

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 XIII A 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 COPS Grant, and Urban Security Initiative Grant.

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 to 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 PROJECT 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 -2006 TAB, 2004 TAB & 1998 TAB

This fund accounts for the debt service associated with Project Area II 2006, 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.

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2007-08
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General Government

City Council

Mayor	1.00	10,980	24,907	35,887
Councilmember	4.00	31,920	33,037	64,957
Total	5.00	42,900	57,944	100,844

City Clerk

City Clerk	1.00	10,000	484	10,484
Deputy City Clerk	1.00	65,991	25,272	91,263
Administrative Aide I	1.00	43,779	15,755	59,534
Total	3.00	119,770	41,511	161,280

City Manager

City Manager	1.00	160,000	71,702	231,702
Executive Asst to the City Manager	1.00	86,866	33,266	120,132
Community Liason Officer	1.00	64,342	23,155	87,497
Administrative Aide I	1.00	36,672	13,198	49,870
Cable TV Prod. Coordinator	2.00	109,411	109,411	218,821
Total	6.00	457,291	250,731	708,022

City Treasurer

City Treasurer	1.00	10,000	515	10,515
Total	1.00	10,000	515	10,515

City Attorney

City Attorney	1.00	201,059	90,126	291,185
Assistant City Attorney	1.00	129,310	58,005	187,315
Deputy City Attorney	1.00	124,144	55,687	179,831
Administrative Assistant	1.00	65,435	23,549	88,984
Administrative Aide I	1.00	55,233	19,877	75,110
Total	5.00	575,181	247,244	822,425

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2007-08
<i>Administrative Services</i>				
Director of Administrative Services	1.00	48,000	21,531	69,531
Accounting Manager	1.00	80,130	28,837	108,967
Accountant I	1.00	63,710	22,928	86,638
Buyer	1.00	78,586	30,670	109,256
Payroll Technician	1.00	62,930	22,647	85,578
Senior Account Clerk	3.00	179,858	67,540	247,397
Senior Human Resource Analyst	1.00	79,886	30,593	110,479
Human Resource Specialist	1.00	61,068	21,977	83,046
Information Systems Manager	1.00	115,665	50,549	166,214
Information Systems Analyst	1.00	90,413	36,711	127,124
Information Systems Specialist	3.00	214,291	77,741	292,032
Total	15.00	1,074,539	411,724	1,486,263
<i>Licensing & Code Enforcement</i>				
Dir. of Licensing & Code Enforcement	1.00	132,549	57,369	189,918
Bus. Lic. & Code Enf. Supervisor	1.00	71,640	28,002	99,642
Administrative Analyst	1.00	83,578	28,761	112,340
Code Enforcement Officer	5.00	283,843	110,948	394,791
License Permit Technician	2.00	119,616	44,385	164,001
Revenue Collector	1.00	78,733	28,334	107,068
Graffiti Leadworker	1.00	67,331	31,632	98,964
Graffiti Worker	3.00	151,898	71,893	223,790
Sr. Animal Control Officer	1.00	62,930	24,598	87,529
Animal Control Officer	2.00	110,061	43,020	153,081
Total	18.00	1,162,179	468,944	1,631,123
<i>Planning & Community Development</i>				
Director of Planning & Comm. Dev.	1.00	123,155	55,197	178,352
Senior Planner	1.00	87,974	31,660	119,634
Planning Assistant	2.00	120,845	43,489	164,334
CDBG/Home Coordinator	1.00	73,581	27,656	101,237
Senior Building Inspector	1.00	90,413	37,427	127,841
Total	6.00	495,968	195,430	691,397

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2007-08
<i>Building & Safety</i>				
Director of Building & Safety	1.00	123,155	55,244	178,399
Building Permit Technician	1.00	68,192	24,541	92,732
Senior Building Inspector	1.00	90,413	38,089	128,503
Building Inspector	2.00	150,021	60,285	210,306
Total	5.00	431,781	178,159	609,940

Public Safety

Police

Chief of Police	1.00	182,621	106,676	289,298
Police Captain	2.00	344,716	211,174	555,889
Police Lieutenant	7.00	882,418	588,725	1,471,143
Police Sergeant	15.00	1,556,138	1,051,518	2,607,656
Police Officer	75.00	6,037,216	3,537,472	9,574,688
Police Records Supervisor	1.00	83,470	30,039	113,509
Police Service Officer	21.00	1,262,841	502,098	1,764,939
Identification Technician	1.00	72,212	30,421	102,633
Sr. Police Records Clerk	3.00	178,188	65,868	244,056
Police Records Clerk	10.00	584,701	213,068	797,769
Secretary to Chief of Police	1.00	75,100	30,493	105,592
Administrative Assistant	2.00	115,505	42,905	158,411
Traffic Specialist	1.00	62,332	27,241	89,573
Total	140.00	11,437,457	6,437,699	17,875,157

