DEFINITION OF FUNDS AND MAJOR REVENUE SOURCES

GENERAL FUND

The General Fund is used to account for financial resources traditionally associated with general government operations, which are not required legally or by financial management to be accounted for in another fund.

Property Tax: The valuation of property in the City is determined by the Los Angeles County Tax Assessor, except for Public Utility property, which is assessed by the State Board of Equalization. As defined by Article XIIIA of the California Constitution (commonly known as "Proposition 13 "), assessed values are stated at 100% of full cash value. The County levies a base tax of $1 per $100 of assessed valuation (subject to annual growth limitations of 3%). Hawthorne's share of the $1 has been approximately 10%.

Sales & Use Tax: In accordance with the California Revenue & Taxation Code and the Bradley-Burns Uniform Local Sales Use Tax Law of 1955, the State of California imposes a 8.25% Sale & Use Tax on taxable sales in the City. The City receives 1% of the levy with the remaining funds being shared by the State, County and Transportation District.

Hotel & Motel Bed Tax (Transient Occupancy Tax): The Hawthorne Municipal Code authorizes the City to levy a tax for the privilege of occupying lodgings on a transient basis. The current rate is 12%.

Franchise Fees: The City imposes fees on gas, electric, refuse, water, oil, towing and cable television companies for the privilege of using City infrastructure.

Business License Tax: The Hawthorne Municipal Code requires a license as a prerequisite for conducting business, trade or profession in the City. The Code further imposes an annual tax for the privilege of conducting such businesses based on generated revenues.

Real Property Transfer Tax: The Hawthorne Municipal Code authorizes the imposition of a transfer tax on real property sold in the City, at a rate of $0.27 per $500 of purchase price in excess of $100.

Utility Users Tax: As authorized by the Hawthorne Municipal Code, Utility User Taxes are levied on electricity, water, gas, telephone and cable TV services. The current rate is 5%.

Motor Vehicle In-lieu Tax: Section 11005 of the State Revenue and Taxation Code imposes an annual State license fee equivalent to 2% of the market value of a motor vehicle in lieu of local property taxes. The Code also specifies that 81.25% of the revenue is to be divided equally between the cities and counties and apportioned on the basis of population.

Licenses and Permits: The California Government Code and State Constitution give cities the authority to assess certain license and permit fees as a means of recovering the cost regulating various activities. Examples include building, electrical and plumbing permits and police alarm permits.

Fines & Forfeitures: The California Vehicle Code and the Hawthorne Municipal Code mandate and/or allow for the imposition of civil penalties for parking violations. These penalties are collected by the City. Fines assessed for moving violations of the California Vehicle Code and non-parking violations of the Hawthorne Municipal Code are collected by the County of Los Angeles by the Inglewood Municipal Court and partially remitted to the City.

Charges for Services: Service charges or fees are imposed on the user for a service provided by the City under the rationale that benefiting parties should pay for the cost of that service rather than the general public. Examples of such services include various recreation, planning & building, and public safety fees.

STREET LIGHTING ASSESSMENT FUND

Property owners in the assessment district are assessed an amount each year for the costs of establishing, improving and maintaining street lighting for the City. The assessments are billed by the County of Los Angeles as part of the annual property tax bill.

GAS TAX FUND

The City is allocated a share of revenues derived from the State Highway Users Tax Account Sections 2105, 2106, 2107 and 2107.5. Gasoline taxes must be used for maintenance and improvement of City streets, which serve as State and County thoroughfares.

STREET FUND

This fund is to account for all related revenues and expenditures, including street repair, reconstruction and maintenance, which are not required to be accounted for in the City's State Gas Tax Fund.

ASSET FORFEITURE FUND

This fund is to account for all revenues and expenditures related to monies and property seized by the Police Department in drug related incidents. These funds may only be expended on activities used to enhance law enforcement activities.

