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August 22, 2011

Mr. Mark Whitworth, City Administrator
City of Vernon
4305 Santa Fe Avenue
Vernon, CA 90058

RE: Cleaning Up Vernon

Dear Mr. Whitworth:

Last December, I agreed to co-author Speaker Perez's Assembly Bill 46 because, like many, I was seeking a solution for the long-standing corruption that has plagued your city. Not only has there been decades of cronyism and misdealings, the City has also victimized surrounding communities with irresponsible land-use decisions and no real efforts to rein in pollution. It seemed, at the time, that disincorporation was not only necessary but way overdue.

As I delved further into the issue, several of the local businesses and unions—particularly IBEW 47, UFCW 770 and Teamsters Joint Council 42, quickly brought to my attention how this action would be devastating to the economic engine in Vernon that puts 55,000 women and men to work with high wage jobs and creates thousands of other jobs in surrounding communities. Given the fragile nature of our economy, I realized that much more examination was needed before taking such terminal action.

This is the first year I've represented the City of Vernon and southeast Los Angeles. During this year, I've come to better understand the historic corruption that has plagued southeast Los Angeles, from Bell, to Maywood, to Vernon. What I have discovered is that these cities have historically very weak governance structures that have led directly to widespread corruption and obscene abuses of public funds. As one of the elected representatives of these communities, I believe I have a moral obligation to address those weaknesses and that I must work to root out the stubborn corruption plaguing those communities. Those efforts require a laser-like focus on eliminating corruption while preserving governance

systems that are working for the public's benefit. Most importantly, we need to work to protect the jobs for the communities, especially with a 12% unemployment rate in California.

To date, the Speaker's legislation has focused on disincorporation. That legislation establishes an alternative governance structure that ultimately puts the County of Los Angeles in charge of Vernon. My concern with that proposed solution is that the County of Los Angeles seems to need fewer responsibilities right now, not more. I have represented and will soon represent unincorporated areas of Los Angeles struggling intensely to free themselves of a County governance system the people feel is nonresponsive to their needs. The County's enormous government system leaves many of my constituents with an overwhelming sense of disenfranchisement that I don't want duplicated in Vernon.

Los Angeles County's recent announcement expressing concerns about the immense burden that it would bear should these bills pass is no surprise. Our budget crisis has hit the county just as hard as the state and left it struggling to cope with existing responsibilities, such as its troubled child protective services system, King-Drew hospital, and USC County Medical system to name just a few. I'm reluctant to impose new and potentially crushing debt burdens upon the already overstretched county. Moreover, it's not clear to me how turning Vernon over to a governing body already overburdened with responsibilities will improve the day-to-day governance of Vernon. Since taking office, I have not received a single complaint regarding the operation of Vernon's public service system. Its police and fire departments appear to be well run and free of the corruption that has plagued Vernon's top leadership. The day-to-day operation of Vernon is clearly not the problem. The City's governance structure is the problem and that's what I want to focus on changing.

According to the comprehensive report by former Attorney General Van de Kamp and University of Southern California Professor Bob Stern, while Vernon's problems run deep, we don't need to eliminate the City in order to save it. With intelligent and comprehensive reforms, we have the opportunity to transform what has been a local government embarrassment into a model city. Speaker Perez's bills have created the opportunity to reinvent Vernon and forge a governance

system that will serve as a model for a region plagued by corruption and weak governance. As a result of that legislation, the City of Vernon has taken a number of steps to improve governance within your city. However, additional steps need to be taken, starting with implementing the recommendations of the Van de Kamp report. I also believe additional steps are necessary to transform the city into a model for the region. That would truly be a lasting and impressive public service for local residents and future generations.

The most important argument for disincorporation is that a city election with a "captured electorate" (one that is effectively selected by its city leaders) is simply a sham. I agree with that point, and while the City of Vernon may never have enough independent residents to satisfy the Local Agency Formation Commission process, I do believe that the City is capable of doubling the size of its current electorate with independent voters. The housing in the City's current portfolio should be spun off to an independent housing authority and the City should consent to subsidizing a housing project that will in effect double the size of its current electorate. A housing development of this sort will bring fresh independent blood to the City of Vernon, and with it I'm confident the cesspool that has long ruled this city will finally be drained and cleaned up.

To help ensure that these reform promises already underway by the City, the changes recommended in the Van de Kamp report and additional recommendations within this letter are actually realized and take root in the governance culture of Vernon, an independent ethics monitor must be appointed for a multi-year period. Clearly, it will take years for the new culture of governance to take root in Vernon. We need a monitor with broad powers to enforce the reform agreements and to regularly report back to the Legislature on the City's progress on those commitments.

Another important issue that's been largely lost in this debate is the fact that the City of Vernon hasn't always been a decent neighbor. It has a long history of instituting zoning rules and approving projects with little to no consideration of how those decisions would impact the neighboring communities. Any reform on this matter must address the environmental hazards the City has created for its neighbors. The currently proposed legislation doesn't appear to make any

substantive changes in that area nor offer any mitigation to the thousands of residents living near and around Vernon. My concern is that the County will treat Vernon as a cash cow focusing on how much revenue they can wring out of it without regard to its impact on the surrounding communities. Hoping for a more sympathetic treatment from a massive County government desperate for additional revenue isn't a strategy as much as it's wishful thinking.

