

Appropriations Limit

Article XIII B 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, whichever is greater.

For fiscal year 2009–10, 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 2009–10 is \$54,743,353. 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 2009–10 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 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.

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 OcéanGate 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 AVE 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.

GALE AVE PROPERTY FUND

This fund accounts for the operations of eight residential rental units on Gale 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 2009-10
General Government				
<i>City Council</i>				
Mayor	1.00	10,980	24,796	35,776
Councilmember	4.00	31,920	25,535	57,454
Total	5.00	42,899	50,330	93,230
<i>City Clerk</i>				
City Clerk	1.00	10,000	963	10,963
Deputy City Clerk	1.00	68,196	33,106	101,302
Administrative Aide I	1.00	47,112	22,253	69,365
Total	3.00	125,308	56,321	181,629
<i>City Manager</i>				
City Manager	1.00	180,000	94,322	274,322
Community Liason Officer	1.00	67,564	29,289	96,852
Clerk Typist	1.00	39,360	19,593	58,953
Cable TV Prod. Coordinator	2.00	112,013	57,001	169,014
Total	5.00	398,937	200,205	599,141
<i>City Treasurer</i>				
City Treasurer	1.00	10,000	993	10,993
Total	1.00	10,000	993	10,993
<i>City Attorney</i>				
Acting City Attorney	1.00	183,324	87,693	271,017
Deputy City Attorney	1.00	124,144	64,883	189,027
Administrative Aide I	1.00	58,022	27,490	85,512
Total	3.00	365,490	180,067	545,556

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2009-10
<i>Administrative Services</i>				
Finance Manager	1.00	100,157	44,576	144,732
Accounting Manager	1.00	87,004	39,604	126,608
Accountant I	1.00	71,541	34,424	105,966
Buyer	1.00	78,733	40,374	119,107
Payroll Technician	1.00	72,804	34,496	107,300
Senior Account Clerk	2.00	125,184	63,496	188,680
Billing & Collections Asst.	1.00	67,163	30,120	97,283
Human Resource Manager	1.00	101,566	52,576	154,142
HR Technician	1.00	64,910	31,220	96,130
Information Systems Manager	1.00	98,268	46,823	145,091
Information Systems Analyst	1.00	90,420	42,137	132,556
Information Systems Specialist	2.00	148,706	64,661	213,367
Total	14.00	1,106,456	524,507	1,630,963
<i>Licensing & Code Enforcement</i>				
Dir. of Licensing & Code Enforcement	1.00	137,850	73,058	210,909
Bus. Lic. & Code Enf. Supervisor	1.00	76,968	28,215	105,183
Administrative Analyst	1.00	83,580	34,297	117,877
Code Enforcement Officer	5.00	347,352	169,981	517,333
License Permit Technician	3.00	164,020	78,800	242,820
Business Licsence Technician	1.00	51,708	26,210	77,918
Graffiti Worker	4.00	202,351	121,123	323,474
Sr. Animal Control Officer	1.00	67,856	31,498	99,354
Animal Control Officer	2.00	119,251	58,634	177,885
Total	19.00	1,250,937	621,816	1,872,753
<i>Planning & Community Development</i>				
Senior Planner	1.00	88,662	38,303	126,965
Planning Associate	1.00	69,708	31,700	101,408
Planning Assistant	1.00	62,462	29,090	91,552
Total	3.00	220,833	99,093	319,926

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2009-10
<i>Building & Safety</i>				
Director of Building & Safety	1.00	128,081	64,090	192,171
Building Permit Technician	1.00	68,196	28,942	97,138
Housing Specialist	1.00	67,596	31,250	98,847
Senior Building Inspector	2.00	180,840	86,193	267,033
Building Inspector	2.00	154,596	71,560	226,156
Total	7.00	599,309	282,036	881,345

Public Safety

Police

Chief of Police	1.00	196,540	112,413	308,953
Police Captain	2.00	305,074	214,810	519,884
Police Lieutenant	7.00	878,504	661,137	1,539,641
Police Sergeant	15.00	1,446,382	1,102,798	2,549,181
Police Officer	76.00	5,823,611	4,297,011	10,120,622
Police Service Officer	21.00	1,304,986	648,682	1,953,668
Secretary to Chief of Police	1.00	81,091	42,663	123,754
Identification Technician	1.00	72,216	35,399	107,615
Traffic Specialist	1.00	65,872	36,102	101,974
Administrative Assistant	1.00	62,117	28,965	91,082
Police Admin. Technician	1.00	63,277	29,383	92,661
Gang Analyst	1.00	52,412	26,477	78,890
Police Records Supervisor	1.00	86,868	37,882	124,751
Sr. Police Records Clerk	3.00	166,483	81,873	248,357
Police Records Clerk	11.00	521,673	240,183	761,856
Total	143.00	11,127,106	7,595,779	18,722,886