POLICE GRANT FUNDS

The Hawthorne Police Department receives grant funds from several Federal and State agencies for the purpose of establishing, monitoring and administering local drug enforcement activities in coordination with other law enforcement agencies. Specific grants include the High Intensity Drug Trafficking Area Grants, Anti-Drug Abuse Grant, COPS Grant, & Local Law Enforcement Block Grants.

INSURANCE RESERVE FUND

This fund is to account for the City's self-insurance activities. The expenditures for liability and workers' compensation are funded by charges to City departments based on claims history and a percentage of personnel costs.

LOCAL TRANSIT ASSISTANCE - PROP A

A one-half cent sales tax was approved by the voters of Los Angeles County to be utilized for local transit purposes. These revenues are received by the State and a portion is funneled to the City through the Los Angeles County Metropolitan Transit Authority. The City of Hawthorne uses these funds for Dial-A-Ride, Recreational Transit and Bus Stop Maintenance. Excess of these funds are traded with other Los Angeles County municipalities for General Funds.

PROPOSITION C COUNTY SALES TAX

A second half-cent sales tax was approved by the voters, the proceeds of which are used to improve transit service and operations, reduce traffic congestion, improve air quality and efficiently operate and improve the condition of streets and highways utilized by public transit.

ROSECRANS/AVIATION BRIDGE FUND

This fund is to account for Federal, State and local grants received from various agencies for the expansion of the Rosecrans/Aviation intersection.

AB2766 AIR QUALITY FUND

This fund is used to support the South Coast Air Quality Management District's (SCAQMD) imposition of an additional vehicle registration fee and to receive fee revenues for implementing programs to reduce air pollution from motor vehicles.

S B W I B Fund

Employment development and training programs under this fund are funded by various State and Federal sources including the Workforce Investment Act, Greater Avenues for Independence, Welfare-to-Work and the Private Industry Council Aerospace Network.

DEVELOPMENT IMPACT FEES FUND

Under the authority of Assembly Bill 1600 (AB 1600), the City imposes an impact fee on all developments within the City boundaries. These Development Impact Fees are used a defray the costs associated with infrastructure improvements due to new developments. This fund accounts for both the collection and expenditures of the Development Impact Fees.

REDEVELOPMENT AGENCY PROJECT AREA #1 FUND

Project Area #1 of the Community Redevelopment Agency of the City of Hawthorne consists of the Hawthorne Plaza Mall, which was constructed in 1974 with proceeds of Tax Allocation Bonds. The debt service on these bonds is supported by property tax increment and SB55 assessments which are collected by the County of Los Angeles and remitted to the Redevelopment Agency.

REDEVELOPMENT AGENCY PROTECT AREA #2 FUND

Project Area #2 of the Community Redevelopment Agency of the City of Hawthorne consists of approximately 960 acres in the southwest section of the City, including the Gateway and Oceangate development projects. Development of this area was assisted by a Tax Allocation Bond originally issued in 1994 and also includes Mello-Roos Bond issues for both of the development projects.

LOW & MOD INCOME 20% SET ASIDE FUND

The Redevelopment Agency is required by state law to set aside 20% of the revenues generated by property tax increment for low- and moderate-income housing needs.

DEBT SERVICE -1997 COP

In 1997, the Hawthorne Public Financing Authority refinanced the Certificates of Participation for the purpose of financing various public improvements in the City. This fund is used to account for the debt service associated with these bonds.

DEBT SERVICE – GENERAL OBLIGATION BONDS (POLICE FACILITY)

In 2002 the City obtained a $20-million loan financing for the construction of the new Hawthorne Police Facility from the California Infrastructure and Economic Development Bank. This fund accounts for the debt service payments on the loan.

DEBT SERVICE - PROJECT AREA I - 2001 TAB

This fund accounts for the debt service associated with Hawthorne Plaza's 2001 Tax Allocation Bonds.

DEBT SERVICE - PROJECT AREA II -2004 TAB & 1998 TAB

This fund accounts for the debt service associated with Project Area II 2004 & 1998 Tax Allocation Bonds.

