFICE	29
FINANCE & TREASURY	32
HEALTH & ENVIRONMENTAL CONTROL	38
HUMAN RESOURCES	41
INFORMATION TECHNOLOGY DIVISION	43
PUBLIC SAFETY	
FIRE	46
POLICE	60
PUBLIC WORKS	68
VERNON PUBLIC UTILITIES	75
APPENDIX I	
RESOLUTION APPROVING AND ADOPTING FISCAL YEAR 2017-2018 CITYWIDE BUDGET	80
APPENDIX II	
SUPPORTING DETAIL SCHEDULES	91





CITY ADMINISTRATOR MEMORANDUM

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

As the City of Vernon continues to evolve and grow in accordance with the economic landscape that exists present day, its approach to financial sustainability has been dynamic and fluid. Creativity and innovation exist in harmony with a desire for stability and a respect for the City's 1905 roots. As a largely industrial city, Vernon is unique. Therefore, its challenges, goals, and tactics to retain vitality are also markedly distinct.

It is my privilege to transmit the Fiscal Year 2017-2018 Budget Book on behalf of the City of Vernon. In an effort to remain consistent with existing good governance practices and maintain heightened levels of transparency, City staff have worked to compile a comprehensive Budget Book to serve as a companion document for the budget itself. The Budget Book contains vital information about the City's overall financial position, current challenges, and relevant strategies to address notable budgetary issues 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.

The Adopted Budget for Fiscal Year 2017-2018 is reflective of Vernon's characteristics and priorities. The focus of the newly adopted budget can be summarized as follows:

- Fiscal Responsibility
- Efficiency & Adaptability
- Public Safety
- High Service Standards

The Adopted Budget maintains the City's trajectory to fiscal sustainability and is a result of the commitment and collaborative effort amongst City Council and City Management to preserve Vernon's future.

The City will continue to build on the successes and achievements realized in Fiscal Year 2016-2017, and remains dedicated in its efforts to grow service levels. The City's main revenue sources consisting of utility fees, parcel taxes, business licenses/permits, and sales and use tax, continue to steadily develop. As the City moves into the new fiscal year, we are optimistic about continued growth, but will remain attentive to the prevailing economic climate and mindful of managing enhanced services within reasonable limits.

The budget also reflects a multitude of challenges that face the City such as: The effects of the worst recession this country has seen since the days of the Great Depression; the continued struggle with the

2017-2018 ADOPTED BUDGET



State as it relates to the elimination of Redevelopment Agencies; minimal tax funding for Vernon; and a retirement system whose limitations have impacted all government agencies through higher pension costs. As such, the City has much with which to contend in the coming years.

As a result of the many considerations and challenges the City has yet to tackle, City Council and staff have approached budgetary planning and prioritizing with the utmost scrutiny. The Adopted Budget reflects our pledge to provide high quality services to the public while remaining efficient and adaptable to economic growth factors in the general economy. It exemplifies our focus to maintain a strong financial position for this current year and those on the horizon. The Adopted Budget was thoughtfully structured to balance community priorities with a sustainable and sound financial plan for the City of Vernon.

We appreciate the valuable feedback provided by the City Council and community during the City's budget development process.

Respectfully,

A handwritten signature in blue ink that reads 'Carlos R. Fandino, Jr.'.

Carlos R. Fandino, Jr.
City Administrator





BUDGET SUMMARY

Overview

The Fiscal Year (FY) 2017-2018 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.

FY 2017-2018 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
- 3) Parcel Tax Fund
- 4) Hazardous Waste Fund

Governmental Funds are established to account for activities under which traditional government activities occur. The adopted budget for the City’s FY 2017-2018 Governmental Funds is as follows:

Operating revenues	\$ 43.9
Operating expenditures	63.8
<hr/>	
Operating surplus (deficit)	(19.9)
Non-operating revenues (expenditures)	20.1
Extraordinary items	(1.0)
<hr/>	
Net surplus (deficit)	\$ (0.8)



2017-2018 ADOPTED BUDGET

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 2017-2018 Business-Type Funds is as follows:

Operating revenues	\$245.9
Operating expenditures	226.8
Operating surplus (deficit)	19.1
Non-operating revenues (expenditures)	(19.5)
Extraordinary items	1.2
Net surplus (deficit)	\$ 0.8

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 four 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 2017-2018 General Fund is as follows:

Operating revenues	\$ 25.5
Operating expenditures	58.0
Operating surplus (deficit)	(32.5)
Non-operating revenues (expenditures)	32.6
Extraordinary items	(1.0)
Net surplus (deficit)	\$ (0.9)



2017-2018 ADOPTED BUDGET

The General Fund supports the majority of basic City services such as Police, Fire, Public Works, and Health Department Services. Public Safety expenditures alone represent roughly \$29.5 million, or 51% of the General Fund. General Fund services are primarily supported by taxes, licenses, permits, and intergovernmental revenues.

Successor Agency Fund

The Vernon Successor Agency Fund is a private-purpose Trust Fund. This is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the City's assets, liabilities and activities to the Dissolved Vernon Redevelopment Agency, which is now known as the Successor Agency. The accounting under this fund is much broader than under normal fund accounting since the funds are subject to Private-purpose Trust Fund reporting, which includes a statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. 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. The adopted budget for the FY 2017-2018 Successor Agency Fund is as follows:

Operating revenues	\$ 5.4
Operating expenditures	5.4
<hr/>	
Operating surplus (deficit)	-
Non-operating revenues (expenditures)	-
Extraordinary items	-
<hr/>	
Net surplus (deficit)	\$ -

Parcel Tax Fund

The City voters enacted a Special Parcel Tax assessment which is levied on non-refrigerated warehouses, truck terminals, freight terminals, and distribution facilities. The tax is collected through the Los Angeles County property tax bill and then is remitted back to the City on a semi-annual basis. The enactment of the Special Parcel Tax was important, since the City's property tax allocation percentage from the State of California is among the lowest in Los Angeles County, and other tax revenue sources that are calculated based upon resident population provide little revenue to the City. The adopted budget for the FY 2017-2018 Parcel Tax Fund is as follows:

Operating revenues	\$ 12.5
Operating expenditures	-
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Operating surplus (deficit)	12.5
Non-operating revenues (expenditures)	(12.5)
Extraordinary items	-
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Net surplus (deficit)	\$ -



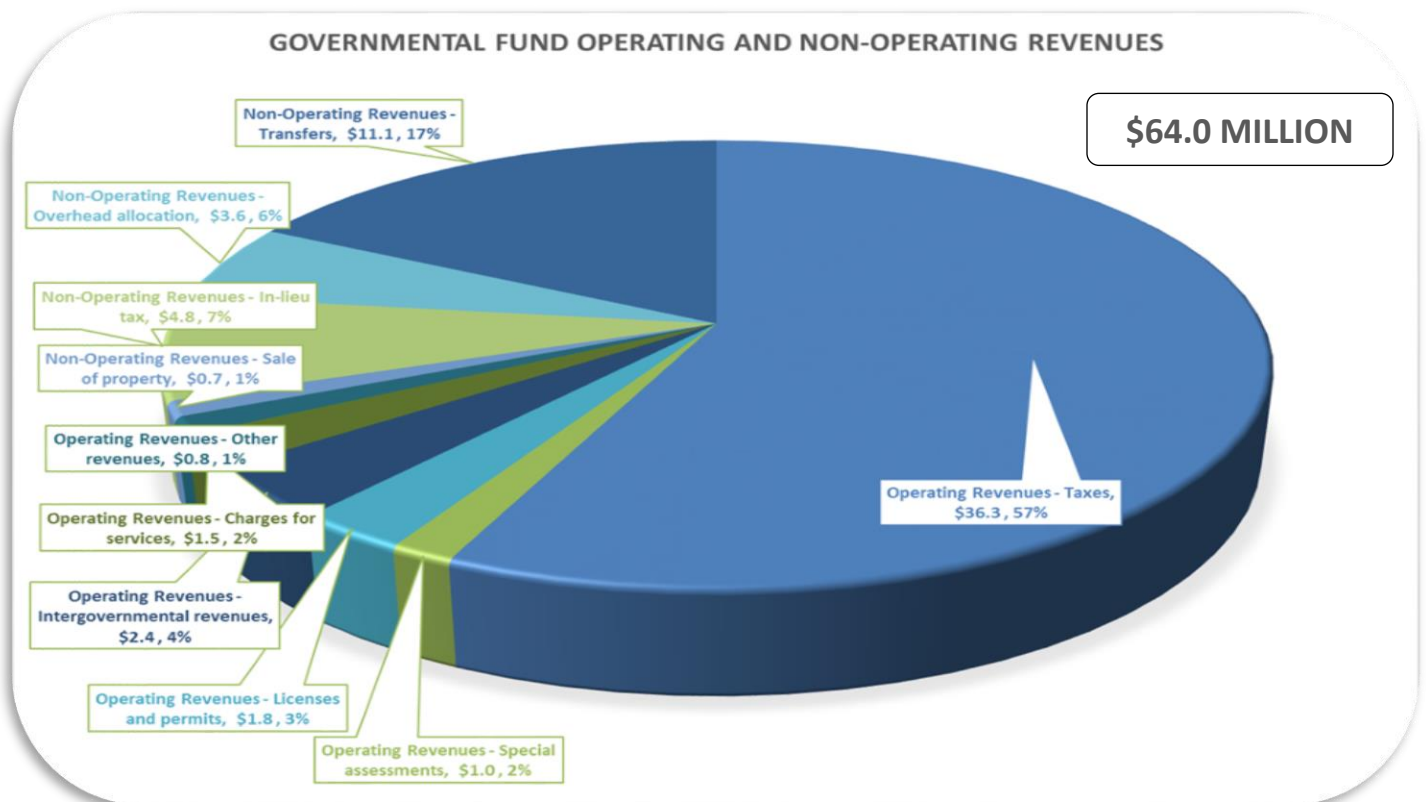
2017-2018 ADOPTED BUDGET

Hazardous Waste Fund

The Hazardous Waste Fund has been established to pay for hazardous waste reporting and inspections in accordance with Federal and State regulations. The related activities performed include reviews of hazardous materials business plans, chemical inventories, site maps, underground and above ground tank data, and hazardous waste related data. In addition, the City has a Special Operations-Haz Mat Team within the Fire Department that provides 24 hour emergency response services to hazardous material incidents. The funding of the Hazardous Waste Fund is derived solely from businesses operating within City limits where hazardous materials are processed and/or where hazardous waste is created. The funds collected partially offset the costs of the operations of the Health & Environmental Control Department and Fire Department which are tasked with performing the required duties related to Federal and State compliance. The adopted budget for the FY 2017-2018 Hazardous Waste Fund is as follows:

Operating revenues	\$ 0.5
Operating expenditures	0.4
Operating surplus (deficit)	0.1
Non-operating revenues (expenditures)	-
Extraordinary items	-
Net surplus (deficit)	\$ 0.1

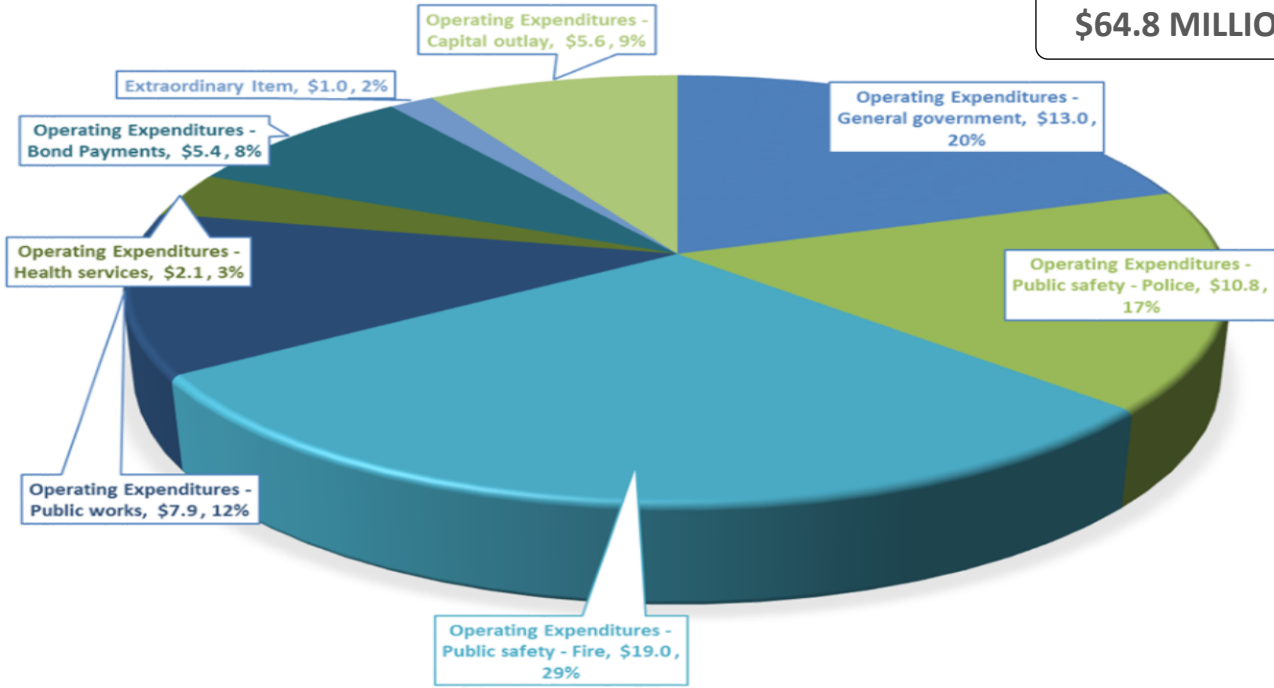
The following pie-charts demonstrate the City's balanced Governmental Fund budget by detailing anticipated revenues and budgeted expenditures during FY 2017-2018:





GOVERNMENTAL FUND OPERATING AND NON-OPERATING EXPENDITURES

\$64.8 MILLION



Business-Type Funds

The City operates with four Business-Type Funds, also known as **Enterprise Funds**, which function under 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 Utility Enterprise which includes Electricity, Gas, Water, and Fiber Optics.

Electric Fund

The Electric Fund is 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 \$22.6 million budgeted as transfer-in from the Successor Agency as excess bond proceeds to be used for capital infrastructure of which \$21.4 million will be placed into reserves. The adopted budget for the FY 2017-2018 Electric Fund is as follows:



2017-2018 ADOPTED BUDGET

Operating revenues	\$196.2
Operating expenditures	178.9
Operating surplus (deficit)	17.3
Non-operating revenues (expenditures)	(18.9)
Extraordinary items	1.2
Net surplus (deficit)	\$ (0.4)

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. The City's gas customers receive natural gas based upon rates established for cost recovery for the maintenance, operations, and reserves. There are no operating transfers made from this particular fund. The adopted budget for the FY 2017-2018 Gas Fund is shown below. The budgeted excess revenues will be placed into the Gas Fund's reserves.

Operating revenues	\$40.5
Operating expenditures	39.8
Operating surplus (deficit)	0.7
Non-operating revenues (expenditures)	-
Extraordinary items	-
Net surplus (deficit)	\$ 0.7

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. Although the Water Fund does not meet the criteria to be presented as a major fund for financial reporting purposes, the City has elected to present it as such to ensure increased transparency for fund related activities. Under Proposition 26, the State of California precludes transfers of excess revenues as operating transfers. As such, any excess revenues are set aside in reserve for future capital infrastructure needs. The adopted budget for the FY 2017-2018 Water Fund is shown below. The budgeted excess revenues will be placed into the Water Fund's reserves.

Operating revenues	\$ 8.6
Operating expenditures	7.2
Operating surplus (deficit)	1.4
Non-operating revenues (expenditures)	(0.6)
Extraordinary items	-
Net surplus (deficit)	\$ 0.8



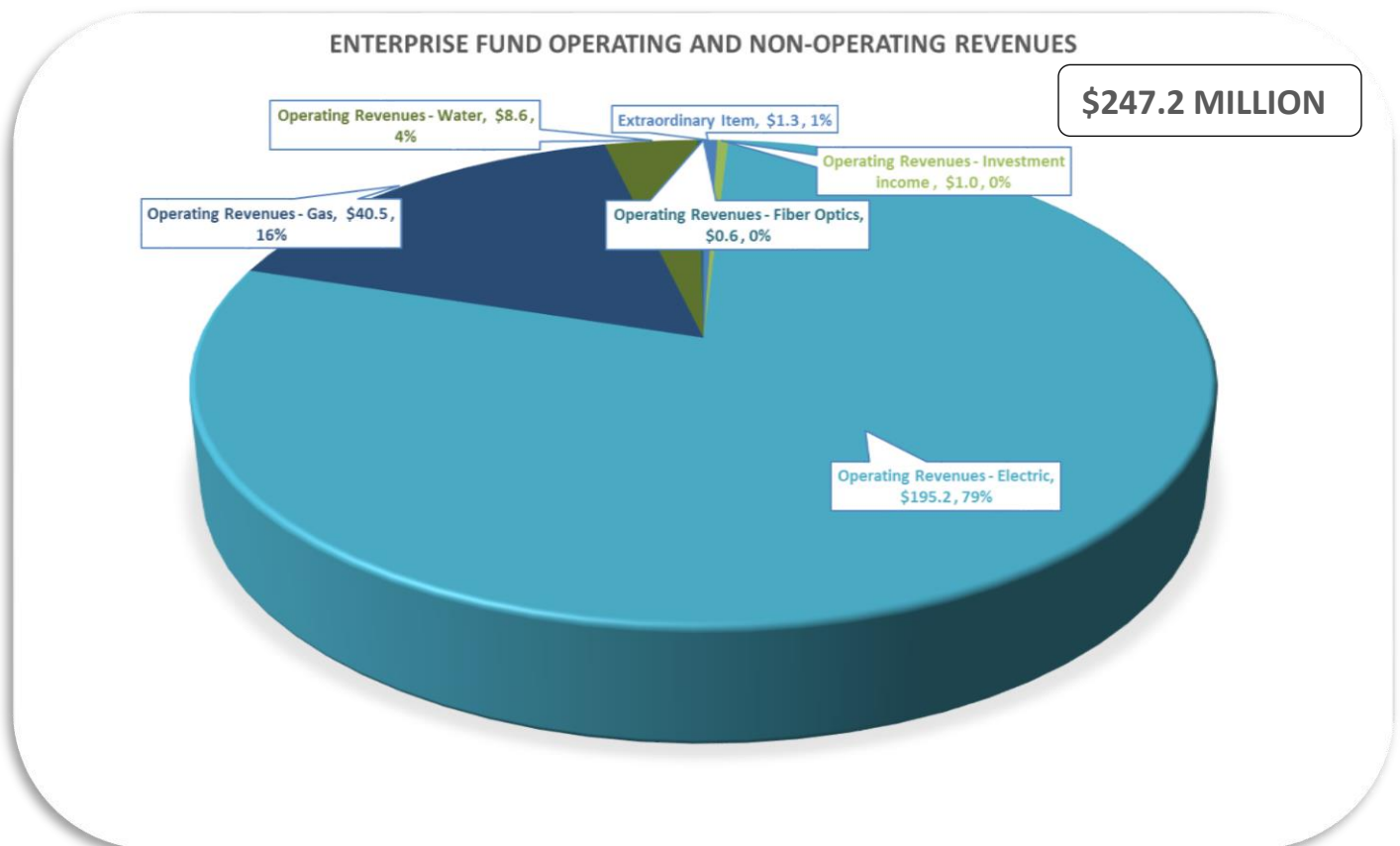
2017-2018 ADOPTED BUDGET

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. Although the Fiber Optics Fund does not meet the criteria to be presented as a major fund, the City has elected to present it as such. The City’s fiber optics system has been built to strategically address major customer needs. The adopted budget for the FY 2017-2018 Fiber Optics Fund is shown below. The \$0.3 million budgeted deficit is due to capital infrastructure additions of \$0.3 million. System expansions are planned to meet projected customer demand.

