Appropriations Limit

Article XIIIB of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Appropriations Limit, was adopted by the California voters in November 1979. This measure placed limits on the amount of tax proceeds that State and local governmental agencies can appropriate and spend each year.

This limit is different for each agency and changes annually. It is calculated by taking the amount of tax proceeds that were authorized to be spent in fiscal year 1978-79 and modified for changes in inflation and population for each subsequent year. Inflationary adjustments are, by law, based on increases in the California per capita income or the increase in non-residential assessed valuation due to new construction. Population adjustments are based on City or County population growth.

For fiscal year 2008-09, the City of Hawthorne's estimated tax proceeds, as well as tax proceeds appropriated by the City Council will, as in prior years, continue to fall under the limit. The appropriations limit for fiscal year 2008-09 is $53,920,749. This limit is the maximum amount of tax proceeds the City will be able to appropriate and spend in the coming fiscal year.

The State Legislature requires a governing body to annually adopt, by resolution, an appropriations limit for the coming fiscal year. The City's fiscal year 2008-09 appropriation limit was adopted as required by the Legislature.

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 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.

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 –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.

DEBT SERVICE – 2006-1 (360 Degrees)

This fund accounts for the debt service associated with the 360 degrees development projects 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 2008-09
General Government				
City Council				
Mayor	1.00	10,980	24,322	35,302
Councilmember	4.00	31,920	23,377	55,297
Total	5.00	42,899	47,699	90,599
City Clerk				
City Clerk	1.00	10,000	489	10,489
Deputy City Clerk	1.00	67,627	26,968	94,595
Administrative Aide I	1.00	45,360	16,978	62,338
Total	3.00	122,987	44,435	167,422
City Manager				
City Manager	1.00	170,000	71,702	241,702
Executive Asst to the City Manager	1.00	86,868	34,641	121,509
Community Liason Officer	1.00	65,934	25,312	91,246
Administrative Aide I	1.00	37,956	14,571	52,528
Cable TV Prod. Coordinator	1.00	56,832	22,487	79,319
Total	5.00	417,590	168,713	586,303
City Treasurer				
City Treasurer	1.00	10,000	519	10,519
Total	1.00	10,000	519	10,519
City Attorney				
City Attorney	1.00	210,566	95,463	306,029
Assistant City Attorney	1.00	129,310	60,608	189,918
Deputy City Attorney	1.00	124,144	58,438	182,582
Administrative Assistant	1.00	67,058	24,454	91,512
Administrative Aide I	1.00	56,611	21,461	78,073
Total	5.00	587,689	260,424	848,114

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2008-09
Administrative Services				
Finance Manager	1.00	98,268	38,882	137,150
Accounting Manager	1.00	83,602	31,373	114,975
Accountant I	1.00	68,830	25,100	93,930
Buyer	1.00	78,733	32,619	111,353
Billing & Collections Asst.	1.00	65,525	26,352	91,877
Payroll Technician	1.00	65,403	25,108	90,511
Senior Account Clerk	2.00	120,240	45,669	165,909
Human Resource Manager	1.00	99,048	40,239	139,287
HR Technician	1.00	62,462	23,979	86,442
Information Systems Manager	1.00	120,552	50,017	170,569
Information Systems Analyst	1.00	90,420	37,147	127,567
Information Systems Specialist	3.00	219,108	82,983	302,091
Total	15.00	1,172,190	459,470	1,631,661
Licensing & Code Enforcement				
Dir. of Licensing & Code Enforcement	1.00	137,850	66,548	204,399
Bus. Lic. & Code Enf. Supervisor	1.00	74,544	28,618	103,162
Administrative Analyst	1.00	83,580	29,163	112,743
Code Enforcement Officer	5.00	334,224	133,754	467,978
License Permit Technician	2.00	123,684	47,879	171,563
Revenue Collector	1.00	78,732	30,225	108,957
Business Licsence Technician	1.00	49,740	18,139	67,879
Graffiti Leadworker	1.00	67,330	33,249	100,579
Graffiti Worker	3.00	155,949	74,730	230,680
Sr. Animal Control Officer	1.00	65,403	26,821	92,224
Animal Control Officer	2.00	115,101	45,542	160,643
Total	19.00	1,286,137	534,668	1,820,805
Planning & Community Development				
Director of Planning & Comm. Dev.	1.00	128,081	61,234	189,315
Senior Planner	1.00	83,964	30,619	114,583
Planning Associate	1.00	67,104	24,471	91,575
Planning Assistant	1.00	60,037	21,894	81,931
CDBG/Home Coordinator	1.00	73,584	28,263	101,847
Total	5.00	412,770	166,481	579,251

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2008-09
Building & Safety				
Director of Building & Safety	1.00	128,081	50,678	178,759
Building Permit Technician	1.00	68,196	26,181	94,377
Housing Specialist	1.00	65,004	23,705	88,709
Senior Building Inspector	2.00	180,839	78,258	259,096
Building Inspector	2.00	152,768	62,155	214,923
Total	7.00	594,888	240,976	835,864