AIRPORT FUND

This fund is to account for the operation and maintenance of the Hawthorne Municipal Airport.

SEWER & STORM DRAIN FUND

Property owners pay an annual assessment for the operation, maintenance and capital improvements of sewer and storm drains in the City.

EQUIPMENT MAINTENANCE FUND

This fund is used to account for the purchase and maintenance of vehicular equipments on behalf of all City departments. City departments are charged a rental rate based on use and maintenance costs of vehicles.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

This fund is to account for Federal grants received from the Department of Housing and Urban Development (HUD). Grant activity is administered by the Community Development Department and is predominantly restricted to activities in 'target areas'.

HOME FUNDS

This fund is used to account for HOME Fund grants received from the U.S. Department of Housing & Urban Development. These funds are to be used predominantly to aid low & moderate income residents with their housing needs.

CALIFORNIA USED OIL RECYCLING GRANT FUND

The City of Hawthorne receives grant funds from the State Integrated Waste Management Board to promote the recycling of used motor oil. This fund accounts for all the revenues and expenditures associated with this activity.

SECTION 8 HOUSING FUNDS

These funds account for the Federal grant revenues and program expenditures related to the housing assistance programs. These programs are administered by the City's Housing Authority under the regulations established by the Department of Housing and Urban Development (HUD).

DEBT SERVICE - CFD 1999-1

This fund accounts for the debt service associated with the Gateway Center development project's Mello-Roos bonds.

DEBT SERVICE - PARKING AUTHORITY CFD 1

This fund accounts for the debt service associated with the Mello-Roos bonds issued to refund the Parking Authority bonds in Project Area No. 1.

DEBT SERVICE -1998 REFUNDING CFD 1990-1

This fund accounts for the debt service associated with the Oceangate development project's Mello-Roos bonds.

DEBT SERVICE –2004 CFD (Fusion)

This fund accounts for the debt service associated with the Fusion at South Bay development project's Mello-Roos bonds.

GREVILLEA PROPERTY FUND

This fund accounts for the operations of eight residential rental units on Grevillea Avenue, which are rented to low- and moderate-income households.

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2006-07
General Government				
City Council				
Mayor	1.00	10,980	22,494	33,474
Councilmember	4.00	31,920	26,075	57,995
Total	5.00	42,900	48,569	91,469
City Clerk				
City Clerk	1.00	10,000	249	10,249
Deputy City Clerk	1.00	60,725	22,402	83,127
Total	2.00	70,725	22,651	93,376
City Manager				
City Manager	1.00	120,000	50,032	170,032
Executive Asst to the City Manager	1.00	81,888	29,264	111,152
Administrative Aide I	1.00	56,316	19,476	75,792
Total	3.00	258,204	98,772	356,976
City Treasurer				
City Treasurer	1.00	10,000	493	10,493
Total	1.00	10,000	493	10,493
City Attorney				
City Attorney	1.00	169,296	78,813	248,109
Assistant City Attorney	1.00	119,568	55,697	175,265
Deputy City Attorney	1.00	114,792	53,473	168,265
Administrative Assistant	1.00	60,214	20,824	81,038
Administrative Aide I	1.00	50,382	17,424	67,806
Total	5.00	514,252	226,231	740,483