Operating revenues	\$ 0.6
Operating expenditures	0.9
Operating surplus (deficit)	(0.3)
Non-operating revenues (expenditures)	-
Extraordinary items	-
Net surplus (deficit)	\$ (0.3)

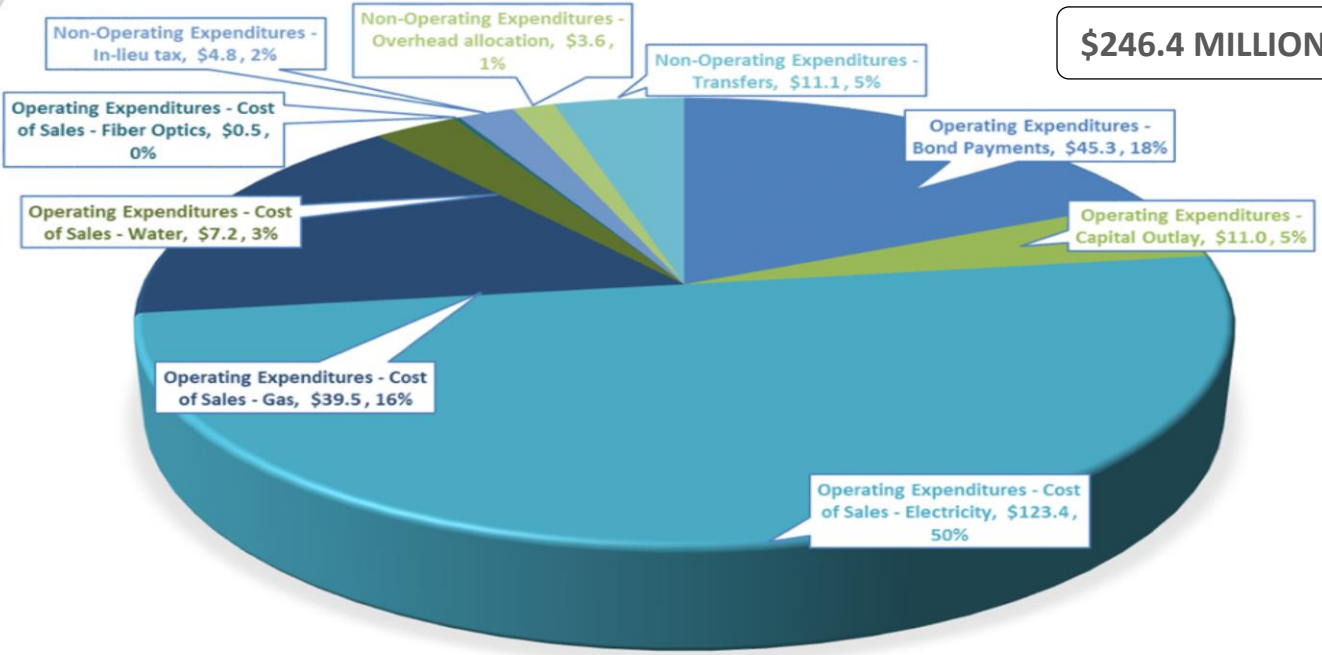
The following pie-charts demonstrate the City’s balanced Enterprise Fund budget by detailing anticipated revenues and budgeted expenditures during FY 2017-2018:





ENTERPRISE FUND OPERATING AND NON-OPERATING EXPENDITURES

\$246.4 MILLION



2017-2018 ADOPTED BUDGET



A summary of the FY 2017-2018 Adopted City Budget which includes Government Activities and Business Activities can be found below.

The **Governmental Funds** Budget consists of four types of Government activities: General Fund, Successor Agency Fund, Parcel Tax Fund, and the Hazardous Waste Fund. The total budgeted loss for the year is \$765,267.

Fiscal Year 2017-2018 Governmental Funds Budget

	General Fund	Successor Agency Funds	Parcel Tax Fund	Hazardous Waste Fund	Governmental Funds Total
Total Operating Revenues	\$25,459,498	\$5,436,332	\$12,482,308	\$500,000	\$43,878,138
Total Operating Expenditures	\$57,969,579	\$5,436,332	-	\$396,494	\$63,802,405
Net Operating Surplus (Deficit)	(\$32,510,081)	-	\$12,482,308	\$103,506	(\$19,924,267)
Total Non-Operating Revenues (Expenditures)	\$32,671,308	-	(\$12,482,308)	-	\$20,189,000
Total Extraordinary Items	(\$1,030,000)	-	-	-	(\$1,030,000)
Net Increase (Decrease)	(\$868,773)	-	-	\$103,506	(\$765,267)

2017-2018 ADOPTED BUDGET



The *Business-Type Funds (Enterprise Funds)* Budget consists of four types of Business Activities: Electric Fund, Gas Fund, Water Fund, and Fiber Optics Fund. The total budgeted increase for the year is \$765,267.

Fiscal Year 2017-2018 Business-Type Funds Budget

	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Business-Type Funds Total
Total Operating Revenues	\$196,242,639	\$40,483,748	\$8,573,244	\$605,000	\$245,904,631
Total Operating Expenditures	\$178,968,052	\$39,838,724	\$7,210,439	\$869,516	\$226,886,731
Net Operating Surplus (Deficit)	\$17,274,587	\$645,024	\$1,362,805	(\$264,516)	\$19,017,900
Total Non-Operating Revenues (Expenditures)	(\$18,914,000)	-	(\$575,000)	-	(\$19,489,000)
Total Extraordinary Items	\$1,236,367	-	-	-	\$1,236,367
Net Increase (Decrease)	(\$403,046)	\$645,024	\$787,805	(\$264,516)	\$765,267

A summary of the overall City budget reflects that a balanced budget was approved. The Governmental Funds Budget recognizes a deficit of \$765,267, while the Business-Type Funds Budget reflects net operating income of \$765,267. The net effect is that, on a consolidated basis, the overall budget is balanced.

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



Citywide Budget Summary

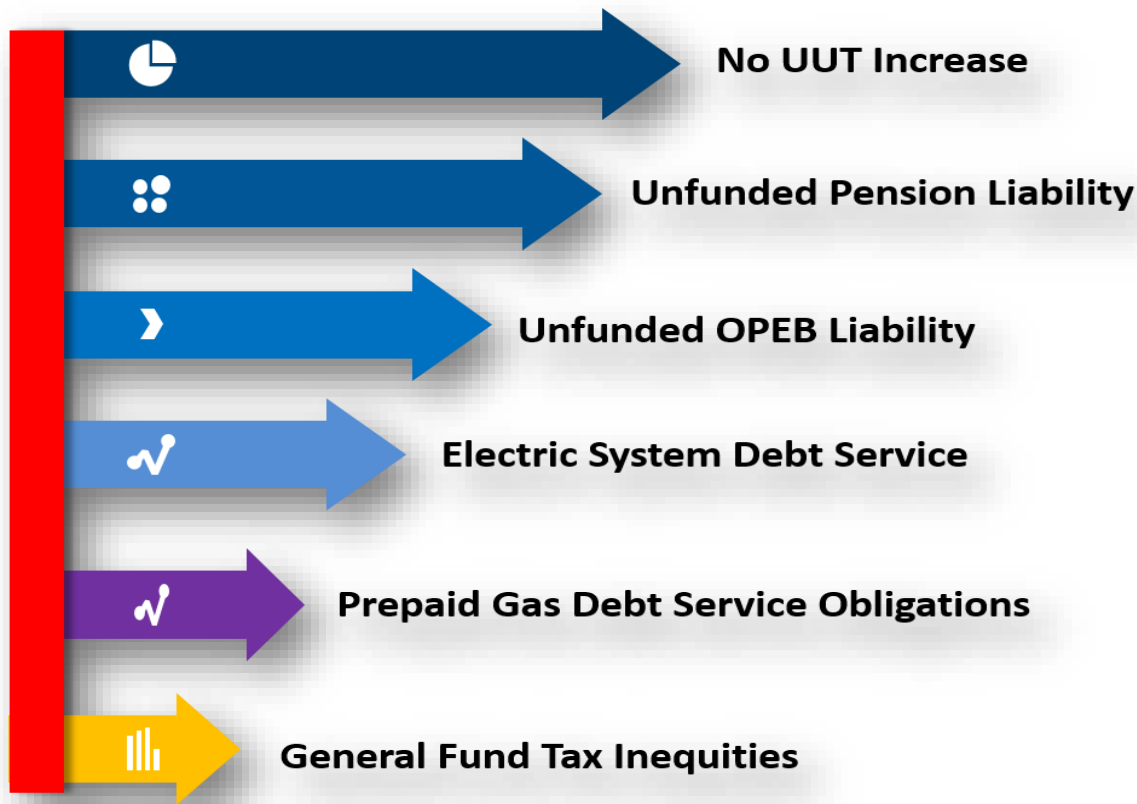
CITY OF VERNON
Fiscal 2017-2018 Budget Summary
Adopted June 20, 2017

	Governmental Funds Total	Business-type Funds Total	City-Wide Total
Operating revenues			
Taxes	36,305,026	-	36,305,026
Special assessments	1,025,000	-	1,025,000
Licenses and permits	1,843,434	-	1,843,434
Fines, forfeitures and penalties	200,300	-	200,300
Investment income (loss)	77,000	1,000,000	1,077,000
Intergovernmental revenues	2,432,646	-	2,432,646
Charges for services	1,463,422	244,901,131	246,364,553
Other revenues	531,310	3,500	534,810
Total operating revenues	43,878,138	245,904,631	289,782,769
Operating expenditures			
General government	12,980,015	-	12,980,015
Public safety - Police	10,769,680	-	10,769,680
Public safety - Fire	18,948,394	-	18,948,394
Public works	7,936,097	-	7,936,097
Health services	2,137,837	-	2,137,837
Principal retirement	2,365,000	25,815,000	28,180,000
Interest payment	3,049,482	19,497,322	22,546,804
Capital outlay	5,615,900	10,970,700	16,586,600
Cost of sales	-	170,603,709	170,603,709
Total operating expenditures	63,802,405	226,886,731	290,689,136
Operating surplus (deficit)	(19,924,267)	19,017,900	(906,367)
Non-operating revenues (expenditures)			
Sale of property	700,000	-	700,000
In-lieu tax transfer in (out)	4,790,376	(4,790,376)	-
Overhead allocation in (out)	3,593,677	(3,593,677)	-
Operating transfer in (out)	11,104,947	(11,104,947)	-
Total non-operating revenues (expenditures)	20,189,000	(19,489,000)	700,000
Extraordinary items			
Non-operating transfer in (out)	(23,592,707)	22,562,707	(1,030,000)
Excess bond proceeds	22,562,707	-	22,562,707
Reserves	-	(21,326,340)	(21,326,340)
Total extraordinary items	(1,030,000)	1,236,367	206,367
Increase (decrease) to fund balance	(765,267)	765,267	-



Budgetary Challenges

There are major factors that have an impact on the City and each are taken into account when planning begins for the new fiscal year budget. The chart 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 Deficit

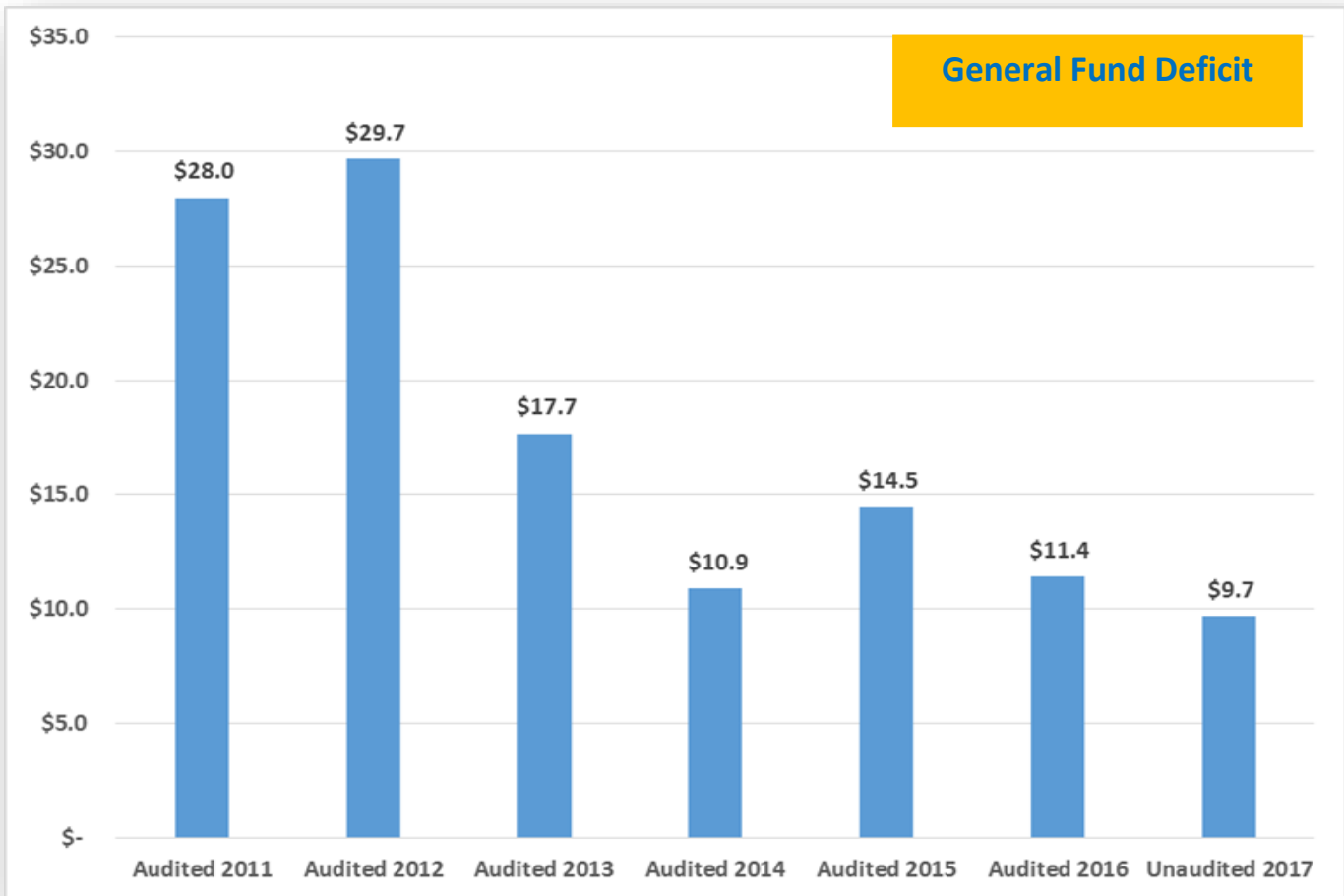
The voters of Vernon declined to pass Measure Q in April 2017. Funds generated from the proposed measure would have offset the City's general fund deficit by generating tax revenues to provide moneys to cover expenses for basic City services. In short, the City proposed tax measure would have addressed the following:

- 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
- To balance the budget, there is a reliance on Public Utility transfers and Overhead Allocation
- A structural deficit still exists, while improved in recent years



2017-2018 ADOPTED BUDGET

Due to an operating deficit in the general fund, moneys are transferred from the enterprise fund account year over year to cover expenses for basic City services. Although this is a standard practice for most government agencies that have a utility operation, the City foresees a challenge in the sustainability of this utility transfer practice over the long term.



Traditionally, the City has operated with a structural deficit. The City has vastly improved its situation in recent years, but a structural deficit does still exist. As you can see from the chart above, the City has achieved major strides to reduce the overall deficit by increasing revenues and controlling City costs. In FY 2016-2017, the City saw its deficit at its lowest point since 2014. Since its highest point in 2012 with a deficit of \$29.7 million, the deficit has been reduced to \$9.7 million - a \$20 million improvement.

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.



Unfunded Pension Liability

Unfunded pension liability was the primary challenge to the development of a budget for FY 2017-2018. 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 5.1%, 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 2016-2017, the City funded \$5.6 million and in FY 2017-2018, it will be funding a total of \$6.2 million. Based on the City's unfunded pension liability of \$76.5 million, there is potential for the structural deficit to climb without the implementation of new tax measures and/or other 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.

Other Post-Employment Benefits (OPEB)

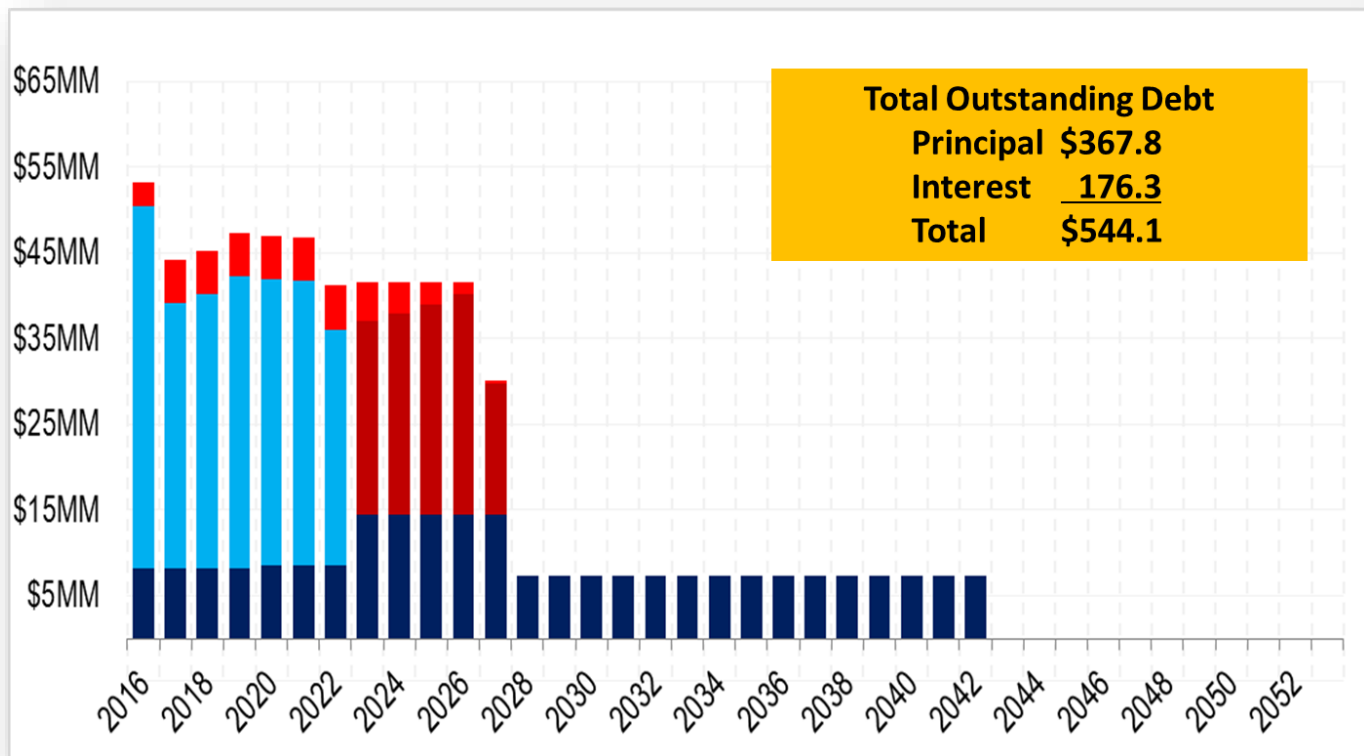
Another major factor impacting the City is the cost associated to post-employment benefits other than pensions. As of June 30, 2017, the City's unfunded OPEB liability is \$35.3 million. The unfunded liability is the result of the 2013 negotiated MOU changes which were passed by City Council Resolution, an early retirement package offered to long-standing employees in 2012, and longer life expectancy of those in retirement receiving such benefits.

As a first step toward resolution, in June 2017 (for FY 2016-2017), the City established an OPEB Trust Fund with CalPERS to begin reducing this unfunded liability. The first annual payment to the OPEB Trust Fund in the amount of \$1.1 million was made in June 2017. The same level of funding has been committed in the FY 2017-2018 Budget. Year over year, as the City progresses, there will be a greater amount of funding set aside for the purpose of managing its OPEB liabilities. The City will continue to investigate verified methods in which to reduce such expenses. The goal is to be fully funded in 20 years.



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 leading to savings on interest being paid out. 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 above 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 an existing contractual obligation matures.