The City of Vernon needs to establish a planning commission with outside environmental justice representation. In addition to insuring better planning and transparency for future development projects, any agreement on this issue must include an enforceable ongoing and substantial mitigation fund agreement. That fund would be dedicated to improving the quality of life of the thousands of children living in neighborhoods surrounding Vernon by providing air quality mitigation and recreational opportunities such as parks, playgrounds, athletic fields and open spaces. Those funds should be allocated on an annual basis by a board with independently appointed representatives from surrounding communities as well as Vernon representatives.

I also believe that the City of Vernon should immediately begin making amends for its long history of riding roughshod over the environmental justice concerns of its neighbors. It could do so by building and maintaining a unique recreational venue for the surrounding communities. The City of Commerce's Aquatorium serves as a model of a much-needed aquatic center and gym in a deeply underserved area. Such a facility teaches poor minority children to swim, provides a competitive swim program and athletic outlets for kids and teenagers, a gym offering work-out programs for adults, as well as a respite on hot summer days for kids and adults alike. The City of Vernon likes to say "it works." Well, I think it must prove it can work not only for its own financial benefit but also for the benefit of the thousands of children and neighbors who are forced to cope with the noxious fumes its work generates.

So, in the interest of jobs, effective and responsive governance and community mitigation, I have come to the decision that an alternative to disincorporation is necessary. It is imperative the City follow through on the following six Critical Path Reforms to address the concerns noted above:

1. **Greater Accountability & Transparency**
    a. Implement Charter Reform via election at the earliest possible date this year that:
        i. Removes the "at-will" provision in the Charter;
        ii. Establishes Council term limits;
        iii. Establishes salary and benefit limits for senior city officials;
        iv. Prohibits the Council from appointing successors;
        v. Removes the provision that limits the ability to remove the City Administrator;
        vi. Removes the provision prohibiting transfers from Light and Power to the General Fund;
        vii. Adds a provision for prevailing wage in city contracts; and
        viii. Establishes an open and competitive bidding process on service and personal service contracts that is prominently posted on the City's web-site, and that requires the details to those contracts to be prominently posted on the City's web-site at least seven days prior to Council approval.

2. **Van de Kamp Report Recommendations**
    a. Implement the recommendations in the Van de Kamp report as soon as feasible.

3. **Doubling the Electorate**
    a. Establish an independent Housing Commission;
    b. Spin off the city's current housing stock to the independent Housing Commission; and
    c. Construct approximately 50 new housing units with a significant affordable component within three years, with the goal of doubling the City's electorate.

4. **Independent Reform Monitor**
    a. Appointment of an Independent Reform Monitor for a period of no less than four years;
    b. That Reform Monitor shall have broad-based authority to enforce the elements of the revised charter and other adopted reforms;

c. The Reform Monitor's powers shall include the power to conduct audits of all city operations and budgets as well as review any proposed service or personal service contract that is substantial in nature; and
d. The Reform Monitor shall report back annually to the Legislature on the progress of the City's efforts to meet its obligations and shall make recommendations on any additional changes that may be necessary to implement the changes.

5. Worker Rights for Police, Fire and Other Public Employees

a. Continue to allow for collective bargaining by police and firefighters;
b. Establish collective bargaining neutrality for city workers; and
c. Establish a living wage program for city employees and contractors.

6. Good Neighbor Program

a. Establish a substantial and long-term Environmental and Community Benefit Fund to help mitigate the decades of noxious air released from Vernon (the exact amount to be negotiated);
b. Creation of an independent board to allocate those Environmental and Community Benefit Funds including representation from outside affected communities;
c. Immediately fund regional community recreational facilities in affected neighboring communities (the scope and sites to be negotiated);
d. Establish a Sustainable Development and Energy Efficiency Commission that includes representation from the environmental justice community; and
e. Revise existing trash hauling program with strong environmental standards.

Assuming that the City embraces all of the Critical Path Reforms, and after all these steps are taken Vernon continues to subvert and frustrate the implementation of these reforms, then I will be fully prepared to support the disincorporation of the City. At that point we all will know that your City is beyond being saved. Until that time, however, I am not prepared to jeopardize tens of thousands of good-paying jobs by disincorporating Vernon.

Speaker Perez's efforts have begun an important conversation about transparency and good government in southeast Los Angeles. It's a long overdue conversation and Speaker Perez deserves a great deal of credit for tackling this persistent and stubborn problem.

I truly believe that the City is on the cusp of historic reform and the creation of a model government that will serve as a beacon in a sea of long troubled communities. Now the City must seize the opportunity by rolling up its sleeves and moving forward on these measures that will remake Vernon and improve its neighbors' quality of life.

I look forward to working with the City, its workers and businesses on this important effort and making it a reality. Protecting 55,000 jobs for hard working women and men is a priority as is rooting out the historic corruption that has been present for decades.

Sincerely,

KEVIN DE LEÓN
Twenty-Second Senate District