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2006-07
Administrative Services				
Director of Administrative Services	1.00	117,963	54,929	172,892
Accountant I	2.00	121,108	41,883	162,991
Buyer	1.00	72,260	27,186	99,446
Payroll Technician	1.00	56,930	19,688	76,618
Senior Account Clerk	1.00	58,624	21,627	80,251
Administrative Aide I	1.00	55,536	18,331	73,867
Account Clerk	2.00	101,872	36,407	138,279
Senior Human Resource Analyst	1.00	69,988	25,280	95,268
Adminstrative Assistant	1.00	51,664	17,867	69,531
Total	11.00	705,945	263,198	969,143
Licensing & Code Enforcement				
Dir. of Licensing & Code Enforcement	1.00	122,556	55,110	177,666
Business License Inspector	1.00	58,980	24,071	83,051
Administrative Analyst	1.00	78,780	26,003	104,783
Code Enforcement Officer	3.00	163,988	66,864	230,852
License Permit Technician	1.00	55,884	19,326	75,210
Revenue Collector	1.00	74,208	25,663	99,871
Account Clerk	1.00	51,195	15,109	66,304
Graffiti Leadworker	1.00	61,020	27,864	88,884
Graffiti Worker	3.00	139,048	63,612	202,660
Total	13.00	805,659	323,622	1,129,281
Planning & Community Development				
Director of Planning & Comm. Dev.	1.00	113,868	46,397	160,265
Senior Planner	1.00	79,140	27,316	106,456
Planning Assistant	2.00	113,796	39,278	153,074
CDBG/Home Coordinator	1.00	69,396	25,573	94,969
Senior Building Inspector	1.00	85,236	36,720	121,956
Total	6.00	461,436	175,284	636,720

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2006-07
Building & Safety				
Director of Building & Safety	1.00	113,868	53,042	166,910
Building Permit Technician	1.00	64,296	22,235	86,531
Senior Building Inspector	1.00	85,236	37,379	122,615
Building Inspector	2.00	138,903	57,654	196,557
Total	5.00	402,303	170,310	572,613

Public Safety

Police				
Chief of Police	1.00	181,732	92,220	273,952
Administrative Assistant	2.00	114,460	41,020	155,480
Animal Control Officer	1.00	53,445	21,813	75,258
Identification Technician	1.00	68,316	29,959	98,275
Information Support Tech	1.00	57,398	19,850	77,248
Information Systems Manager	1.00	106,944	43,647	150,591
Information Systems Specialist	2.00	134,666	46,571	181,237
Information Systems Analyst	1.00	85,236	43,647	128,883
Police Captain	1.00	157,036	93,288	250,324
Police Lieutenant	6.00	720,291	465,950	1,186,241
Police Officer	72.00	5,483,253	3,747,932	9,231,185
Police Records Clerk	10.00	544,248	192,249	736,497
Police Records Supervisor	1.00	76,766	26,548	103,314
Police Sergeant	15.00	1,457,959	968,494	2,426,453
Police Service Officer	21.00	1,172,154	486,690	1,658,844
Secretary to Chief of Police	1.00	68,107	26,697	94,804
Senior Animal Control Officer	1.00	57,018	23,271	80,289
Senior Police Records Clerk	3.00	164,502	58,282	222,784
Traffic Specialist	1.00	56,586	17,994	74,580
Total	142.00	10,760,117	6,446,122	17,206,239

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2006-07
Public Works				
Public Works				
Chief of Gen. Services & Pub Wks	1.00	131,760	53,653	185,413
Administrative Assistant	1.00	59,321	20,460	79,781
Senior Engineer	2.00	188,154	78,692	266,846
Sr. Transportation Engineer	1.00	98,343	44,117	142,460
Engineering Technician	1.00	58,968	26,453	85,421
Administrative Analyst	1.00	59,626	20,565	80,191
Sr. Clerk Typist I	1.00	35,981	12,410	48,391
Senior Public Works Inspector	1.00	85,236	38,642	123,878
Skilled City Maintenance Worker	1.00	55,389	25,407	80,796
Supervisor - Maintenance	1.00	81,888	39,224	121,112
Supervisor - Park Maintenance	1.00	81,888	39,224	121,112
Crew Leader	2.00	126,684	60,507	187,191
Custodian	2.00	74,244	33,306	107,550
City Maintenance Worker	8.00	404,969	183,772	588,741
Camp Caretaker	1.00	61,020	29,229	90,249
Tree Trimmer	1.00	63,516	27,493	91,009
Total	26.00	1,666,987	733,154	2,400,141
Street				
P.W. Maintenance Superintendent	1.00	88,410	42,402	130,812
Administrative Assistant	1.00	63,516	24,868	88,384
Crew Leader	1.00	67,553	32,390	99,943
Skilled City Maintenance Worker	2.00	123,990	56,473	180,463
City Maintenance Worker	2.00	105,360	47,315	152,675
Total	7.00	448,829	203,448	652,277