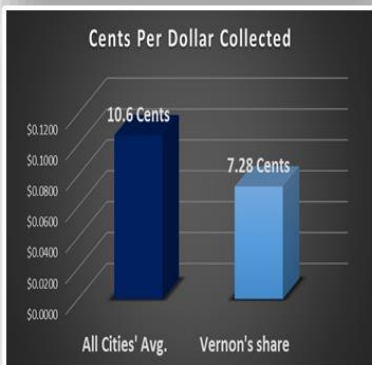


General Fund Tax Inequities

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 302 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 display below details many of the tax inequities that affect the City.

Share of Los Angeles County Property Taxes



- All cities average is 10.6 cents per dollar collected
- Vernon's share is 7.28 cents per dollar collected
- Vernon's share was \$4.3 million for fiscal year 2016
- \$2.0 million shortfall as compared to all cities average

Sales Tax



- Vernon is mainly industrial and has limited sales taxes collected from retail sales
- Amount collected for fiscal year 2016 was \$6.1 million
- Vernon ranked 50th amongst 89 Los Angeles County Cities for the Second Quarter of 2016

State Subventions



- 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 Mandate Reimbursement which are State's provision of financial assistance
- Total annual receipts are approximately \$0.1 million City-wide



Conclusion

Multiple strategies were discussed during the City’s budget development phase and several have been integrated into Vernon’s FY 2017-2018 Adopted Budget. Considerations such as those itemized below have driven, and will continue to drive, Citywide processes related to fiscal management, transparency, accountability, and sustainability.

Revenue-Centric Strategies

- ✓ Wise utilization of \$22.6 million of Successor Agency funding of Excess Bond Proceeds
- ✓ Conduct updated Fee Study to optimize revenue generation for City services
- ✓ Explore feasibility of evaluating a “Measure R” tax generation option
- ✓ Continue to examine existing revenues, as well as cost control measures for efficiency management

Transparency

- ✓ Explore inclusion of Full Financial Impact statement (addressing long-term impact), as opposed to Fiscal Impact statement (one year impact) in Staff Report recommendations
- ✓ Engage in full discussion on the risks and rewards of providing additional pension and OPEB benefits prior to adoption (Govt. Code 7507)

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
 - 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: Refine Method(s) of Communication



DEPARTMENTAL REVIEWS

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 services/supplies have been reduced for FY 2017-2018. While the costs for salaries and benefits has risen, the overall increase for the new fiscal year is less than \$4,000. When there is an opportunity identified that allows for cost savings, it is consistently leveraged.

	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
SALARIES	\$131,335	\$133,968	\$2,633
BENEFITS	\$ 61,726	\$ 72,396	\$10,670
SERVICES/SUPPLIES	\$62,803	\$52,799	(10,004)
CAPITAL	-	-	-
TOTAL EXPENDITURES	\$255,864	\$259,163	\$3,299



DEPARTMENTAL REVIEWS

City Administration

Mission Statement

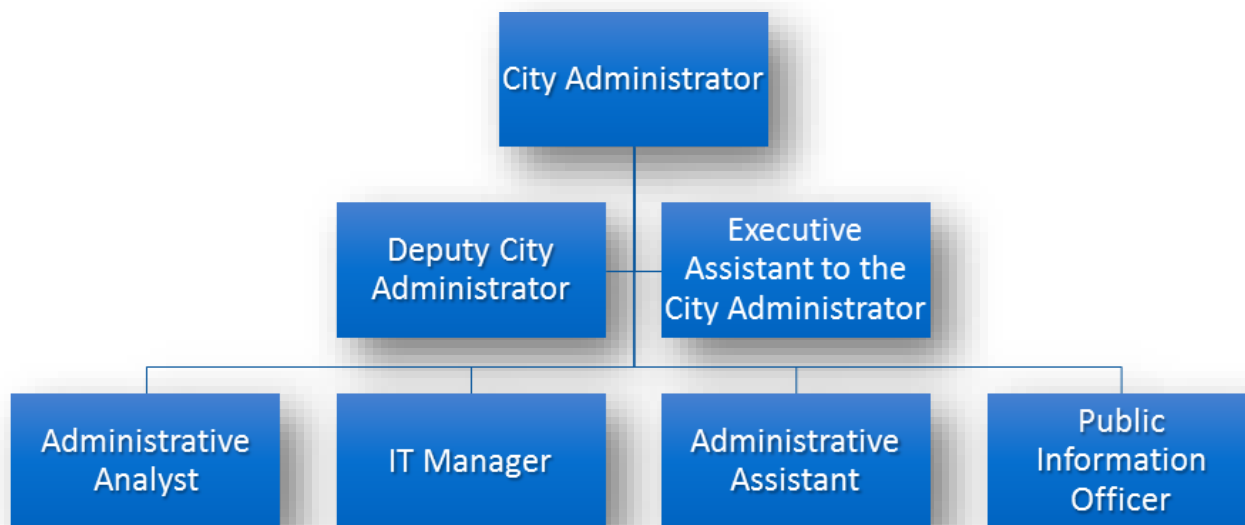
The City Administration Department is committed to overseeing and effectuating the proper, efficient, and cost effective management of all affairs of the City, and provide essential information to the City Council to enable their execution of well-advised decisions on City related matters.

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 Mayor and 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 objective 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

The City Administration Department continues to make strides toward streamlining processes and reducing expenditures. As evidenced in the chart below, a significant decrease in supplies/services costs is recognized in FY 2017-2018. A conscientious approach to establishing a realistic budget is important to the department and City. As a result, third party service expenses have been analyzed and reduced to alleviate excess spend in the department.

	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
SALARIES	\$647,410	\$765,129	\$117,719
BENEFITS	\$ 223,736	\$287,055	\$63,319
SERVICES/SUPPLIES	\$520,083	\$238,177	(\$281,906)
CAPITAL	-	-	-
TOTAL EXPENDITURES	\$1,391,229	\$1,290,361	(\$100,868)

Department Highlights

- ✓ Completed 9 out of 10 remaining JLAC audit item recommendations
- ✓ Hired a new HR Director, Director of Health & Environmental Control, Fire Chief, and General Manager of Public Utilities
- ✓ Attracted new companies: Millenium Products (Expansion), Popcornopolis, R Planet Earth, Gaviña Expansion (97.7% Occupancy Rate)
- ✓ Implemented in-depth management training for more thorough employee evaluations
- ✓ Supported Vernon Chamber of Commerce activities: Golf Sponsorship, Economic Forecast, & Directories for a total: \$38,844
- ✓ Continued Vernon CommUNITY Fund good neighbor program to touch the lives of one million people in and around Los Angeles



2017-2018 ADOPTED BUDGET

- ✓ Began broadcasting positive image of the City with KTLA Morning Show, CBS coverage and LA Business Journal stories
- ✓ Partnered with Huntington Park Chamber of Commerce for the Sabor de Mexico Lindo event

Goals

- ✓ Partner with City Council to establish five year strategic plan
- ✓ Explore creative opportunities to bring new revenues to the City
- ✓ Finish implementation of one remaining JLAC audit item recommendation
- ✓ Create citywide succession plan, with focus for each department
- ✓ Develop and implement citywide communications plan to increase positive brand reputation of the City
- ✓ Create economic development toolkit to alert and attract manufacturing jobs to the City
- ✓ Identify services and amenities to increase community engagement



DEPARTMENTAL REVIEWS

City Attorney's Office

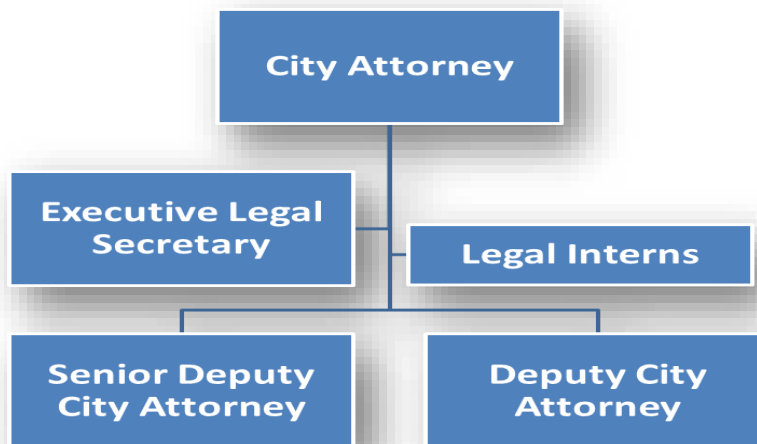
Mission Statement

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 achieve 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



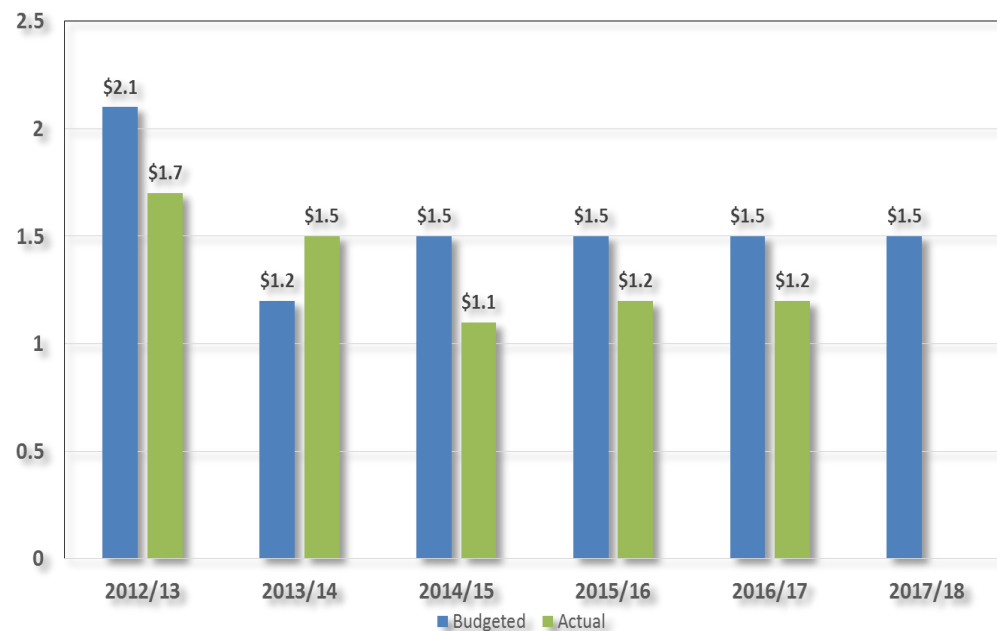
Changes from Prior Year

The City Attorney's Office continues to make strides toward streamlining processes and reducing expenditures. As evidenced in the chart on the next page, supplies/services cost continues to decline in FY 2017-2018. The Office employs a conscientious approach to spending at all times.



	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
SALARIES	\$646,733	\$699,218	\$52,485
BENEFITS	\$335,983	\$357,368	\$21,385
SUPPLIES/SERVICES	\$481,800	\$439,300	(\$42,500)
CAPITAL	-	-	-
TOTAL EXPENDITURES	\$1,464,516	\$1,495,886	\$31,370

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. For example, since FY 2013/2014, the



Office has decreased total legal costs by over 63% across the city. The expertise amongst staff in the City Attorney’s Office is broad and comprehensive. Staff members are 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 effectively.



Department Highlights

- ✓ Increased participation in matters/transactions within the City
- ✓ Increased participation in legal associations in the local Los Angeles area, statewide and nationwide
- ✓ Continued to decrease reliance on outside counsel
- ✓ Decreased legal expenditures from other departmental budgets through centralization of legal services
- ✓ Continued to increase efficiency and productivity
- ✓ Developed and updated 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 from settlements, and prevailing in legal matters, etc., wherein recovered money is directed back to the relevant departments

Goals

- ✓ Provide leadership in institutionalizing the Good Governance Reform efforts (drafting/reviewing City ordinances, resolutions, and agreements)
- ✓ Provide the highest level of service through effective legal advice that is timely, accurate and easy to understand
- ✓ Advocate for the City’s interests in all legal proceedings and otherwise
- ✓ Ensure accountability for our professional performance and our effective stewardship of public resources
- ✓ Operate a highly efficient and ethical office by developing and maintaining an experienced and well-trained staff
- ✓ Support City staff in reaching goals by giving sound legal advice and facilitating solutions and prevention
- ✓ Continue having earlier involvement in the procurement process; improve contracting methods
- ✓ Further centralize expenditures of legal services



DEPARTMENTAL REVIEWS

City Clerk's Office

Mission Statement

The Office of the City Clerk is committed to serve and support 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; to administer and conduct elections ensuring the integrity of the democratic process; and to provide these services efficiently with the utmost professionalism, with 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
- Oversight Board of the Successor Agency to the Redevelopment Agency
- Successor Agency to the Redevelopment Agency
- Public Benefits Resource Committee
- Board of Library Trustees
- Industrial Development Authority
- Vernon Historic Preservation Society

The Office of the City Clerk, is also responsible for the official City records (City Clerk is Custodian of the City Seal); 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); 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 FPPC forms, manages Public Records Act requests and Subpoena processing from start to finish, handles the acceptance of claims, performs notary public acts, and issues all public hearing and ordinance notifications. Collectively, these functions are performed in accordance with all applicable laws, codes, policies, and procedures. The City Clerk 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 moving towards electronic workflows and electronic document retention, emphasizing efficient and effective processes. As a customer service oriented office, the City Clerk staff are constantly looking at new ways to enhance services to the public, as well as internal city staff.

	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
SALARIES	\$362,974	\$398,921	\$35,947
BENEFITS	\$151,422	\$160,582	\$9,160
SUPPLIES/SERVICES	\$126,900	\$112,900	(\$14,000)
TOTAL EXPENDITURES	\$641,296	\$672,403	\$31,107

The City Clerk Department’s efforts in the area of Voter Outreach has led to an increase in the City’s electorate. Efforts in the area of Records Management have led to a collaborative and comprehensive Citywide update of the City’s Records Retention Schedule.



Department Highlights

- ✓ Established Ballot Drop-Off Location, Fire Station #76
 - About 25% of ballots cast were received at the Ballot Drop-Off Location
- ✓ Increased Voter Registration
 - Organized and/or Assisted with Various Community Events and Outreach Efforts
 - Voter Registration Increased by 20% (from 71 to 85 voters)
- ✓ Launching: Records Management Program
 - Creation of Records Liaisons Group
 - Comprehensive Update to the Citywide Records Retention Schedule
 - Initiating Records Destruction and Transfer Procedures
 - Continued Efforts in RMP Development
- ✓ Continued Department Functions and Services
 - Support Elected and Appointed Governing Bodies
 - Over 42 Public Meetings
 - Fulfilled Over 258 Public Records Requests
 - Estimated 18,100 document pages reviewed for processing
 - FPPC Compliance
 - 96% Form 700 filer compliance
 - City compliant with Form 801 and 806 filings

Goals

- ✓ Explore Opportunities to Enhance Department Services:
 - Public
 - Passport Service Center
 - Website Portal
 - Staff
 - Citywide Trainings: Topic Workshops (e.g. Public Records Act Processing)
 - Increase Information Accessibility
 - Automated Agenda Management System
 - Continued Voter Outreach
- ✓ Continue with methodical implementation of next phases of the RMP



DEPARTMENTAL REVIEWS

Finance & Treasury

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 standards 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 \$110 million in 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 in compliance 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 Government Accounting Standards Board (GASB). As part of this responsibility, it coordinates the External

2017-2018 ADOPTED BUDGET



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 Auditor's review and to validate. The City's Annual Financial Report and the independent auditor's opinion are then filed annually with the following agencies: 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. The objectives in place are to develop policies, programs, and services that meet or exceed regulatory requirements in a cost effective manner.

Business Licenses & Permits

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 boundaries of the City, every sole proprietor or other 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 renewal applications and taxes are due by December 31st. There is a grace period prior to penalties being applied. 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

2017-2018 ADOPTED BUDGET



annually. A step by step guide and on-line sign up has been developed for convenience and enhanced functionality.

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. The Finance Department is responsible for maintaining the records and support of its capital assets for several major reasons including: Capital improvement planning; Capital budgeting, Capital project management; Capital asset maintenance; Insurance; and financial 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.

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 check limitations are in place to act as early warning signals that can only be exceeded, with higher level approvals. 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 / Collection

Revenue generation is important in providing the foundation for a stable institution that can provide reliable and orderly services. The Finance Department plays an important role in the timely billing and collection 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 and updates the general ledger for the City. The general ledger is the framework that houses the City's recorded financial transactions. The City has been using an Enterprise Resource Planning (ERP) system called of Eden Financial Management Software Solutions developed by Tyler Technologies since fiscal year 2005-2006 for general ledger transactions. 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's Finance Director. As part of the process, the independent auditor is required to audit every general ledger account, including the accounts of all departments. The



2017-2018 ADOPTED BUDGET

City's general ledger keeps track of all financial transactions using a double entry system. This is then reconciled with the cash activity records 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 2005-2006. 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 in compliance 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 2018 budgeted revenues are \$49.7 million versus fiscal 2017 budgeted revenues of 2017 of \$46.3 million. There is an increase in revenues of \$3.4 million when comparing the two years. The increase is related to higher sales taxes, property taxes, and operating transfer from utility operations. The fiscal year 2018 budgeted expenditures are \$3.2 million compared to \$3.1 million for fiscal year 2017. This increase of \$0.1 million is the result budgeting for two one-time only consulting expenditures. The first consulting expenditure is for completion of the infrastructure asset valuation study currently being performed by Epic Land Solutions. The second budgeted expenditure is for a cost allocation analysis accompanied by a General Fee study. The selection for a consultant for the second study will be initiated during the first quarter of the new fiscal year. Below is a summary comparing the Fiscal Year 2017 budget to the Fiscal Year 2018 budget.



2017-2018 ADOPTED BUDGET

	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
TOTAL REVENUES	\$46,271,499	\$49,687,692	\$3,416,193
SALARIES	\$1,156,860	\$1,060,815	(\$96,045)
BENEFITS	\$476,508	\$443,708	(\$32,800)
WORKERS COMP	-	-	-
SERVICES/SUPPLIES	\$1,467,310	\$1,651,170	\$183,860
TOTAL EXPENDITURES	\$3,100,678	\$3,155,693	\$55,015

The Finance Department has continued to be diligent in managing the expenditures budget. During the fiscal year 2016 the budget was \$3.4 million and actual expenditures were \$3.1 million. For fiscal year 2017 both budgeted expenditures and actual

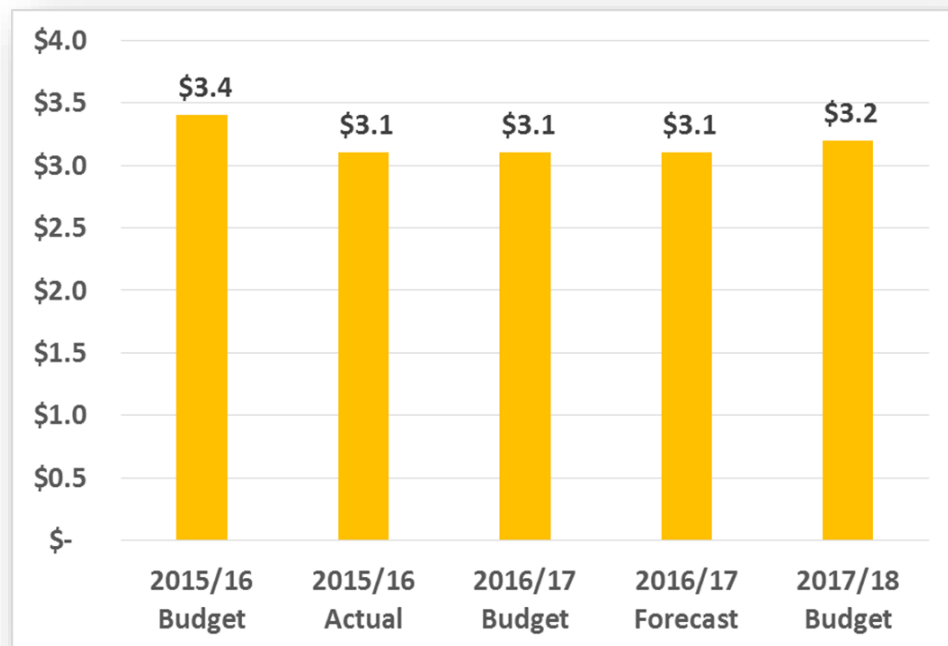
expenditures were in line with the budget at \$3.1 million. For fiscal year 2018 the budget is increasing a modest \$0.1 million, which is the result of commissioning an infrastructure valuation study and general fee study review.