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2007-08
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Public Works

Public Works

Chief of Gen. Services & Pub Wks	1.00	142,499	63,851	206,350
Administrative Assistant	1.00	64,531	23,192	87,723
Senior Engineer	2.00	196,279	85,914	282,193
Sr. Transportation Engineer	1.00	108,670	50,257	158,927
Engineering Technician	1.00	45,090	17,625	62,715
Administrative Analyst	1.00	65,822	23,685	89,507
Sr. Clerk Typist I	1.00	39,513	14,220	53,733
Skilled City Maintenance Worker	3.00	165,145	79,135	244,280
Supervisor - Park Maintenance	1.00	86,866	42,814	129,680
Crew Leader	1.00	76,311	38,814	115,125
Custodian	2.00	81,950	38,826	120,776
City Maintenance Worker	8.00	440,983	205,914	646,897
Camp Caretaker	1.00	64,742	31,910	96,652
Tree Trimmer	2.00	135,211	61,939	197,150
Total	26.00	1,713,612	778,096	2,491,708

Street

P.W. Maintenance Superintendent	1.00	97,665	48,102	145,767
Administrative Assistant	1.00	67,412	27,372	94,784
Crew Leader	3.00	217,482	80,146	297,628
City Maintenance Worker	3.00	173,611	80,291	253,902
Total	8.00	556,170	235,911	792,081

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2007-08
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Recreation & Community Services

Recreation & Community Services

Asst. Dir. of Recreation & Community S	1.00	117,589	50,895	168,484
Asst. Rec. Supervisor	1.00	73,863	28,286	102,149
Administrative Analyst	1.00	86,178	33,634	119,812
Skilled City Maint. Worker	1.00	65,912	32,004	97,916
City Maintenance Worker	4.00	208,553	99,798	308,351
Total	8.00	552,095	244,617	796,712

Community Development

Job Training & Development

Dir. of Job Training & Development	1.00	216,095	96,934	313,029
Customer Service Rep	1.00	51,615	19,766	71,382
Emp Dev Account Clerk	2.00	95,612	35,640	131,252
Emp Dev Admin Aide I	6.00	281,126	101,593	382,719
Emp Dev Admin Aide II	3.00	147,660	54,402	202,062
Emp Dev Admin Assistant	1.00	73,319	26,386	99,706
Emp Dev Admin Secretary	1.00	72,801	26,199	99,000
Emp Dev Assistant I	7.00	415,137	150,034	565,171
Emp Dev Assistant II	1.00	62,556	23,956	86,512
Emp Dev Fiscal Coordinator	1.00	108,072	40,192	148,264
Emp Dev Office Supervisor	1.00	59,318	21,347	80,666
Emp Dev Program Asst I	5.00	307,725	110,908	418,633
Emp Dev Program Asst II	7.00	513,941	190,033	703,974
Emp Dev Specialist	6.00	539,221	202,920	742,141
Emp Dev Sr Account Clerk	1.00	48,733	17,538	66,270
Emp Dev Typist Clerk I	1.00	42,462	15,281	57,743
Emp Dev Typist Clerk II	2.00	93,826	33,766	127,591
Emp Operations Manager	1.00	146,333	65,641	211,974
Employment Services Mgr	1.00	115,344	44,171	159,515
Sr Emp Dev Specialist	4.00	418,398	151,624	570,022
Sr Emp Dev Prog Specialist	1.00	99,156	35,684	134,840
Total	54.00	3,908,450	1,464,015	5,372,465

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2007-08
<i>Housing</i>				
Director of Housing	1.00	112,722	47,069	159,791
Housing Inspector	2.00	115,741	55,668	171,409
Housing Specialist	6.00	409,738	149,696	559,434
Total	9.00	638,201	252,433	890,634
Enterprise Operations				
<i>Airport</i>				
Senior Engineer Specialist	1.00	112,711	44,037	156,748
Skilled City Maintenance Worker	1.00	64,742	31,910	96,652
Total	2.00	177,453	75,947	253,400
<i>Sewer</i>				
City Maintenance Worker	1.00	42,306	19,566	61,872
Total	1.00	42,306	19,566	61,872
Internal Service Operations				
<i>Insurance Reserve</i>				
Public Risk Manager	1.00	98,885	37,868	136,753
Deputy City Attorney	1.00	118,236	53,037	171,273
Total	2.00	217,121	90,905	308,026
<i>Equipment Maintenance</i>				
Senior Public Works Inspector	1.00	94,030	41,061	135,091
Equipment Mechanic III	1.00	69,600	33,794	103,394
Equipment Mechanic I	2.00	103,597	49,208	152,805
Total	4.00	267,227	124,063	391,290
GRAND TOTAL	318	23,879,701	11,575,454	35,455,153