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2006-07
Recreation & Community Services				
Recreation & Community Services				
Asst. Dir. of Recreation & Community S	1.00	107,796	48,516	156,312
Administrative Assistant	1.00	63,516	23,431	86,947
Administrative Analyst	1.00	78,780	29,639	108,419
Skilled City Maint. Worker	1.00	61,020	28,838	89,858
City Maintenance Worker	4.00	190,425	88,214	278,639
Total	8.00	501,537	218,638	720,175
Community Development				
Job Training & Development				
Dir. of Job Training & Development	1.00	199,810	93,076	292,886
Customer Service Rep	1.00	47,883	17,434	65,317
Emp Dev Account Clerk	1.00	48,436	17,868	66,304
Emp Dev Admin Aide I	6.00	269,815	93,310	363,125
Emp Dev Admin Aide II	1.00	49,217	17,589	66,806
Emp Dev Admin Assistant	1.00	67,428	23,319	90,747
Emp Dev Admin Intern	1.00	40,232	14,358	54,590
Emp Dev Admin Secretary	1.00	68,616	23,729	92,345
Emp Dev Assistant I	7.00	377,657	131,937	509,594
Emp Dev Assistant II	1.00	62,496	21,613	84,109
Emp Dev Auditor	1.00	96,252	33,287	129,539
Emp Dev Data Control Clerk	1.00	57,696	19,953	77,649
Emp Dev Office Supervisor	1.00	54,550	18,865	73,415
Emp Dev Program Asst I	8.00	467,106	163,984	631,090
Emp Dev Program Asst II	7.00	482,658	170,316	652,974
Emp Dev Specialist	7.00	616,197	225,633	841,830
Emp Dev Sr Admin Analyst	1.00	96,252	33,287	129,539
Emp Dev Sr Typist Clerk I	2.00	94,245	33,316	127,561
Emp Dev Typist Clerk I	3.00	114,762	39,688	154,450
Emp Dev Typist Clerk II	3.00	131,287	45,403	176,690
Emp Operations Manager	1.00	135,309	63,030	198,339
Employment Services Mgr	1.00	108,720	40,107	148,827
Sr Emp Dev Specialist	4.00	387,653	138,823	526,476
Total	61.00	4,074,277	1,479,925	5,554,202

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2006-07
Housing				
Director of Housing	1.00	96,612	38,985	135,597
Housing Inspector	1.00	54,246	18,196	72,442
Housing Specialist	7.00	435,447	151,286	586,733
Total	9.00	586,305	208,467	794,772
Enterprise Operations				
Airport				
Airport Manager	1.00	127,034	77,791	204,825
Crew Leader	1.00	62,873	30,174	93,047
City Maintenance Worker	1.00	45,180	20,310	65,490
Total	3.00	235,087	128,275	363,362
Sewer				
Crew Leader	1.00	74,009	33,811	107,820
Total	1.00	74,009	33,811	107,820
Internal Service Operations				
Insurance Reserve				
Public Risk Manager	1.00	90,774	33,487	124,261
Deputy City Attorney	1.00	109,320	50,924	160,244
Total	2.00	200,094	84,411	284,505

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2006-07
Equipment Maintenance				
Master Mechanic	1.00	86,406	41,469	127,875
Equipment Mechanic III	1.00	63,195	29,866	93,061
Equipment Mechanic I	1.00	50,983	23,874	74,857
Total	3.00	200,584	95,209	295,793
GRAND TOTAL	313	22,019,250	10,960,590	32,979,840