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 and Government Accounting Standards are being followed. Some of the more noteworthy highlights this past year include:

- ✓ The establishment of the Other Post-Employment Benefits (OPEB) Trust with CalPERS was finalized which entailed updating the actuary report; setting up the trust documents; entering into a contractual agreement; and funding the initial payment – an effort that resulted in the establishment of a trust that lowered the City’s OPEB liability by \$18 million while making sure funds will be set aside to address future employee medical costs



2017-2018 ADOPTED BUDGET



- ✓ Responsibilities for handling the Successor Agency was transferred to the Finance Department which entailed budgeting; preparing report submissions to the State Department of Finance; and the development of an affirmative claim for \$22.6 million for excess bond proceeds that will be distributed to the City to fund governmental capital assets and projects
- ✓ Increased reliance on technology to perform routine accounting analysis and business license activities has improved accuracy and efficiency, and resulted in productivity improvements, allowing staff size to be reduced from 20 fulltime personnel in 2008 to 11 budgeted positions - a decrease of 9 personnel equating to 45%
- ✓ Internal operating efficiencies have continued to take place based upon an ongoing valuation of work practices which involves an “Open Door” policy 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’ insurance broker who provides guidance on risk mitigation and claims matters which are being proactively administered

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 2017-2018 include:

- ✓ Lead the annual financial statement audit effort through providing timely, accurate and thoughtful responses in accordance with Government Accounting Standards
- ✓ Monitor bond ratings and provide information responses to rating agency inquiries that place the City in a favorable manner
- ✓ Provide assistance to 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
- ✓ Provide assistance to 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 completion of the asset identification and valuation study to ensure that City’s assets are recognized and recorded on the books in accordance with GASB requirements



DEPARTMENTAL REVIEWS

Health & Environmental Control

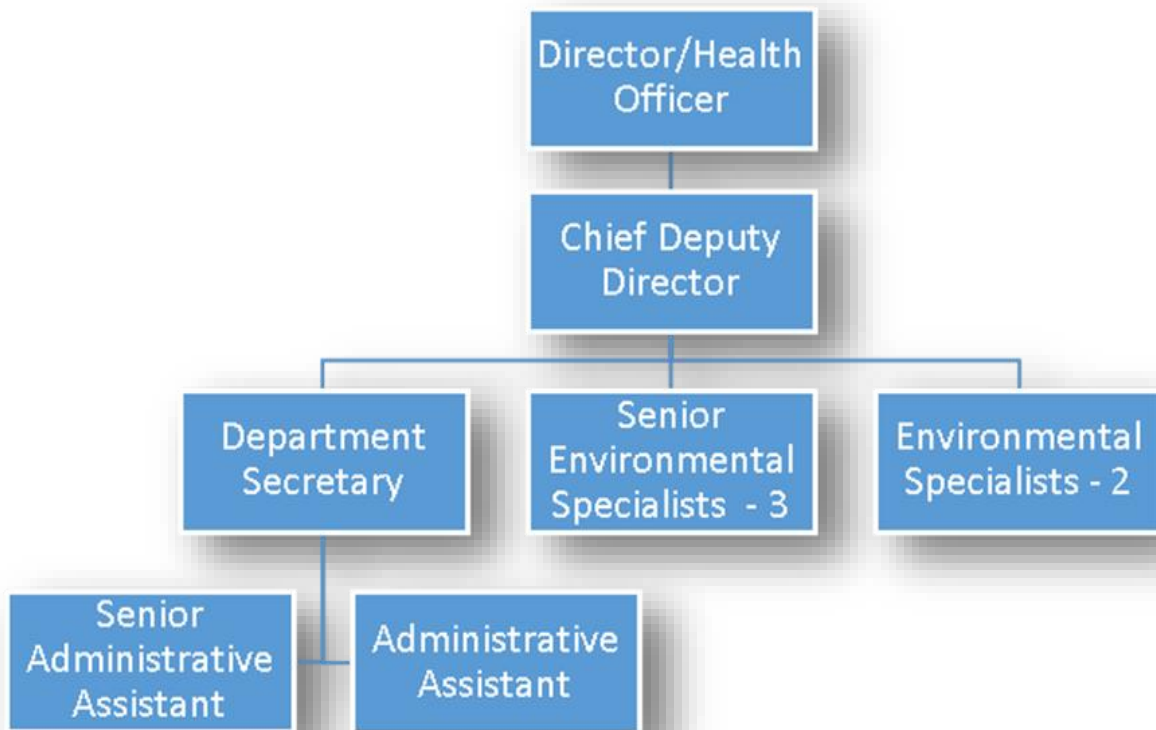
Mission Statement

As one of only four cities in the state of California with its own health department, the Vernon Health & Environmental Control Department is focused on protecting the environment and ensuring the health and safety of its residents, workers, visitors and neighboring communities.

About the Health & Environmental Control Department

The Health Department consists of seven programs: Food Inspection Program, Certified Unified Program Agency, Storm Water Inspection Program, Water Systems Program, Solid Waste Program, Garment Manufacturing Program, and Animal/Vector Control Program. These programs function in a manner that allows the department to effectively serve the community in protecting public health.

Organization

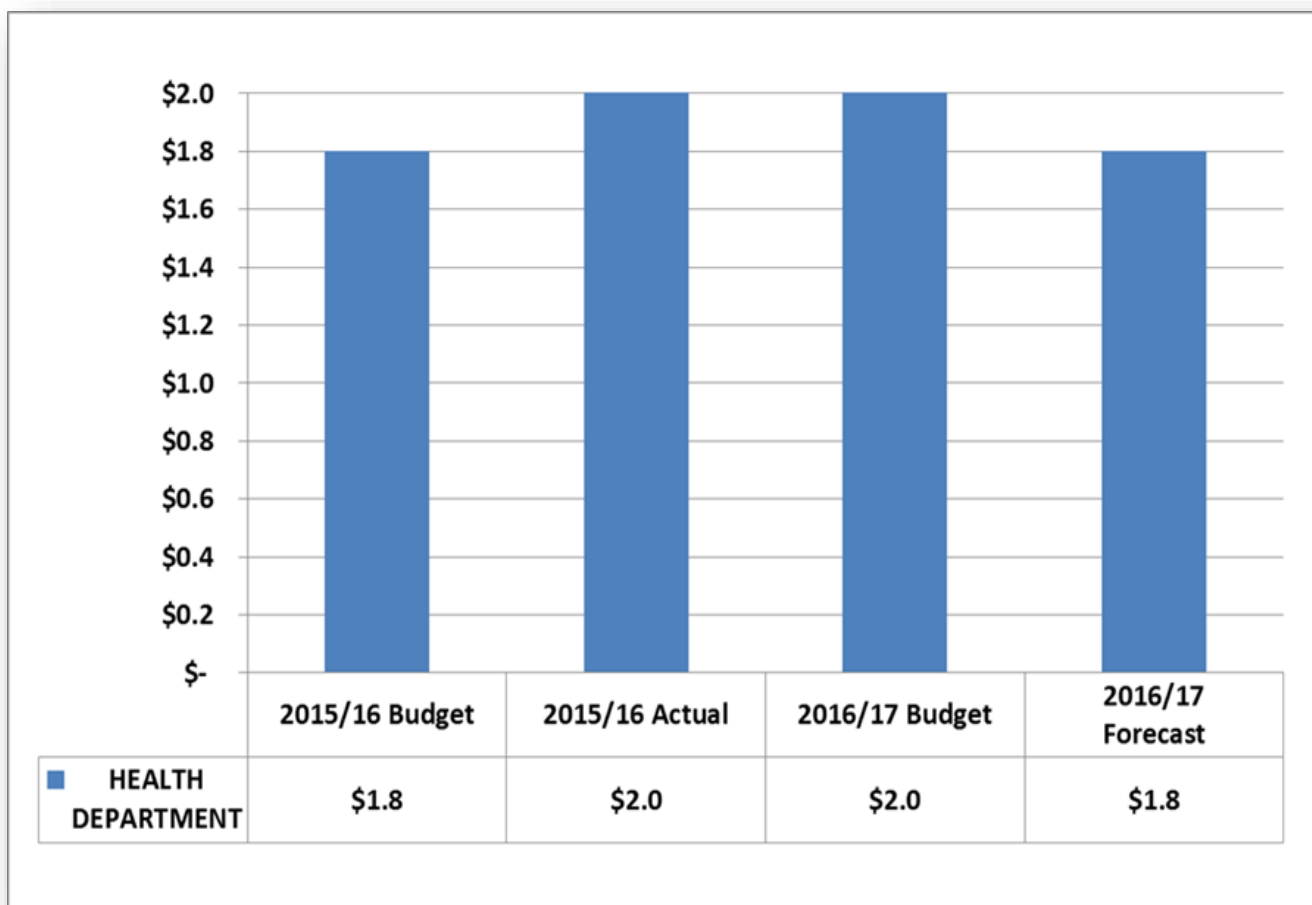




2017-2018 ADOPTED BUDGET

Changes from Prior Year

The Health Department’s overall expenditures have been very consistent over the past several fiscal years. The Health Department has been fully staffed with a total of 10 FTEs since last year. As with other City Departments, salaries and benefit costs have increased. Aside from staff costs, the largest increase in expenditures is in the supplies & services line item, due to budgeting for additional or increased costs with the Department’s contracted services, such as mosquito vector control services with Greater LA County Vector District, increase in Animal Control services fees with SEAACA, and the solid waste/sustainability consulting firm.



The Health Department has an overall budget of approximately \$2.5 million in revenues and approximately \$2.1 million in expenditures resulting in an overall budgetary surplus of approximately \$417,000 transferred to the general fund for general administrative and support services.



	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
TOTAL REVENUES	\$2,550,376	\$2,555,476	\$5,100
SALARIES	\$1,088,203	\$1,158,434	\$70,231
BENEFITS	\$388,247	\$420,836	\$32,589
SUPPLIES/SERVICES	\$489,487	\$558,567	\$69,080
CAPITAL	-	-	-
TOTAL EXPENDITURES	\$1,965,937	\$2,137,837	\$171,900

Department Highlights

The Health Department provides the following services to the city and its businesses: inspects a total of 2,258 permitted facilities Citywide in all seven programs, in addition to performing approximately 250-300 new business occupancy inspections annually; oversees the 19 non-exclusive franchise haulers for solid waste collection Citywide; provides primary staff support for the Green Vernon Commission on sustainability issues; annual E-waste collection event; annual used oil calendar event in collaboration with the Vernon Elementary School.

Goals

- ✓ Conduct compliance inspections of all permitted facilities Citywide
- ✓ Increase Administrative Enforcement Orders with non-compliant hazardous materials facilities
- ✓ Address mosquito vector control issues Citywide
- ✓ Increase hazardous materials permitted facilities compliance with CERS
- ✓ Continue to implement paperless technology



DEPARTMENTAL REVIEWS

Human Resources

Mission Statement

The Vernon Human Resources (HR) Department is responsible for benefits administration, workers compensation, employee/labor relations, classification, recruitment and selection, 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 are 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 2017-2018. Revenues are anticipated to increase in the new fiscal year which will offset some of the expenses for the department. Costs in other areas remain relatively static.

2017-2018 ADOPTED BUDGET



The chart below summarizes the HR Department's budget.

	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
TOTAL REVENUES	\$175,285	\$205,000	\$29,715
SALARIES	\$504,589	\$578,321	\$73,732
BENEFITS	\$1,908,055	\$2,081,789	\$173,734
WORKERS COMP	\$120,620	\$129,620	\$9,000
SERVICES/SUPPLIES	\$237,793	\$263,499	\$25,706
TOTAL EXPENDITURES	\$2,771,057	\$3,053,229	\$284,056

Department Highlights

- ✓ Conducted 23 recruitments, including 4 executive recruitments
- ✓ Hired 5 new executives
- ✓ Hosted Health and Wellness Fairs including health screenings for all employees
- ✓ Launched Neogov Performance Evaluation Module
- ✓ Conducted Performance Evaluation training sessions for 58 supervisors and managers to introduce the new evaluation module and review best practices in performance management
- ✓ Conducted classification and Compensation studies of 26 job classifications

Goals

- ✓ Establish and maintain industry leading Human Resources practices
- ✓ Implement automated employee on-boarding system
- ✓ Enhance professional development and retention efforts in support of succession planning
- ✓ Develop and implement a comprehensive employee health and wellness program
- ✓ Continue to implement paperless technology
- ✓ Continue employee engagement efforts
- ✓ Secure top talent to fill existing and anticipated leadership vacancies



DEPARTMENTAL REVIEWS

Information Technology Division

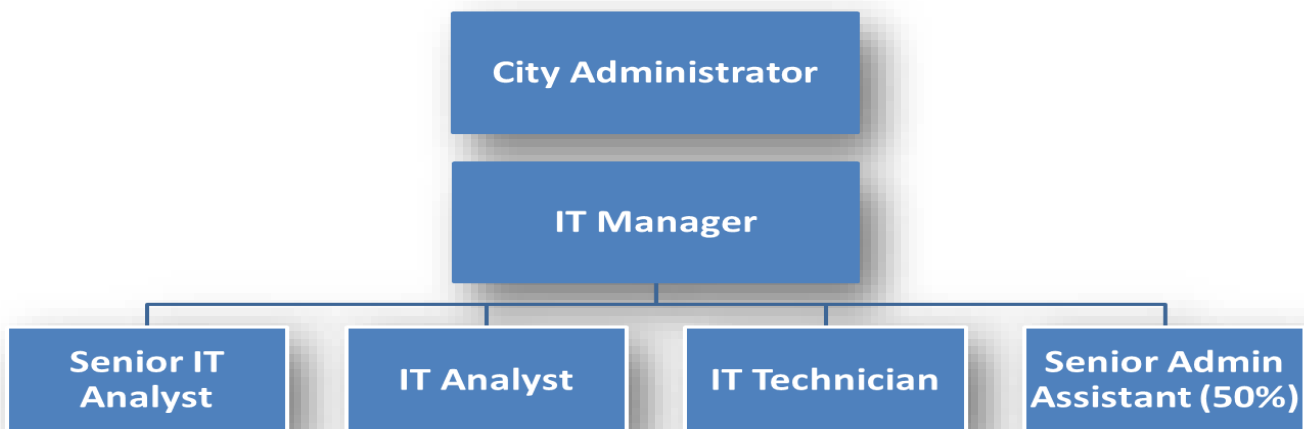
Mission Statement

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 significantly reduced its capital expenditures for FY 2017-2018 in an effort to support Citywide initiatives to contain costs. The Division is committed ensuring that service and performance of all technological systems is unaffected.

	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
SALARIES	\$522,652	\$533,440	\$10,788
BENEFITS	\$159,071	\$ 168,164	\$9,093
SERVICES/SUPPLIES	\$1,043,546	\$1,118,646	\$75,100
CAPITAL	\$370,000	\$152,000	\$(218,000)
TOTAL EXPENDITURES	\$2,095,269	\$1,972,250	\$(123,019)

Department Highlights

- ✓ Completed Police California Law Enforcement Telecommunications System (CLETS) Network Security Audit and Financial System Operations Audit Successfully
- ✓ Completed Video Camera project for VPU Remote Locations
- ✓ Implemented the following:
 - Granular Overtime Reporting with our Scheduling System and Payroll System, Managed Cyber Network Security Services, GIS System for Public Works and Vernon Public Utilities, QR Code System for City Agendas to allow public to easily download Council Meeting Agendas, new Traffic Control System Project for Public Works, new computer systems to new Police vehicles as well as upgrade existing computer systems to allow for higher performance from computer system, internet/DNS infrastructure redundancy both internally and externally, new email spam filtering service, Mass Communication System for the Police Department
- ✓ Currently, in process of implementing the following:
 - The final stages on the Utility Billing System Upgrade, hard drive encryption, two factor authentication for remote users



2017-2018 ADOPTED BUDGET

- ✓ Researched, setup, and installed council chambers timer to allow timed public comments which allows for a smoother meeting process
- ✓ Implemented/Configured for the Police Department access to ePCD (Electronic Probable Cause Determination) System and Smart Justice System to consolidate multiple systems to query data
- ✓ Expanded City's use of server virtualization and server consolidation
- ✓ Upgraded network firewalls, and Cisco switches
- ✓ Assisted Human Resources in implementing NeoGov Applicant tracking system
- ✓ Upgraded mobile phones and implemented a new mobile device management system
- ✓ Transitioning phone network from digital to Voice over IP (VoIP)
- ✓ Assisted the Fire Department with the switch to Verdugo Fire, which included reconfiguring emergency phones and reporting system
- ✓ Upgraded Police Private Network from FES T1 to MPLS Service
- ✓ Improved Network Security with the use of new antivirus software, patch management system, and advanced logging system

Goals

- ✓ Continue to implement industry best practices in Information Technology
- ✓ Continue to advance and improve our Disaster Recovery System for computer systems
- ✓ Continue to advance the City's GIS System
- ✓ Continue with the successful upgrade of the Utility Billing System
- ✓ Continue to advance the use of our Laserfiche Document Management/Paperless Office System
- ✓ Implement new work order system and time scheduling system for Public Works
- ✓ Implement scheduling/time keeping software for various departments
- ✓ Continue to improve and advance Network Cyber Security Infrastructure
- ✓ Continue to advance City Well Sites, Substations, and City Hall camera systems
- ✓ Upgrade Police Dispatch Center and 911 system
- ✓ Continue to advance virtual desktop system and server virtualization infrastructure
- ✓ Continue to upgrade networking infrastructure and all computers to latest operating systems
- ✓ Implement new agenda management system
- ✓ Implement managed copier/printer services
- ✓ Implement new hosted Health Permitting System
- ✓ Complete Backup Control Center
- ✓ Update City Website to allow for a better user experience



DEPARTMENTAL REVIEWS

Public Safety: Fire

Mission Statement

The mission of the Vernon Fire Department is: “Our purpose is to protect and preserve lives, property, and the environment, by providing dedicated and skillful service.”

About the Fire Department

The Fire Department consists of seven main Divisions which are key to its successful operation: Fire Suppression, Emergency Medical Services (EMS), Emergency Management, Fire Apparatus & Equipment, Training & Safety, Hazardous Materials and Administration. These divisions function in a manner that allows the department to effectively serve the community in emergency and non-emergency situations.

The Vernon Fire Department continues to be the leaders in “exclusively Industrial” firefighting among our peers. Awarded a Class 1 Public Classification rating by the Insurances Services Office (ISO), an organization that independently evaluates municipal fire protection efforts in communities throughout the United States. The Class 1 rating is the highest possible score that agencies in California can receive. A total of 58 nationally to have achieved this prestigious and significant ranking.

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

Challenges facing the Fire Department are:

- Succession Planning for Department Personnel
- MOU mandated staffing requirements & salary increases (passed by 2016 City Council resolution)
- Maintaining Budgetary Constraints
- Maintaining Cost Recovery
- Increase Transport Revenue
- Maintaining Grant Revenue streams
- Emergency Operations Center (EOC)
- Continuous Updates to the EOC Plan



Divisions

Emergency Management Division

The Emergency Management Division makes Vernon a safer place to live and work. This is accomplished by providing training and supplies for the City staff and the community. The City's "Command & Control Committee" is a vital component of its government continuity plan. Critical elements of the program include disaster preparedness, hazard mitigation, and response and recovery operations.

It is the Division's duty to work with the City's Command and Control Committee and other City Departments to prepare the community to meet the forecasted local demands in the event of a large-scale disaster.

A working exercise will be scheduled for this fiscal year involving the Fire Department, Police Department, Public Works and other city hall staff. Personnel will continue to train as many Citizens Emergency Response Team (CERT) members in the City of Vernon as reasonably possible.