Public Safety

Police				
Chief of Police	1.00	196,540	105,864	302,404
Police Captain	2.00	289,793	200,536	490,329
Police Lieutenant	7.00	868,009	618,960	1,486,968
Police Sergeant	15.00	1,381,070	1,034,387	2,415,457
Police Officer	73.00	5,716,243	4,316,978	10,033,221
Police Service Officer	21.00	1,294,056	519,974	1,814,030
Secretary to Chief of Police	1.00	78,149	33,644	111,793
Identification Technician	1.00	72,216	31,811	104,027
Traffic Specialist	1.00	64,279	28,215	92,494
Administrative Assistant	1.00	59,705	21,773	81,477
Police Admin. Technician	1.00	60,817	22,178	82,995
Gang Analyst	1.00	50,450	18,398	68,848
Police Records Supervisor	1.00	85,561	32,847	118,408
Sr. Police Records Clerk	3.00	190,725	73,787	264,512
Police Records Clerk	11.00	543,805	220,610	764,415
Total	140.00	10,951,417	7,279,960	18,231,378

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2008-09
Public Works				
Public Works				
Chief of Gen. Services & Pub Wks	1.00	148,200	61,494	209,694
Administrative Assistant	1.00	66,151	24,123	90,275
Senior Engineer	2.00	201,962	90,724	292,686
Sr. Transportation Engineer	1.00	118,639	46,942	165,582
Associate Engineer	1.00	49,743	22,531	72,274
Administrative Analyst	1.00	68,427	24,954	93,381
Sr. Clerk Typist I	1.00	40,969	15,334	56,303
Skilled City Maintenance Worker	3.00	185,246	90,307	275,553
Supervisor - Park Maintenance	1.00	86,868	44,902	131,771
Crew Leader	1.00	75,144	38,581	113,725
Custodian	2.00	84,883	41,867	126,750
City Maintenance Worker	7.00	364,610	172,466	537,076
Camp Caretaker	1.00	64,740	32,219	96,959
Tree Trimmer	2.00	111,633	51,772	163,405
Total	25.00	1,667,215	758,217	2,425,432
Street				
P.W. Maintenance Superintendent	1.00	100,518	53,768	154,287
Administrative Assistant	1.00	67,416	27,696	95,112
Crew Leader	3.00	221,527	107,864	329,391
City Maintenance Worker	3.00	165,955	79,249	245,204
Maintenance Worker I	1.00	43,667	21,034	64,701
Total	9.00	599,084	289,611	888,695

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2008-09
Recreation & Community Services				
Recreation & Community Services				
Asst. Dir. of Recreation & Community S	1.00	119,496	55,332	174,828
Asst. Rec. Supervisor	2.00	134,831	51,441	186,272
Skilled City Maint. Worker	1.00	65,910	35,107	101,017
City Maintenance Worker	4.00	196,770	96,210	292,980
Total	8.00	517,007	238,091	755,098
Community Development				
Job Training & Development				
Dir. of Job Training & Development	1.00	216,095	96,934	313,029
Customer Service Rep	1.00	51,612	19,766	71,378
Employment Services Mgr	1.00	115,344	44,171	159,515
Emp Dev Account Clerk	2.00	97,422	35,640	133,062
Emp Dev Admin Aide I	6.00	289,907	101,593	391,499
Emp Dev Admin Aide II	2.00	107,789	54,402	162,191
Emp Dev Admin Assistant	1.00	74,220	26,386	100,606
Emp Dev Assistant I	10.00	576,960	150,034	726,993
Emp Dev Assistant II	2.00	143,212	23,956	167,168
Emp Dev Fiscal Coordinator	1.00	110,668	40,192	150,860
Emp Dev Office Supervisor	1.00	60,799	21,347	82,147
Emp Operations Manager	1.00	146,335	65,641	211,976
Emp Dev Program Asst I	5.00	314,291	110,908	425,199
Emp Dev Program Asst II	7.00	526,073	190,033	716,107
Emp Dev Specialist	4.00	361,141	202,920	564,061
Emp Dev Sr. Admin. Analyst	1.00	102,108	26,199	128,307
Emp Dev Typist Clerk I	1.00	36,672	15,281	51,953
Emp Dev Typist Clerk II	2.00	95,743	33,766	129,509
Sr Emp Dev Specialist	5.00	515,011	151,624	666,635
Total	54.00	3,941,402	1,410,793	5,352,195

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2008-09
Housing				
Director of Housing	1.00	117,425	47,953	165,379
Fraud Investigator	1.00	84,671	32,098	116,769
Housing Inspector	2.00	124,588	61,552	186,139
Housing Specialist	5.00	337,038	128,906	465,945
Total	9.00	663,722	270,510	934,232
Enterprise Operations				
Airport				
Senior Engineer Specialist	1.00	115,530	46,608	162,138
Skilled City Maintenance Worker	1.00	64,740	32,219	96,959
Total	2.00	180,270	78,827	259,098
Sewer				
City Maintenance Worker	1.00	53,105	25,556	78,661
Total	1.00	53,105	25,556	78,661
Internal Service Operations				
Insurance Reserve				
Public Risk Manager	1.00	101,353	43,125	144,478
Deputy City Attorney	1.00	118,236	51,899	170,134
Total	2.00	219,589	95,023	314,613
Equipment Maintenance				
UT Coordinator/Fleet Supervisor	1.00	101,089	44,275	145,364
Equipment Mechanic III	1.00	72,009	36,004	108,013
Equipment Mechanic I	2.00	115,241	54,957	170,198
Total	4.00	288,339	135,236	423,575
GRAND TOTAL	319	23,728,301	12,505,211	36,233,512