OBJECTIVES

- ✓ Update and Approve the Local Hazard Mitigation Plan
- ✓ Complete CERT course for citizens
- ✓ Determine CERT course "sustainable" needs
- ✓ Follow guidelines for VFD community work
- ✓ Ensure all personnel are properly trained in National Incident Management System (NIMS) principles and City practices (IS-700 & IS-800)
- ✓ Update and Revise the City Emergency Plan
- ✓ Implement department members contact information into new reverse 911 telephone system
- ✓ Participate in countywide disaster drill by collaborating and supporting the efforts of the city staff and Fire Department members

In FY 2017-2018, the Emergency Management Division saw an increase in staffing and benefits with the established Assistant Fire Chief's position. Cost sharing in the amount of 20% of the Assistant Fire Chief's position will be charged to the Emergency Management Division's budget. Specific capital purchases for FY 2017-2018 have been requested to bolster the emergency preparedness throughout the City.

Hazardous Materials Division

The Hazardous Materials program provides training, equipment, and personnel funding to assist in hazardous incidents that include chemical, biological, radiological, and explosions. Coordinated responses from Vernon's Hazardous Materials response team will reduce the loss of lives and ensure more efficient business continuity with our industries.



2017-2018 ADOPTED BUDGET

OBJECTIVES

- ✓ Continue to maintain certified Hazardous Materials status within the state response system
- ✓ Provide for employee certification premiums
- ✓ Provide grant funded training for personnel in need of Hazardous Materials certifications

The Hazardous Materials Divisions funding has been reduced by \$289,000 primarily due to the completion of the Regional Training Center (RTC). Other than salaries and premiums, the Hazardous Materials program did not see any changes from fiscal year 2016-2017.

Fire Administration Division

The Fire Chief has the overall responsibility for the delivery of fire services to the community. Fire Administration provides support to the operations of all divisions within the Fire Department. Since most services are delivered by the field staff, FPB members, and administrative staff, the work of the Chief is often that of oversight and support. Many other actions are necessary for a Fire Chief to be proactive.

They are:

- Support Personnel/Programs/Budget items/Improvements
- Direction Department improvements/Activities/Choices/Priorities
- Education/Marketing Department to community/Seeking opportunity
- Communication Department members/City staff/City Council/Community
- Influence Actions/Decisions/Development
- Budget Operating/Capital improvement/Equipment (replacement & new)
- Manage Department personnel/Programs/Divisions

OBJECTIVES

Aggressively lead an action-oriented group of men and women in the provision of vital services for our community with each shift and program will complement the work of the others with a focus in efforts towards the development of our personnel for promotion and to fill future vacancies in the ranks of Engineer, Captain and Battalion Chief.

- ✓ Address the issues presented through communications at:
 - Command Staff meetings
 - Labor/Management meetings
 - Captains Meetings
 - City Council Direction
 - Station Inspections / Visits
 - Direction from City Administrator



2017-2018 ADOPTED BUDGET

- ✓ Oversee Department budget, purchasing, grants, and other financial systems
- ✓ Monitor and implement City Council goals, priorities and objectives
- ✓ Develop Firefighter Bill of Rights Policy/Procedure and implement (after initial officer training)
- ✓ Publish annual department year-end report
- ✓ Develop a strategic plan for the department
- ✓ Develop a long term succession plan for the department
- ✓ Review and develop new policies and procedures for the department

In FY 2016-2017, Fire Administration formalized the position of Assistant Fire Chief. Fire Administrations staffing model did not see any changes other than the formalizing the Assistant Fire Chief's position.

<u>Staffing Position</u>	<u>FTE</u>
Fire Chief	1
Assistant Fire Chief	1
Fire Administrative Analyst	1
Totals:	3

Suppression Division

Emergency responses are the test of the abilities of a Fire Department. Appropriate policy and direction for all Fire Department personnel is necessary to ensure safe and effective operational performance. The Fire Suppression Division is the most visible departmental operation.

Suppression personnel also respond throughout the City, providing basic and advanced life support services in support of our paramedics. Additionally, a full service highly trained and certified Hazardous Materials Response Team and equipment are available to respond to all hazardous material incidents both locally and within the region.

The emergency operational Policies and Procedures of the Department will be re-evaluated to meet the demand of the communities risk profile. A review of the integration and operations of the field staff and communication will also be performed.

OBJECTIVES

- ✓ Respond to an estimated 1,500 emergencies including fires, HazMat incidents, medical assistance, rescues and miscellaneous calls for assistance annually
- ✓ Maintain an average response time of four minutes for all emergency calls 80 percent of the time
- ✓ Reduce "Turnout" times
- ✓ Utilize Federal UASI and SHSP Grant monies allocated to the Vernon Fire Department to fund training programs and equipment will enhance the department's capability to respond to all risk incidents

2017-2018 ADOPTED BUDGET



- ✓ Reduce incident injuries and exposures by implementing control and safety measures
- ✓ Review departmental Operations Manual (SOPs) annually
- ✓ Develop new training process to integrate the new training centers capabilities into our prescriptive drills
- ✓ Changes to response and processes will be made to address the reduction of Engineers

Emergency Medical Services

Emergency Medical Services are delivered to nearly two-thirds of all emergency incidents in Vernon. The staff delivering these services are assigned to fire stations and supported by the EMS or Fire Suppression budgets. This Division is responsible for:

- Readiness for all EMS operations
- Emergency Medical Technician (EMT)
- Training/Certification/Operations
- Advanced Life Support
- Training/Certification/Operations (12 PM/FF)
- Advanced Life Support (ALS) transportation
- Basic Life Support (BLS) transportation

The assigned staff consists of a dual role 56-hour Firefighter Paramedic/Coordinator, 56-hour Battalion Chief, contract nurse educator, and a contract medical physician.

OBJECTIVES

To provide the highest level of ALS and BLS services to the community through an efficient support and service delivery system. We are committed to the continuing education for our paramedics. Vernon Fire staff will provide the training courses to maintain certifications of all Paramedics and EMTs.

- ✓ Maintain Firefighter/Paramedic staffing at 12
- ✓ Maintain all fire suppression staff at EMT cert level (minimum)
- ✓ Maintain automatic external defibrillator program requirements
- ✓ Maintain ACLS training for all paramedics
- ✓ Meet per LA County EMS Agency policy
- ✓ Ensure all HIPPA regulations (transport requirements) are followed
- ✓ Update contract and job expectations for EMS Educator/Quality Improvement Nurse.
- ✓ Update job expectations for EMS Coordinator
- ✓ Prepare budget recommendations for this program for the 2018-2019 budget by February 1, 2018

In FY 2017-2018, the Emergency Medical Service Division will not see any changes with the current staffing model.

2017-2018 ADOPTED BUDGET



Urban Search & Rescue Division

Many recent events have caused fire departments to re-examine the scope of their operations. These examinations bring about new procedures to address the findings.

Vernon Fire Department delivers Urban Search and Rescue (US&R) services to the community and to areas outside of the community (mutual/auto aid) utilizing firefighters assigned to Fire Suppression and Emergency Medical Services duties. USAR services include swiftwater rescue, confined space operations, trench rescue procedures, collapse rescue procedures and shoring operations. Specialized training and equipment are required for firefighters performing USAR specific duties.

The Department has earned recognition by the state for its USAR capabilities (heavy level team). The Department has also earned certification for its capacity to work with other neighboring teams as a USAR Regional Task Force (USAR-RTF).

OBJECTIVES

The members of the Vernon Fire Department will earn/maintain the appropriate capability and be prepared for identified special rescue circumstances through research, equipment, policy, operational and training efforts.

A number of equipment purchases have been made and more are planned. Policy, training and additional funding requests need to be formulated to maintain the Department's readiness to respond.

- ✓ Reinforce the skill sets necessary to deliver all USAR services through continuing education, physical training, and scheduled drills
- ✓ Train on all USAR disciplines with neighboring departments
- ✓ Sustain written procedures for all VFD personnel on operational policy for:
 - Swiftwater rescue
 - Confined space rescue
 - Collapse operations
 - Trench Rescue
 - Shoring operations
- ✓ Research, select, purchase, write policy, train and implement grant-funded equipment purchases
- ✓ Host an Area E US&R RTF-2 drill at the new Vernon Regional Training Center
- ✓ Prepare budget recommendations for this program for the 2018-2019 budget by February 1, 2018

2017-2018 ADOPTED BUDGET



In FY 2017-2018, the Urban Search & Rescue program will continue to see grant funded training and equipment through the fiscal year. US&R 78 is now crossed staffed with the reduction of full time engineers. Personnel on Engine 78 will cross staff US&R 78 when responded on emergency incidents.

Fire Prevention Division

The Fire Prevention Division is the focal point of the Fire Department's efforts to minimize fire and hazard losses in the City of Vernon. Fire Prevention's key role is improving the safety and quality of life for its citizens and businesses. Under the direction of the Fire Marshal, the Fire Prevention Division is staffed by sworn and civilian personnel dedicated to increasing safety, preventing or reducing fire losses, and ensuring compliance with applicable code and ordinances. The goal of the Fire Prevention Division is to safeguard the community from fire and environmental hazards through programs providing adherence to fire regulation, public education and hazard mitigation.

The FPB will provide comprehensive fire protection and engineering services that meet the needs of the Department and address the community issues and risks found. This year's effort will be made to account for all inspections completed and quantify our inspection and fee processes.

OBJECTIVES

- ✓ Define and quantify all FPB and engine company inspections
- ✓ Deliver meaningful quarterly fire prevention training to fire suppression staff
- ✓ Supervise and conduct fire safety inspections at all businesses, apartment buildings, schools, public assembly occupancies, health care facilities, and special events including television and film production sites
- ✓ Issuance of fire permits for fire code related construction, and high hazard activities
- ✓ Perform plan reviews for new construction, tenant improvements, and automatic fire protection systems
- ✓ Manage inspections of new construction, tenant improvements, and existing businesses and occupancies to confirm their compliance with codes and ordinances
- ✓ Direct public education and safety awareness programs
- ✓ Investigate fire related incidents

In FY 2017-2018, the Fire Prevention Bureau will not see any changes within the current staffing model.

Fire Training Division

The Training Division provides personnel and crews with the necessary and appropriate training to carry out fire service duties safely and effectively. All aspects of fire/rescue operations are comprehensively addressed through monthly training assignments and program offerings. Three Fire Captains provide "shift" and recruit training and serve as the training officer for their shift.

2017-2018 ADOPTED BUDGET



OBJECTIVES

Vernon Fire personnel will be prepared for all fire/rescue emergencies and other operational activities through a comprehensive training program that provides individual, classroom, physical, crew, multi-company and specialized fire/rescue operations curriculum.

The Department will continue its efforts in developing the abilities of all members of the Department with particular interest in those members hired in the last ten years.

- ✓ Develop a comprehensive training plan addressing succession planning
- ✓ Maintain/improve the skills of all Vernon firefighters for promotional capabilities
- ✓ Train all personnel on fireground policies, including physical drills
- ✓ Train all personnel on firefighter down, firefighter trapped, and RIC procedures
- ✓ Provide/coordinate specialized training for each shift covering:
 - Swiftwater rescue
 - Confined space operations
 - Driving operations (Code I and III)
 - Highrise firefighting operations
 - Trench rescue operations
 - Disaster operations
 - Structural collapse operations
 - Bio-terrorism/WMD operations
 - Multi-company operations
- ✓ Expand US&R training libraries in each fire station
- ✓ Develop prescribed drill standards
- ✓ Prepare budget recommendations for this program for the 2018-2019 budget by February 1, 2018

The training program saw a marked increase in training hours during the 4th quarter of FY 2016-2017. Increased monitoring and auditing of training documentation has provide a significant increase in the revenues from Santa Ana College.

A department wide promotion process succession plan has been implemented with on-site certification courses as well as “Leadership CE” training for our personnel. The training program will see a very busy upcoming fiscal year with the inclusion of the new training center and scheduled physical training.

Vernon staff has secured significant funding from UASI and SHSP grant fund that should become available within 2017-2018. These training opportunities will increase our personnel’s ability to response and mitigate emergencies.

2017-2018 ADOPTED BUDGET



Fire Safety Division

Vernon firefighters are faced with an array of challenges in the field. Fire Apparatus and Safety equipment assists them in their duties and provides a defensive barrier for them to operate within. Accurate inspection and tracking of all safety equipment is essential to this program. To counter the increased risk of cancer among firefighters, the fire service has seen an increase in regulations and guidance documents related to Personal Protective Equipment. To ensure that Vernon remains compliant with the guidance documents, a Safety Equipment Coordinator has been created. This additional responsibility will work with all staff to document and safely manage our PPE maintenance.

OBJECTIVES

Vernon Fire Department personnel will be outfitted with the equipment necessary to perform their duties in a safe manner. The safety equipment for all Vernon Fire Department personnel will be evaluated and improved when possible. A number of new and replacement items have been budgeted.

- ✓ Verify that our guidelines for inspections ensure safety for all personal protective equipment
- ✓ Review and revise safety equipment coordination with the additional Safety Equipment Coordinator
- ✓ Replace one third of suppression personnel PPE
- ✓ Research, purchase, and issue guidelines for wildland PPE for personnel
- ✓ Comply with federal and state guidelines for highway incident operations
- ✓ Comply with federal and state guidelines for on “street” incidents
- ✓ Remain current on fire equipment technology
- ✓ Prepare budget recommendations for this program for the 2018/2019 budget by February 01, 2018

In FY 2017-2018, the Safety Equipment & Personal Protective Equipment (PPE) will add an additional manager to the program in FY 2018-2019. An additional washer/extractor has been budgeted for Fire Station 77. The additional extractor will increase our ability to wash and safely return our firefighting equipment after a fire.

Fire Public Education Division

Contributing to the development of a safer community is one of the roles of a Fire Department. The Community Education Program provides fire and injury prevention education for business owners, school children, and other community members. CERT and CPR courses are delivered to interested community members as well.

2017-2018 ADOPTED BUDGET



OBJECTIVES

To provide interesting and effective programs to the community that prevent or reduce the impact of accidents and emergencies. The community will be safer to live in and more prepared for emergencies and disasters as a result of the Community Education Program.

The Community Education Program has a slightly decreased budget for the delivery of fire/injury prevention programs.

- ✓ Coordinate station tours/field visit requests with suppression B/C's to maximize effectiveness
- ✓ Evaluate/develop station tour procedures
- ✓ Deliver fire safety messages and training via Fire Prevention Week program to the Vernon Elementary School
- ✓ Coordinate citizen CPR/First Aid community classes
- ✓ Support prevention methods by utilizing the NFPA's Fire & Life Safety calendar to educate the community
- ✓ Promote fire and injury prevention information through press releases, newsletters, and group presentations when possible
- ✓ Involve the Fire Department in citywide special events to promote fire and life safety
- ✓ Participate in countywide disaster drill by collaborating and supporting the efforts of the city staff and Fire Department members
- ✓ Produce timely, informative informational articles for City newsletter
- ✓ Release "newsworthy incident" briefings (Department & City Staff, City Council, Website)

Vernon Fire continues to reach out into the community and provide public education and fire safety awareness. The Department has seen a decrease in funded CPR training courses. However, Vernon Fire personnel have attended numerous events in which "sidewalk" CPR instruction has been provided.

Fire Administration will continue this community outreach effort to support our residents and industries by attending their sponsored events.

Fire Grants Division

The City's General Fund budget is the primary revenue source for Fire Department operations. The General Fund covers the cost of personnel, supplies, service fees and most capital replacement.

In the last several years, a new Vernon Department revenue stream has developed: grants. These funds from the state and federal governments have provided nearly three million dollars in equipment, training and facility enhancements for our department operations.



2017-2018 ADOPTED BUDGET

There may be many objectives of grants. In some cases grants are offered to fill a void (terrorism preparedness). In others, it may be to encourage a department to start a new program. In still other cases, the grant may be offered to give back taxes or fees (State Office of Traffic Safety, extrication tools). In any case, grants should not be considered sustainable funding for on-going programs. With few exceptions, grants hardly ever pay for personnel.

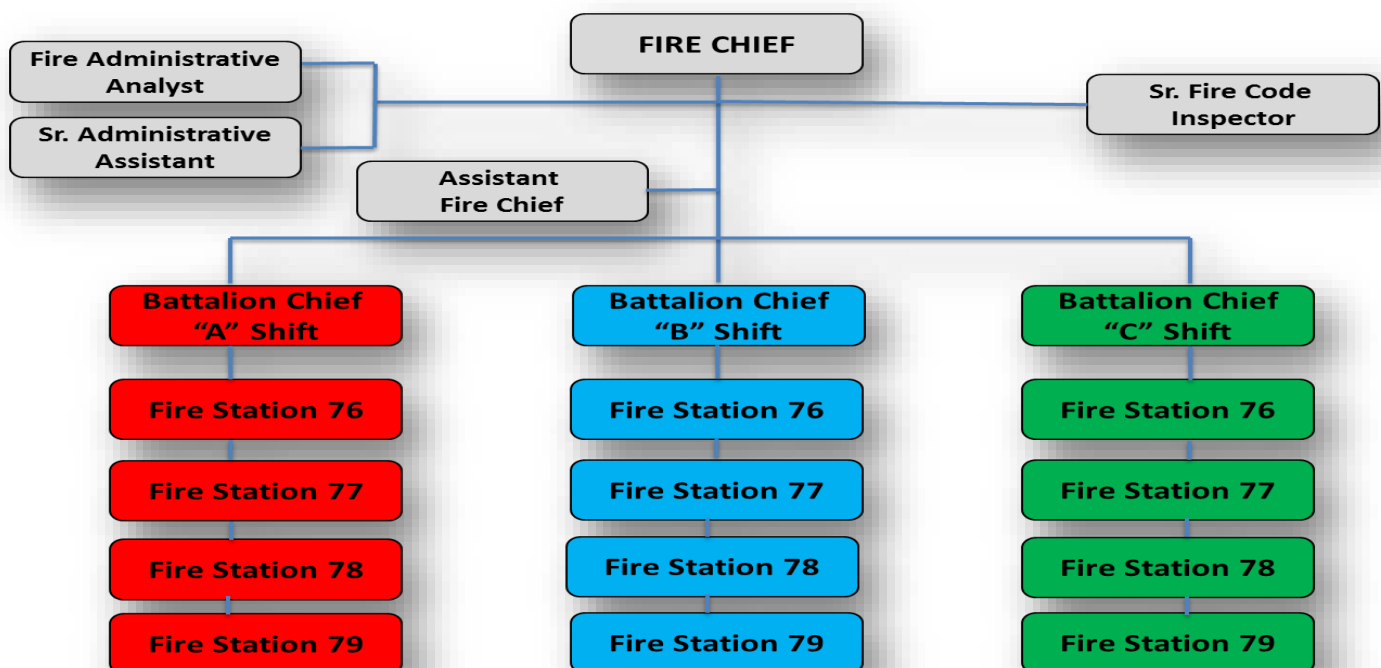
OBJECTIVES

The Fire Department will seek out and apply for all grants that will support our mission and objectives.

- ✓ Apply for the 2018 & 2019 Urban Area Safety Initiative (UASI) and the State Homeland Safety Grant Program (SHSP) and for all other grants available that will support our department without a high cost of matching funds
- ✓ Concentrate our grant requests on those items and programs that are sustainable
- ✓ Use of the grant funds will be overseen by the Battalion Chief responsible for the activity involved

In FY 2017-2018, Grants will see a marked decrease due to finalizing the two recent large grants. The Regional Training Center and the ICI Radio Array have been completed. Vernon will see approximately \$150,000 - 250,000 in grants during FY 2017-2018. The fluctuation is due to the recent uncertainty in funding stream and competing local regional projects.

Organization





Changes from Prior Year

The dynamics of fire rescue services change each and every year. Advanced Life Support with transport capabilities continue to be a tremendous service to our community. Succession planning for future retirements will remain a top priority through the next five budget cycles. Programs have been instituted to meet the needs of leadership and position advancement. The programs are as follows:

- Mentoring
- In-House certification courses
- In-house leadership seminars
- Semi-Annual Promotional testing for the ranks of Battalion Chief, Captain, and Engineer

In FY 2017-2018, the Fire Department will see a decrease in total personnel from the previous fiscal year. Through the M.O.U. process, a total of six Engineer positions are being vacated through attrition.

The overall Department Budget Summary for fiscal year 2017-2018 shows a significant increase in salaries and benefits for the department. Supplies/Services and Capital were increased only minimally for the new fiscal year.

	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
SALARIES	\$10,266,375	\$11,414,673	\$1,148,298
BENEFITS	\$5,486,043	\$6,282,130	\$796,086
SERVICES/SUPPLIES	\$673,342	\$703,532	\$30,190
CAPITAL	\$199,000	\$301,800	\$102,800
TOTAL EXPENDITURES	\$16,624,761	\$18,702,199	\$2,077,439

Department Highlights

- ✓ Hired a new Fire Chief
- ✓ Hired a new Assistant Fire Chief
- ✓ Purchased a new Urban Search & Rescue (US&R 78) with 50% grant funding
- ✓ Completed a five year Capital Improvement Plan
- ✓ Finalized the completion of the new Regional Training Center at Fire Station 76 with 50% grant funding

2017-2018 ADOPTED BUDGET



- ✓ Utilized Federal Urban Areas Security Initiative (UASI) and State Homeland Safety Program (SHSP) Grant monies to fund training programs and equipment which will enhance the Vernon Fire Department's capability to respond to incidents
- ✓ Completed the installation of a new ICI radio array project at the water tower - the City received nearly \$1,000,000.00 in non-matching SHSP grant funding
- ✓ Started the update of the Vernon Fire Department Policies and Procedures Manual, which details administrative and operational procedures
- ✓ Started the design and specification for a new tillered aerial apparatus
- ✓ Conducted a Fire Engineer's exam
- ✓ Started the implementation and training process for Everbridge "Reverse 911" program
- ✓ Command & Control committee met quarterly to manage City preparedness needs
- ✓ Installation of new ICI radio array (100% grant funded) will increase emergency radio capabilities throughout the City
- ✓ Hazardous Materials Program was recertified as a Haz-Mat "Heavy" program
- ✓ Haz-Mat 77 has participated in numerous region with training exercises
- ✓ Sent personnel to "Crude by Rail" training
- ✓ Provided grant funded Hazardous Materials training to our personnel
- ✓ Maintained and calibrated all chemical / Gas monitoring equipment on Haz Mat 77
- ✓ Scheduled monthly meeting with command staff for efficient departmental management
- ✓ Scheduled and met monthly with VMA to discuss labor management relations
- ✓ Obtained and managed over one million dollars in grant funded projects, training and equipment
- ✓ Started the design and implantation of a complete infection control policy and program
- ✓ Transported nearly 650 patients in fiscal year 2017-2018
- ✓ Re-approved as an ALS provider by LA County EMS Agency
- ✓ Re-approved as a Continuing Education provider by LA County EMS Agency
- ✓ Started the process to become an approved MediCal provider which will increase the transport programs revenue by at least \$25,000.00 each fiscal year
- ✓ Maintained all paramedic's certifications
- ✓ Sponsored St. Baldricks "Brave the Shave" fundraiser for cancer prevention
- ✓ Sponsored a blood drive for Children's Hospital of Los Angeles
- ✓ Attended Whole Foods "Employee Safety Fair" - provided apparatus tours and sidewalk CPR training
- ✓ Attended the inaugural Vernon Network Committee Business Expo - provided sidewalk CPR training
- ✓ Increased revenue from Santa Ana College due to increased training opportunities and audits
- ✓ Managed multi-agency training at the new regional training center
- ✓ Start the development of the new Vernon Fire Department Five-Year Strategic Plan

2017-2018 ADOPTED BUDGET



- ✓ Completed the Regional Training Center with 50% grant funding
- ✓ Purchased and put into service US&R 78 with 50% grant funding
- ✓ Completed a nearly \$ 1,000,000 ICI radio array with 100% grant funding
- ✓ Participated in grant funded training through UASI and SHSP grant projects

Goals

- ✓ Start the development of the new Vernon Fire Department Five-Year Strategic Plan.
- ✓ Complete a five year Vernon Fire Department Succession Plan
- ✓ Continue work on the update of the Vernon Fire Department Policy Manual, which details administrative and operational procedures
- ✓ Take delivery, outfit and place into service the new tillered aerial apparatus in July of 2018
- ✓ Continue to obtain grant monies allocated to the Fire Department to fund training programs and equipment in order to enhance the capability to respond to emergency incidents
- ✓ Complete development of program focused on emergency preparedness and rapid recovery for small businesses
- ✓ Prepare and conduct an Emergency Operation Center (EOC) drill to test City emergency readiness, including the EOC notification process
- ✓ Conduct a Battalion Chief's and Captain's exam
- ✓ Conduct a Recruit Firefighter Academy in order to staff the two current vacancies
- ✓ Complete the remodel for Fire Station 79
- ✓ Develop injury prevention program to reduce "IOD" injuries and promote wellness
- ✓ Increase transport revenue options
- ✓ Provide leadership training and education
- ✓ Develop Firefighter Bill of Rights (FBOR) template documents and training
- ✓ Develop and institute a department wide safety and wellness program through Santa Ana College
- ✓ Prepare and conduct an Emergency Operation Center (EOC) drill to test City emergency readiness, including the EOC notification process
- ✓ Prepare our personnel for a Battalion Chief's and Captain's exam
- ✓ Provide leadership training and education
- ✓ Apply for 2018 & 2019 Fire Act Grant
- ✓ Apply for terrorism and WMD grants as they become available
- ✓ Apply for Office of Traffic Safety Grant
- ✓ Apply for other appropriate grants
- ✓ Complete all financial transactions, document all actions, and close all grants before the deadline for spending



DEPARTMENTAL REVIEWS

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 our 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, a Motor Unit, a Canine 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, a Motor Unit, a Canine Team, and a D.A.R.E. Program for the local elementary school.

Motor Unit:

The Department Motorcycle Unit falls under the command of the Patrol Division, operates year round as part of our Traffic Enforcement Unit. Currently there is one officer assigned to the motorcycle unit.

The Motor Unit provides a unique element of patrol and traffic enforcement. It serves as a highly visible and popular public relation tool which helps enhance the relationship between the Department, the residents and business owners of the City of Vernon. Additionally, the Motor Unit is used as a resource to compliment the Police Department's ability to serve its mission to the public.

Our Motor Officers primary function is to concentrate on traffic education, enforcement and engineering. Officers are strict and consistent in enforcing of applicable traffic and parking regulations in effort to reduce motor vehicle, pedestrian and bicycle involved traffic collisions.

Police Canine Program:

The Department Canine Unit was establish in 2007. The canine program employs a Police Canine Handler with specialized skills and highly trained Police Service Dog to support the department in meeting its law enforcement mission. The canine program provides all the usual capabilities of patrol officers with the additional capabilities of the trained canine. These special skills enable the canine to track and locate missing or wanted persons, locate evidence or lost property, apprehend fleeing or combative fugitives, and pinpoint hidden contraband.

The Police Service Dog (PSD) receives regular training to maintain proficiency and to remain deployed as an operational asset. This constant training aids in maintaining a high level of readiness, ensuring the Vernon community that the canine is prepared for any eventuality.

The Belgian Malinois dog is the department's choice for patrol canine operations, and is usually imported from Europe. The European breed is closely regulated, monitored, and developed for utilization as working dogs. The Malinois are also highly regarded for their physical beauty. Because requirements for police canines are high, the physical demands and required intelligence, courage, and loyalty make this breed very suitable for police service.

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,



2017-2018 ADOPTED BUDGET

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 including Motor Officers, 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.

2017-2018 ADOPTED BUDGET



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 varied police related calls.

The Communications Center is equipped with a state of the art 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 to 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



2017-2018 ADOPTED BUDGET

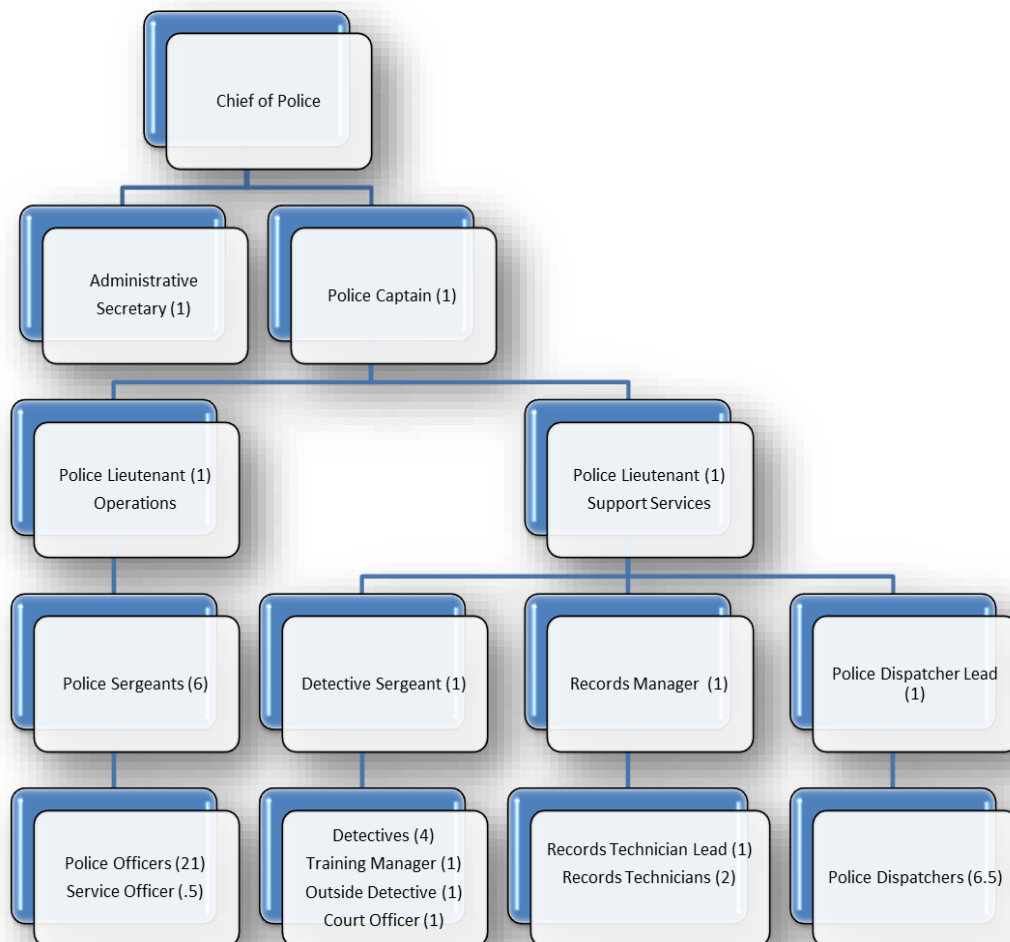
Labor Board. They ensure that crimes evolving from labor/management disputes are investigated promptly and the investigations are carried to their proper conclusion.

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 a 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.

Organization





Changes from Prior Year

- Over the years there has been a spike in traffic collisions, coupled with the increase in citizen complaints regarding school safety issues. Due to the aforementioned, the Department Motor Unit has been proactive addressing these issues. The goal is to educate, enforce the California Vehicle Code and other traffic and school safety issues. Some of the Southeast area police agencies (Vernon, Huntington Park, Bell Gardens, South Gate and the Los Angeles Unified School District Police) have joined forces to form the South East Traffic Safety Coalition (SETSC) to deploy a monthly coordinated and inter-agency approach.
- 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 a recent spike of 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 implemented the Community Service Officer (CSO) program to enhance patrol deployment and level of service. CSO position salary is covered with state grant funds.
- The Department implemented the updated Police Policy manual to an on-line system wherein employees can view information from the field and/or from any location.
- 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 pedestrians injuries, motorcycle and bicycle safety enforcement, and improve traffic safety.
- The Department continues assign Detective staff to the regional Assembly Bill 109 taskforce on a monthly basis.
- The Department procured a mobile video camera surveillance system that can be deployed on site in minutes. The mobile system is well-suited for applications that require temporary video surveillance to address crime trends and/or such as public events, construction sites, and emergency management.



2017-2018 ADOPTED BUDGET

The aforementioned issues have impacted the budget planning for FY 2017-2018. With the exception of salaries and benefits increasing significantly, there is little change with the Capital and Supplies/Services related expenses for the Police Department.

	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
REVENUES	\$468,840	\$436,439	(\$32,401)
SALARIES	\$6,515,300	\$6,566,235	\$50,935
BENEFITS	\$3,467,813	\$3,827,050	\$359,395
SUPPLIES/SERVICES	\$356,995	\$376,395	\$19,400
CAPITAL	-	\$40,000	\$40,000
TOTAL EXPENDITURES	\$10,340,108	\$10,769,680	\$429,572

Department Highlights

- ✓ Maintained response times at 3 minutes for Part I crimes
- ✓ Provided management and first line supervisors additional training as part of succession planning and staff development
- ✓ Implemented Community Service Officer (CSO) position to enhance patrol deployment and level of service
- ✓ CSO position salary is covered with state grant funds
- ✓ Secured State funding to upgrade the Dispatch 9-1-1 system and remodel the Communications Center. Final State approval is pending
- ✓ Utilized federal asset forfeiture funds to purchase necessary non-budgeted police equipment (expenditures: well over \$100K)
- ✓ Updated Police Policy manual to an on-line system wherein employees can view from any location
- ✓ Hired two Police Officer trainees during this fiscal year



Goals

- ✓ Complete promotional process for Lieutenant and Sergeant position(s)
- ✓ Continue succession planning; 7– Anticipated retirements within the next 5-years
- ✓ Hire qualified Police Officers to fill anticipated retirement vacancies
- ✓ Continue efforts to provide supervisory and management leadership training for succession planning
- ✓ Move forward with hiring 2 Reserve Police Officers
- ✓ Research COPS Hiring Police Grant Program to identify funding source for non-funded police officer vacancy



DEPARTMENTAL REVIEWS

Public Works

Mission Statement

The Public Works Department is committed to preserving the City's quality of life for both the citizens of Vernon and its business community by providing superior services in an efficient and effective manner while providing a positive work environment for its employees.

The Department shall strive to maintain the City's infrastructure, facilities, and equipment in an excellent condition; and streamline the permit and entitlement process to expedite development.

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 streamline 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



2017-2018 ADOPTED BUDGET

- ✓ 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

Street Operations

The Street Operations Division is made up of 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. The section also reviews private development grading plans and processes lot mergers, lot line adjustments, 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. Lastly the section ensures safety. 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. They also provide graffiti abatement, and oversee street sweeping, tree trimming and traffic signal maintenance contracts.

OBJECTIVES

- ✓ Award and effectively administer contracts for all applicable capital improvement projects
- ✓ 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
- ✓ Maintain City streets, sewers, storm drain and traffic signals in a first class condition
- ✓ Implement recently adopted regulatory programs for Low Impact Development

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. Efforts include conducting field inspections, plan checks, development review, code updates and issuing compliance orders. The building section is comprised of three inspectors and two permit technicians, with regular collaboration with the City's Engineering Division, Fire Department, Health Department, and Planning Division. 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. The planning section is responsible to ensure that all new development conforms



2017-2018 ADOPTED BUDGET

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, contractors and new development
- ✓ Work through construction issues and other development matters concerning private development
- ✓ Provide streamlined entitlement, plan check and inspection services

Garage

The City's Garage Division is responsible for the maintenance of 431 City vehicles and pieces of equipment. These vehicles are an integral part of the daily operation of the City. This section does a vast majority of its work in-house and, due to an extensive training program, has reduced costs associated with outsourcing work to dealerships whose costs are significantly more than those of the City.

OBJECTIVES

- ✓ Respond to all vehicle repairs and maintenance requests in a timely manner
- ✓ Continue to maintain the City's fleet in a good condition

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, generating monthly partial payments, performing dispatch duties, delivering inter-office mail, preparing vehicle accident reports, and preparing personnel injury reports.

OBJECTIVES

- ✓ Continue to 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 28 housing units including the day to day activities of the City's housing stock, its 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, 2 townhomes, and 8 City-owned apartment units.



2017-2018 ADOPTED BUDGET

OBJECTIVES

- ✓ Maintain the City’s housing stock in a safe and habitable condition
- ✓ Continue to monitor City housing’s repair and maintenance
- ✓ Complete the ongoing remodel of five housing units
- ✓ Respond to all tenant requests within a reasonable timeframe

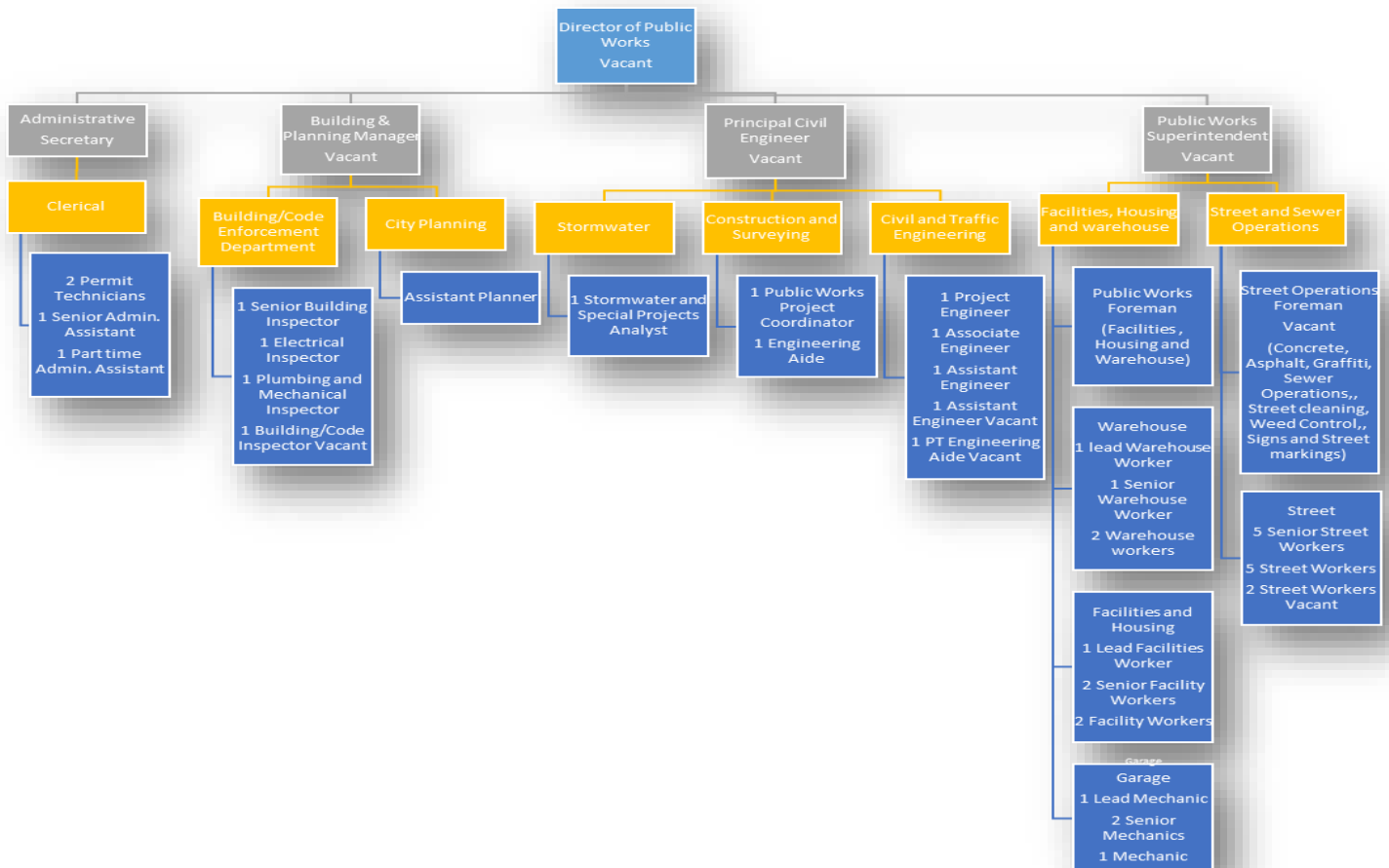
Facilities

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

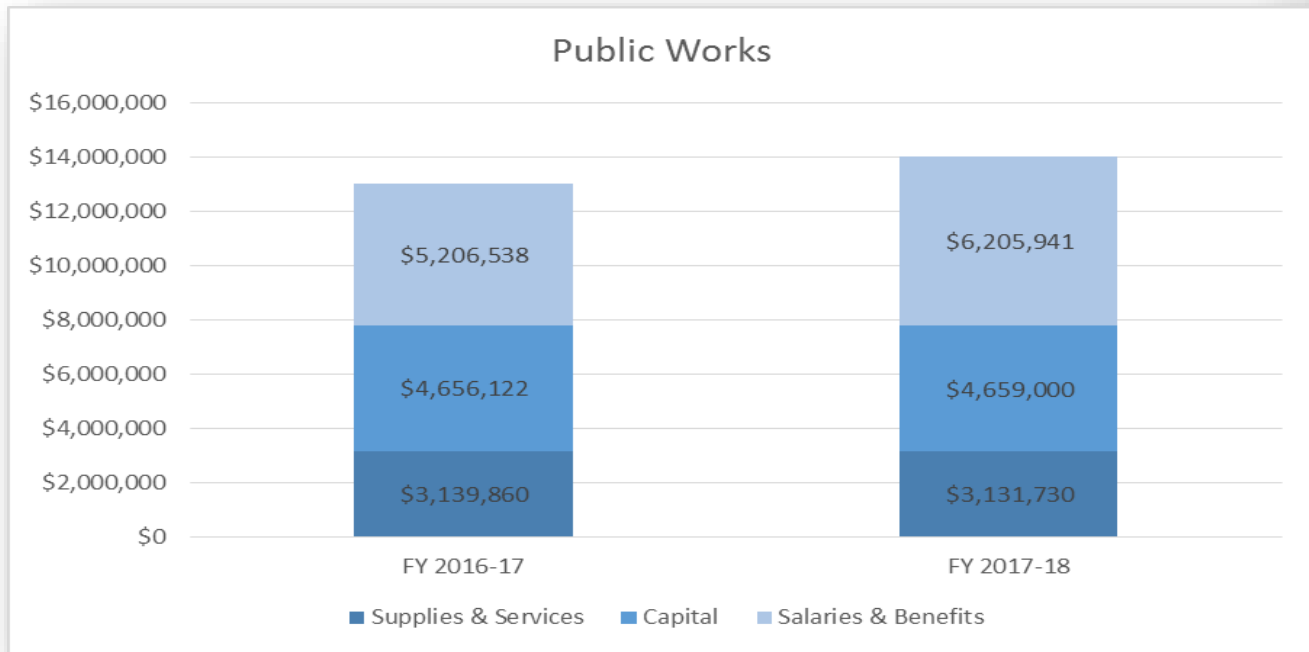
- ✓ Continue to maintain all City buildings in a safe and habitable condition
- ✓ Respond to all maintenance repairs in a timely manner

Organization





Changes from Prior Year



A significant increase in expenses for the Public Works Department in FY 2017-2018 can be attributed to the costs of salaries and benefits, which have impacted all departments in the City. An increase in revenue will offset some of the increased costs in Public Works. Other expenses in the department related to Capital and Supplies/Service have remained nearly unchanged for FY 2017-2018.

	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
TOTAL REVENUES	\$4,331,928	\$4,445,658	\$113,730
SALARIES	\$3,679,487	\$4,372,193	\$692,706
BENEFITS	\$1,527,051	\$1,833,748	\$306,697
SUPPLIES/SERVICES	\$3,139,860	\$3,131,730	(\$8,130)
CAPITAL	\$4,656,122	\$4,659,000	\$2,878
TOTAL EXPENDITURES	\$13,002,520	\$13,996,671	\$994,151



Highlights

Engineering Division:

- ✓ Completed Phase II Plans of Fire Department Regional Training Center Project
- ✓ Phase IV Rubberized Slurry Seal
- ✓ City Secured \$1.9 Million Active Transportation grant, \$70,000 SCAG grant to study public transportation, \$199,000 Metro grant for an open streets event
- ✓ LAR UR 2 WMA received a \$9.9 million grant for the Ford Park infiltration project
- ✓ Purchase and installation of a City Traffic Control monitoring system under a Metro grant
- ✓ Bicycle Master Plan Studied commenced
- ✓ Completed remodel of 1 City Housing unit
- ✓ Crack Seal and grinding project at various locations
- ✓ Managed Tree Trimming, Street sweeping, Catch Basin Cleaning and Street Striping contracts

Building and Planning Division:

- ✓ 6 new buildings under construction
- ✓ 9 site development plans currently being reviewed or approved for conformance with City Codes
- ✓ Issued 701 permits, w/ a construction valuation of a record \$122 million in 2016
- ✓ Issued 162 Certificates of Occupancy in 2016

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
- ✓ 189 city vehicles
- ✓ 42 traffic signals
- ✓ 1,044 city trees



2017-2018 ADOPTED BUDGET

City Building and Housing Division:

- ✓ Minor interior remodels of Fire Station 178 and 179
- ✓ Completed Annual Housing Inspections and repairs
- ✓ Reroofed 4 homes and installed irrigation at 5 homes
- ✓ Complete remodel of one home
- ✓ Reroof of City owned building on Leonis

Goals

- ✓ Continue to monitor and mitigate the impacts of the following regional projects:
 - Los Angeles River Revitalization
 - LA River Bikeway
 - Atlantic Boulevard Bridge Widening
 - I-710 Corridor
- ✓ Continue to implement paperless technology
- ✓ Continue to improve the permitting process
- ✓ Improve the aesthetic of the street system



DEPARTMENTAL REVIEWS

Vernon Public Utilities

Mission Statement

The goal of Vernon Public Utilities (VPU) is to provide the Vernon community with an array of dependable, high quality, competitively priced services including electric, natural gas, water, and fiber optics. VPU strives to forge a partnership with customers while efficiently and responsively serving their needs and supporting their continued success in the City.

About Vernon Public Utilities

The City of Vernon Public Utilities Department (VPU) serves as an essential resource to the City's business and residential community, providing dependable, high-quality utility services at very 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 electric, natural gas and fiber optic distribution systems have a strong, established history of reliability, capable of efficiently and successfully serving the needs of the City's unique largely industrial community.

Challenges facing the Department are:

- Large capital expenditures necessary to address deferred maintenance and aging infrastructure across all utility systems
- Credit Rating:
 - Following credit downgrade by Moody's, limited number of counterparties to transact with and increased collateral requirement from the California Independent System Operator (CAISO)
 - Because Ballot Measure Q failed, transfers to the General Fund will continue (viewed negatively by rating agencies)
 - The City's lower credit ratings could result in higher interest rates from lenders
 - Regulatory Mandates:
 - Greenhouse Gas (GHG) Freely Allocated Allowances eliminated after 2020
 - Renewable Portfolio Standards (RPS) Requirements (50%, 100%)
 - Over-generation & real-time negative energy prices are expected to increase
 - Energy Storage is expected to expand and the procurement could become mandatory
 - Financial Risk for the City associated with the requirement to procure Distributed Generation that have relatively low operational efficiencies, and will require a large amount of investments in transmission infrastructure

2017-2018 ADOPTED BUDGET



VPU functions with a number of specialized Divisions, each of which are essential to the daily operations required by the City's utility service.

Divisions

Compliance

The Compliance Division evaluates existing and upcoming legislative issues and regulatory standards, and ensures that VPU's programs, documentation, and certifications are maintained in accordance to laws and requirements. As necessary, the division liaisons with regulatory and legislative bodies to maintain compliance and convey VPU's objectives and goals. Compliance 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 training activities to enhance employee skill, performance, and engagement.

Customer Service

The Customer Service Division is responsible for providing prompt billing, processing utility transactions, and delivering courteous customer service either by telephone or in person to all City of Vernon utility customers utilizing any or all utility services.

Engineering

The Engineering Division is committed to designing and preparing work orders to construct, modify and upgrade electric system in a safe, reliable, efficient and cost effective manner complying with federal, state, local and utility standards and practices. The Division prepares capital improvement budget and issues notice inviting bids and request for proposals for the procurement of substation and electric service delivery equipment or engineering related services. This 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 area network communication connections with the use of fiber optic cabling system. The Division also provides secure point-to-point dark fiber optic connection services to businesses in Vernon with multiple facilities while delivering high-speed dedicated internet access to both businesses and residences.

Resource Management & Planning

The Resource Management Division is responsible for the planning, procurement, scheduling and dispatching of gas and power resources. The Division procures resources to meet customer demand, reliability and regulatory requirements. The Division strives to procure resources at the lowest possible cost and generates additional revenues for the City through various bilateral trades. The Division is also responsible for compliance with California Environmental laws including the renewable portfolio standard



2017-2018 ADOPTED BUDGET

and the GHG regulations, including the procurement of resources and the submission of compliance reports to regulatory agencies.

Utilities Operations:

Electric Utility

Electric Operations is staffed 24/7 by dispatchers and operators who continuously monitor real-time operations and maintenance activities of the electric generation, distribution systems, and water system. The dispatchers and operators receive and handle all customer calls after hours and on weekends regarding street, water, gas, and electric issues.

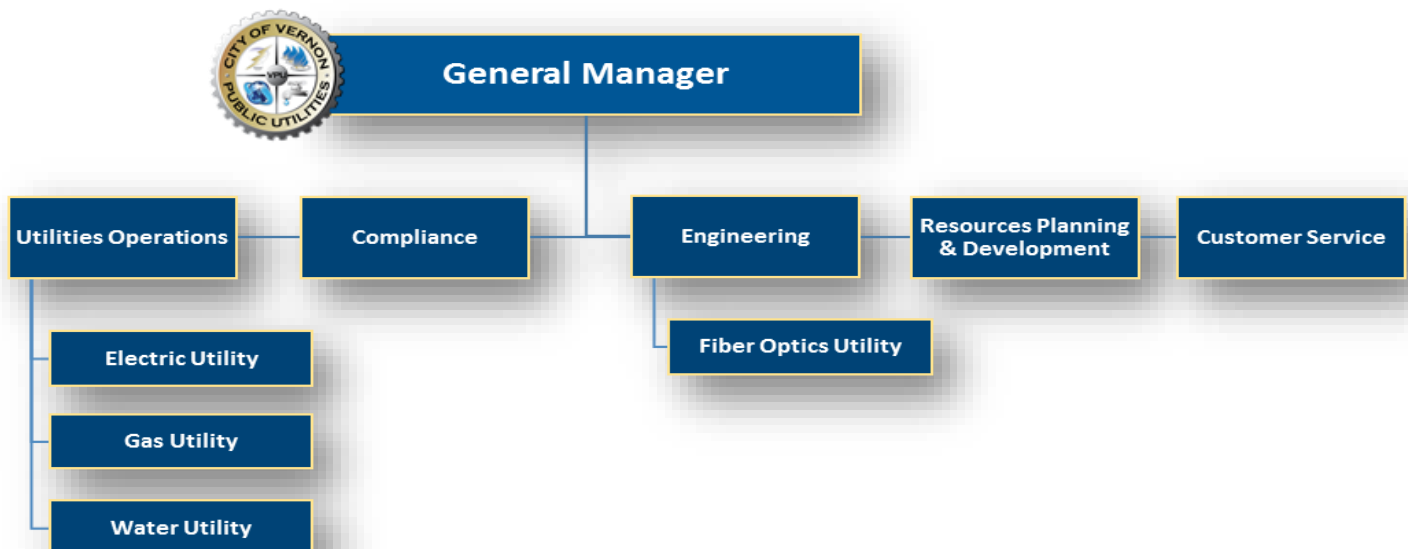
Gas Utility

The Gas Division serves as an important resource for the City's business community, providing reliable, high-quality service at some of the lowest rates. The Vernon-owned natural gas distribution system has history of strong and steady operation, and has advanced capabilities to effectively serve the city's large manufacturing sector.

Water Utility

The Water Utility provides potable drinking water to Vernon at some of the lowest rates in the region, maintaining a system of wells, reservoirs, and piping systems. It oversees the administration and maintenance of this system and the construction of new water service infrastructure. It manages a water system serving more than 1,000 customers, distributing approximately 2.8 billion gallons of water annually. It also oversees the Urban Water Management Plan, a document that guides the City's long-term water strategy and holds contingency plans for water shortages, as well as produces and distributes an annual public water quality report regarding water rates and quality.

Organization



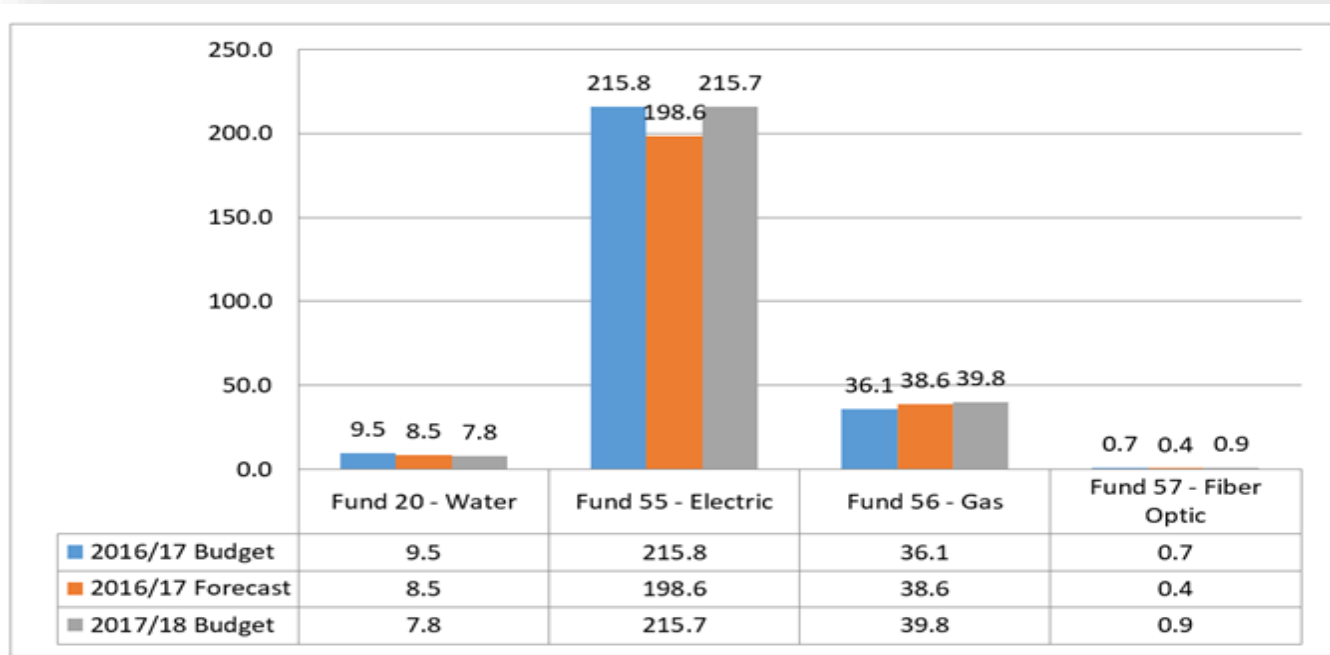


Changes from Prior Year

VPU's estimated revenue increase is primarily due to expected increases in electricity and natural gas sales. Salaries and corresponding benefits were budgeted slightly higher this fiscal year due to additional staffing required to effectively manage VPU consistent with utility standards and best practices. Additionally, the supplies and services rise is due to an increase in debt service payments as a result of VPU's 2015 debt refunding and increases in Cal ISO transmission costs. Moreover, the estimated capital outlay budget was decreased as a way to manage cost until the City determines its best intended use of the excess bond proceeds to be recovered from the Successor Agency for capital infrastructure.

Overall, the total budgeted expenditures increased less than 1% considering some of the challenges VPU is facing, such as, state mandated renewable requirements.

	A	B	B-A
	FY2017 Budget	FY2018 Budget	Increase (Decrease)
TOTAL REVENUES	\$262.2	\$264.9	\$2.7
SALARIES	\$7.1	\$7.9	\$0.8
BENEFITS	\$2.6	\$2.8	\$0.2
SERVICES / SUPPLIES	\$239.7	\$242.5	\$2.8
CAPITAL	\$12.5	\$10.9	(\$1.6)
TOTAL EXPENDITURES	\$262	\$264.2	\$2.2





Highlights

- ✓ Benchmarking study ranks VPU electric reliability top 10% nationwide
- ✓ Entered into biomethane option agreements providing an option to purchase renewable energy and related carbon allowances at the most competitive price with a savings estimated at \$5 million per year
- ✓ Successfully transferred the Water Division into VPU and implemented a Transition Plan to integrate the Water Division into VPU, prepared a detailed Assessment and Recommendation Report for the Water Division, including a comprehensive CIP plan, operational analysis plan and strategic plan
- ✓ Developed an electric GIS system that maps the distribution system showing the City's entire electric infrastructure and assets
- ✓ Installation of 12 new natural gas services, some include: Millennium Products, Flying Foods, Jersey Mike's, Superior Electric, and Bon Appetit
- ✓ Replaced 120 deteriorating wood power poles that did not meet current CPUC general order standards and performed many other upgrades and replacements of capital infrastructure
- ✓ Participated in the Hoover power contract extension negotiations that extended the contract for another fifty (50) years through 2067
- ✓ The Department procured renewable energy products at historically low prices

Goals

- ✓ Provide valuable, responsive, and reliable services to businesses and residents cost effectively, sustainably and with a customer service approach
- ✓ Improve customer relations through education programs, outreach, and visits
- ✓ Improve supervisory training in order to foster stronger working relationships and increase effective communication between management and staff
- ✓ Research potential revenue streams to fund Capital Improvement Projects
- ✓ Perform Integrated Resource Plan and Cost of Service Study:
 - Identify electric load requirement
 - Reach 50% RPS by 2030
 - Identify resources types and quantities
 - Meet Load Requirement
 - Meet Reliability Requirement
 - Meet Regulatory mandate
 - Develop Procurement timeline
 - Develop cost and resource plan
- ✓ Continue to improve communication, systems, strategy, fleet and equipment to facilitate more efficient and timely response to emergencies and service restoration



APPENDIX I





RESOLUTION NO. 2017-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VERNON APPROVING A BUDGET FOR THE FISCAL YEAR 2017-2018

WHEREAS, on June 21, 2016, the City Council of the City of Vernon adopted Resolution No. 2016-32 approving a budget for the fiscal year 2016-2017; and

WHEREAS, the City Council of the City of Vernon wishes to establish a new budget to anticipate the requirements for fiscal year 2017-2018 for the different departments of the City of Vernon; and

WHEREAS, on May 2nd and May 16th, 2017, City Department Heads presented to the City Council the proposed budgets for their respective departments for Fiscal Year 2017-2018; and

WHEREAS, the expenditures proposed in the budget are well under the limitations imposed pursuant to the Gann Initiative for Fiscal Year 2016-2017 and the likely even higher Gann limit for Fiscal Year 2017-2018; and

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

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

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

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

SECTION 2: The City Council of the City of Vernon finds that this action is exempt under the California Environmental Quality Act (CEQA), because adoption of the budget is the creation of a



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

SECTION 3: The City Council of the City of Vernon hereby approves the budget as set forth in Exhibit A, attached hereto and incorporated by reference, to anticipate the requirements for fiscal year 2017-2018 for the different departments of the City of Vernon.

SECTION 4: The anticipated revenues for the fiscal year 2017-2018 are set forth in Exhibit B, attached hereto and incorporated by reference.

SECTION 5: The City Council of the City of Vernon hereby finds and determines that certain items provided for in individual department budgets are in the nature of community promotion and education, and the City Council of the City of Vernon further finds and determines that the same are in the best interests of the City of Vernon, and necessary for the further development of the City and constitute a reasonable expenditure of public funds.

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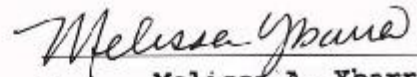


SECTION 6: The City Clerk, or Deputy City Clerk, of the City of Vernon is hereby directed to file this Resolution (along with each exhibit) with the County Auditor of Los Angeles County, located at the following address, within sixty (60) days after July 1, 2017:

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

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


APPROVED AND ADOPTED this 20th day of June, 2017.


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

ATTEST:


Maria E. Ayala
City Clerk / ~~Deputy City Clerk~~

APPROVED AS TO FORM:


Zaynah Moussa, Senior Deputy City Attorney



STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

I, **Maria E. Ayala**, City Clerk / Deputy City Clerk of the City of Vernon, do hereby certify that the foregoing Resolution, being Resolution No. 2017-29, was duly passed, approved and adopted by the City Council of the City of Vernon at a regular meeting of the City Council duly held on Tuesday, June 20, 2017, and thereafter was duly signed by the Mayor or Mayor Pro-Tem of the City of Vernon.

Executed this 28th day of June, 2017, at Vernon, California.


Maria E. Ayala
City Clerk / Deputy City Clerk

(SEAL)



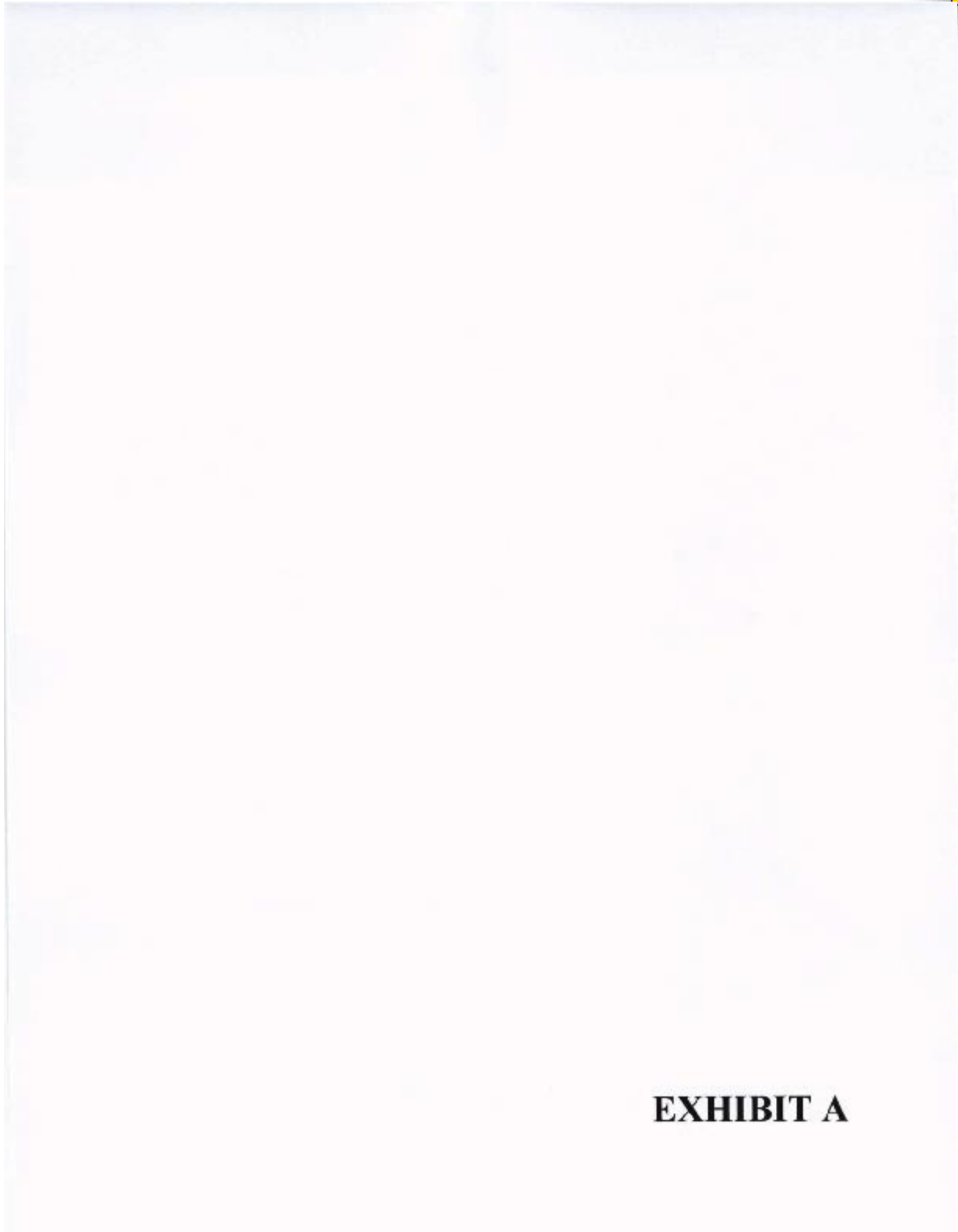


EXHIBIT A



Proposed Budget as of 6/12/17

CITY OF VERNON
EXPENDITURE BUDGET
2017-2018

DEPARTMENT	FY2017 SALARIES	FY2018 BENEFITS	FY2018 SUPPLIES/ SERVICES	FY2018 CAPITAL OUTLAY	FY2018 TOTAL
CITY COUNCIL	\$ 133,885	\$ 72,396	\$ 52,799	\$ -	\$ 259,163
CITY ADMINISTRATION	765,129	287,055	238,177		1,290,361
CITY CLERK	396,821	146,471	113,600		656,892
FINANCE	524,630	182,543	1,094,030		2,301,203
TREASURER	388,945	155,290	16,360		560,596
PURCHASING	147,239	82,157	5,780		215,176
HUMAN RESOURCE	578,321	2,081,789	383,119		3,053,229
INFORMATION TECHNOLOGY	533,440	188,184	1,118,646	152,000	1,972,250
SUB-TOTAL ADMIN	3,470,694	3,166,085	3,532,611	152,000	10,311,270
HEALTH/ENVIRONMENTAL CTRL	922,030	340,000	157,607		1,419,637
HEALTH - SOLID WASTE	123,502	43,155	377,880		544,537
SUB-TOTAL HEALTH	1,045,532	383,155	535,487	-	1,964,074
POLICE	6,565,235	3,827,850	376,395	40,000	10,809,680
CITY ATTORNEY	699,218	357,388	439,300		1,496,886
FIRE	11,414,673	6,228,364	703,887	301,800	18,646,434
CIVIL DEFENSE	48,921	28,809	205,200	90,000	472,030
SUB-TOTAL SAFETY	18,728,047	10,437,691	1,824,482	431,800	31,425,039
ADMIN-ENGR-PLANNING	356,832	112,075	5,600		474,507
BUILDING DEPARTMENT	728,713	299,573	248,250		1,277,536
PUBLIC WORKS	2,180,319	519,879	1,912,680	4,357,100	8,968,978
INDUSTRIAL DEVELOPMENT	-	-	76,230		76,230
COMMUNITY PROMOTION			1,030,000		1,030,000
CITY GARAGE	364,039	147,345	270,600	16,000	798,884
CITY WAREHOUSE	260,078	119,323	10,950		390,851
CITY HOUSING	130,270	50,741	141,200	350,000	672,211
CITY BUILDINGS	372,442	164,178	743,350	305,000	1,575,168
SUB-TOTAL COMM SER	4,353,693	1,403,612	4,438,360	6,030,100	16,286,365
TOTAL GENERAL FUND	\$ 27,638,846	\$ 15,380,323	\$ 10,331,850	\$ 5,615,900	\$ 58,966,739



Proposed Budget as of 6/12/17

CITY OF VERNON
EXPENDITURE BUDGET
2017-2018

DEPARTMENT	FY2016 SALARIES	FY2018 BENEFITS	FY2018 SUPPLIES/ SERVICES	FY2018 CAPITAL OUTLAY	FY2018 TOTAL
TOTAL GENERAL FUND	\$ 27,638,866	\$ 16,380,323	\$ 10,331,660	\$ 6,616,900	\$ 58,966,739
RDA OBLIGATION RETIREMENT FUND			5,436,332		5,436,332
HAZARDOUS WASTE FUND	247,620	100,646	48,220	-	396,484
PARCEL TAX FUND			12,482,908		12,482,908
UTILITIES					
WATER FUND					
WATER OPERATIONS	1,385,836	542,203	5,601,800	-	7,586,839
RECYCLED WATER			185,300		185,300
SUB-TOTAL WATER	1,385,836	542,203	5,607,400	-	7,786,439
LIGHT & POWER					
FIELD OPERATIONS	742,461	235,733	429,851	341,000	1,746,065
SYSTEM DISPATCH	1,639,710	537,617	552,159	115,000	2,844,486
STATION A			179,071	25,000	204,071
TRANS/DISTRIBUTION			6,149,961		6,748,961
BUILDING MAINTENANCE			98,311	272,500	371,011
CUSTOMER SERVICE	219,491	95,424	330,200	50,000	695,116
ADMINISTRATION	1,022,370	384,189	66,336,216	688,000	68,430,784
ELECTRICAL ENGINEERING	1,154,036	424,384	248,260	8,775,000	10,601,959
RESOURCE MANAGEMENT	1,066,257	378,269	122,064,478		123,528,004
ENERGY MANAGEMENT	28,399	9,586	486,500		523,585
SUB-TOTAL L & P	6,921,743	2,065,812	197,473,896	10,288,500	216,728,061
GAS	614,029	182,051	38,783,433	359,203	39,838,723
FIBER-OPTICS	111,021	30,695	382,800	346,000	869,516
TOTAL UTILITIES	7,932,629	2,320,771	242,497,829	10,970,700	264,221,729
GRAND TOTAL	\$ 36,819,123	\$ 18,301,740	\$ 270,796,139	\$ 16,888,600	\$ 341,503,602



EXHIBIT B



Proposed Budget as of 6/12/17

CITY OF VERNON
ESTIMATED REVENUES
2017-2018

GOVERNMENTAL FUND TYPE		FY2018
GENERAL		
400110	SECURED PROPERTY TAX-CURRENT	\$ 3,570,110
400210	PRIOR YEAR SECURED	(8,000)
400310	REAL PROPERTY TRANSFER TAX	219,530
400311	RNSF	702,850
400500	PROPERTY TAX-INTEREST & PENALTIES	7,000
400610	PROP "A" FUNDS	2,270
400630	PROP "C" FUNDS	1,850
400700	HOMEOWNERS' PROPERTY TAX EXEMPTION	15,800
400820	PUBLIC SAFETY AUGMENTATION FUND	1,700
401000	UTILITY USERS TAX	2,198,492
401200	SALES AND USE TAX	5,782,134
401500	ADMINISTRATIVE FEES - SB2557	(32,041)
401650	STATE FEE - SB1186	800
410100	BUSINESS LICENSES	5,336,000
410210	BUILDING PERMITS	710,000
410211	FIRE PERMIT FEES	60,000
410212	ALARM PERMITS	36,000
410240	PUBLIC HEALTH PERMITS	960,557
410250	HEALTH PERMIT LATE FEES	11,577
410270	FILMING PERMITS	18,000
410271	SPECIAL EVENT PERMIT FEES	1,200
410280	CONDITIONAL USE PERMITS	10,000
410290	ISSUANCE FEE	19,000
410300	FRANCHISES AND AGREEMENTS	73,000
410310	SOLID WASTE FRANCHISE FEES	1,000,000
410320	SOLID WASTE FRANCHISE LATE FEES	5,000
410330	FRANCHISE FEES, PRIOR YEARS	20,000
410400	CLOSURE REVIEW FEES	2,700
410410	PLAN CHECK REVIEW FEES	2,400
410430	ANNUAL BUSINESS FIRE INSPECTION	280,000
410460	ANNUAL BUSINESS FIRE RE-INSPECTION	10,000
410470	FIVE YEAR SPRINKLER SYSTEM TESTING	9,000
410480	FALSE ALARM FEES	65,000
410490	FIRE EXTINGUISHER TRAINING	500
420100	VEHICLE CODE FINES	60,000
420110	OTHER VEHICLE FINES	25,000
420120	DUI EMERGENCY RESPONSE	2,040
420130	VEHICLE INSPECTION FEE	4,500
420510	PARKING CITATIONS	12,000
420515	FRANCHISE TOWING FEES	20,000
420520	COMMUNITY SERVICES INCOME	37,000
420525	IMPOUNDED VEHICLE RELEASE FEES	20,000
420530	DUI VEHICLE RELEASE FEES	2,000
420535	REPOSSESSED VEHICLE RELEASE FEE	300
430110	INVESTMENT INCOME	77,000
431000	RENTS	498,000
440100	GRANT REVENUE	1,955,695
441010	COPS - SLESF FUNDS	100,000
441015	TASK FORCE REIMBURSEMENT REVENUE	60,000
442031	MOTOR VEHICLE IN-LIEU TAX	9,217
450110	FIRE SERVICE	22,000
450120	ENGINEERING INSPECTION FEES	70,000
458000	GENERAL CITY ADMINISTRATIVE SERVICES	3,593,677
459030	GROUP MEDICAL REVENUE	205,000
461100	MISCELLANEOUS AND PENALTIES	38,500
468000	P.O.S.T. REIMBURSEMENT	8,000
468200	PLAN CHECK FEES	350,000
468220	GREEN BUILDING STANDARDS FEE	8,000
468230	ANNUAL FEE	1,000
468600	COPIES AND PUBLICATIONS	19,282
468700	BACKFLOW CERTIFICATES	15,120

EXHIBIT 'B'

Page 1 of 2



Proposed Budget as of 6/12/17

CITY OF VERNON
ESTIMATED REVENUES
2017-2018

GOVERNMENTAL FUND TYPE		FY2018
<u>GENERAL</u>		
466900	MISCELLANEOUS	21,810
467000	STRIKE TEAM REIMBURSEMENT	150,000
467100	EMS REIMBURSEMENT	135,000
467300	BOOKING FEE REIMBURSEMENT	10,000
468400	VARIANCES	5,000
498700	CREDIT FOR GARAGE WORK ORDERS	375,000
600910	OTHER INCOME	6,000
630055	LIGHT AND POWER IN-LIEU TAX	4,790,376
670010	SALE OF CAPITAL ASSETS	700,000
690100	TRANSFER IN - FROM OTHER FUNDS	23,587,255
	SUB-TOTAL REVENUE ITEMS	55,088,165
<u>SPECIAL REVENUE</u>		
407500	GAS TAX 2103	1,300
407600	GAS TAX 2106	6,000
407700	GAS TAX 2107	1,300
407800	GAS TAX 2107.5	1,200
	SUB-TOTAL GAS TAX	9,800
TOTAL GENERAL FUND		58,097,965
<u>SPECIAL FUNDS</u>		
380	HAZARDOUS WASTE FUND	500,000
395	PARCEL TAX REVENUES	12,482,308
	SUB-TOTAL SPECIAL FUNDS	12,982,308
<u>FIDUCIARY FUND</u>		
022	RDA TAX INCREMENT	5,436,332
	SUB-TOTAL FIDUCIARY FUND	5,436,332
TOTAL GOVERNMENTAL TYPE FUNDS		76,516,605
<u>PROPRIETARY FUND TYPES</u>		
<u>WATER DEPARTMENT</u>		
020	WATER - REVENUES	8,573,244
<u>LIGHT AND POWER</u>		
055	LIGHT AND POWER - REVENUES	214,088,639
055	LIGHT AND POWER - NON-OPERATING TRANSFER-IN	22,562,707
055	LIGHT AND POWER - RESERVE	(21,326,341)
<u>FIBER-OPTICS</u>		
057	FIBER-OPTICS - REVENUES	605,000
<u>GAS UTILITY</u>		
056	GAS - REVENUES	40,483,748
	SUB-TOTAL ENTERPRISE FUNDS	264,996,997
GRAND TOTAL ALL FUNDS		\$ 341,503,502



APPENDIX II





Operating Revenues

Government Funds & Business Type Funds

Operating Revenues						
Governmental Funds						
	General Fund	Successor Agency Funds	Parcel Tax Fund	Hazardous Waste Fund	Governmental Funds Total	
Operating revenues						
Taxes	17,886,386	5,436,332	12,482,308	500,000	36,305,026	
Special assessments	1,025,000	-	-	-	1,025,000	
Licenses and permits	1,843,434	-	-	-	1,843,434	
Fines, forfeitures and penalties	200,300	-	-	-	200,300	
Investment income (loss)	77,000	-	-	-	77,000	
Intergovernmental revenues	2,432,646	-	-	-	2,432,646	
Charges for services	1,463,422	-	-	-	1,463,422	
Other revenues	531,310	-	-	-	531,310	
Total operating revenues	25,459,498	5,436,332	12,482,308	500,000	43,878,138	
Business-Type Funds						
	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Business-type Funds Total	
Operating revenues						
Investment income (loss)	1,000,000	-	-	-	1,000,000	
Charges for services	195,239,139	40,483,748	8,573,244	605,000	244,901,131	
Other revenues	3,500	-	-	-	3,500	
Total operating revenues	196,242,639	40,483,748	8,573,244	605,000	245,904,631	
Grand Total					289,782,769	



Operating Expenditures

Government Funds & Business Type Funds

Operating Expenditures						
Governmental Funds						
	General Fund	Successor Agency Funds	Parcel Tax Fund	Hazardous Waste Fund	Governmental Funds Total	
Operating expenditures						
General government	12,958,165	21,850	-	-	12,980,015	
Public safety - Police	10,769,680	-	-	-	10,769,680	
Public safety - Fire	18,725,663	-	-	222,731	18,948,394	
Public works	7,936,097	-	-	-	7,936,097	
Health services	1,964,074	-	-	173,763	2,137,837	
Principal retirement	-	2,365,000	-	-	2,365,000	
Interest payment	-	3,049,482	-	-	3,049,482	
Capital outlay	5,615,900	-	-	-	5,615,900	
Total operating expenditures	57,969,579	5,436,332	-	396,494	63,802,405	
Business-Type Funds						
	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Business-type Funds Total	
Operating expenditures						
Principal retirement	25,815,000	-	-	-	25,815,000	
Interest payment	19,497,322	-	-	-	19,497,322	
Capital outlay	10,266,500	359,200	-	345,000	10,970,700	
Cost of sales	123,389,230	39,479,524	7,210,439	524,516	170,603,709	
Total operating expenditures	178,968,052	39,838,724	7,210,439	869,516	226,886,731	
Grand Total					290,689,136	



Non-Operating Revenues & Expenditures

Government Funds & Business Type Funds

Non-Operating Revenues (Expenditures)					
Governmental Funds					
	General Fund	Successor Agency Funds	Parcel Tax Fund	Hazardous Waste Fund	Governmental Funds Total
Non-operating revenues (expenditures)					
Sale of property	700,000	-	-	-	700,000
In-lieu tax transfer in (out)	4,790,376	-	-	-	4,790,376
Overhead allocation in (out)	3,593,677	-	-	-	3,593,677
Operating transfer in (out)	23,587,255	-	(12,482,308)	-	11,104,947
Total non-operating revenues (expenditures)	32,671,308	-	(12,482,308)	-	20,189,000
Business-Type Funds					
	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Business-type Funds Total
Non-operating revenues (expenditures)					
In-lieu tax transfer in (out)	(4,790,376)	-	-	-	(4,790,376)
Overhead allocation in (out)	(3,018,677)	-	(575,000)	-	(3,593,677)
Operating transfer in (out)	(11,104,947)	-	-	-	(11,104,947)
Total non-operating revenues (expenditures)	(18,914,000)	-	(575,000)	-	(19,489,000)
Total					700,000



Extraordinary Items

Government Funds & Business Type Funds

Extraordinary Items						
Governmental Funds						
	General Fund	Successor Agency Funds	Parcel Tax Fund	Hazardous Waste Fund	Governmental Funds Total	
Extraordinary items						
Non-operating transfer in (out)	(1,030,000)	(22,562,707)	-	-	(23,592,707)	
Excess bond proceeds	-	22,562,707	-	-	22,562,707	
Total extraordinary items	(1,030,000)	-	-	-	(1,030,000)	
Business-Type Funds						
	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Business-type Funds Total	
Extraordinary items						
Non-operating transfer in (out)	22,562,707	-	-	-	22,562,707	
Reserves	(21,326,340)	-	-	-	(21,326,340)	
Total extraordinary items	1,236,367	-	-	-	1,236,367	
Total					206,367	