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2009-10
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Public Works

Public Works

Chief of Gen. Services & Pub Wks	1.00	148,200	74,333	222,533
Administrative Assistant	1.00	67,416	32,819	100,235
Senior Engineer	1.00	103,206	50,687	153,893
Sr. Transportation Engineer	1.00	120,996	55,322	176,318
Associate Engineer	1.00	85,337	38,337	123,674
Engineering Technician	1.00	60,732	32,137	92,869
Administrative Analyst	1.00	71,119	33,576	104,695
Sr. Clerk Typist I	1.00	45,462	22,965	68,427
Sr. Public Works Inspector	1.00	72,372	36,691	109,063
Acting Crew Leader	1.00	65,403	36,156	101,558
Electrician	1.00	58,320	33,581	91,901
Skilled City Maintenance Worker	2.00	128,832	75,779	204,610
Supervisor - Park Maintenance	1.00	86,868	49,436	136,304
Crew Leader	1.00	75,144	44,837	119,981
Custodian	2.00	87,952	56,167	144,119
City Maintenance Worker	8.00	388,962	228,549	617,511
Tree Trimmer	2.00	122,274	67,992	190,266
Total	27.00	1,788,592	969,365	2,757,957

Street

P.W. Maintenance Superintendent	1.00	103,034	59,734	162,768
Crew Leader	2.00	148,727	78,986	227,713
City Maintenance Worker	2.00	106,860	63,944	170,804
Sewer Service Technician	1.00	69,491	38,449	107,940
Maintenance Worker I	2.00	89,184	52,523	141,708
Total	8.00	517,296	293,637	810,933

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2009-10
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Recreation & Community Services

Recreation & Community Services

Asst. Dir. of Recreation & Community S	1.00	119,496	65,247	184,743
Asst. Rec. Supervisor	2.00	137,140	61,721	198,861
Skilled City Maint. Worker	1.00	65,910	38,497	104,407
City Maintenance Worker	3.00	170,070	97,129	267,200
Total	7.00	492,616	262,595	755,211

Community Development

Job Training & Development

Dir. of Job Training & Development	1.00	216,095	105,391	321,487
Customer Service Rep	1.00	51,612	24,244	75,856
Employment Services Mgr	1.00	115,344	50,803	166,147
Emp Dev Account Clerk	5.00	212,736	118,513	331,249
Emp Dev Admin Aide I	6.00	285,466	136,195	421,662
Emp Dev Admin Aide II	1.00	53,766	25,957	79,724
Emp Dev Admin Assistant	1.00	54,708	28,084	82,791
Emp Dev Admin Intern	1.00	42,240	21,805	64,045
Emp Dev Assistant I	17.00	959,740	459,298	1,419,039
Emp Dev Assistant II	5.00	336,834	154,095	490,928
Emp Dev Fiscal Coordinator	1.00	110,772	47,119	157,891
Emp Dev Office Supervisor	1.00	61,200	26,704	87,904
Emp Operations Manager	1.00	146,335	70,646	216,981
Emp Dev Program Asst I	5.00	293,512	142,251	435,763
Emp Dev Program Asst II	6.00	452,749	198,411	651,160
Emp Dev Specialist	4.00	366,478	159,803	526,281
Emp Dev Sr. Account Clerk	1.00	59,262	29,304	88,566
Emp Dev Sr. Admin. Analyst	1.00	102,108	42,174	144,282
Emp Dev Typist Clerk I	2.00	69,756	40,092	109,848
Emp Dev Typist Clerk II	2.00	96,873	46,143	143,016
Sr Emp Dev Specialist	5.00	518,946	216,322	735,269
Total	68.00	4,606,533	2,143,356	6,749,890

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2009-10
<i>Housing</i>				
Director of Housing	1.00	122,376	57,735	180,111
Fraud Investigator	1.00	88,103	42,676	130,779
Housing Inspector	2.00	128,553	74,644	203,197
CDBG/Home Coordinator	1.00	73,584	36,426	110,010
Housing Specialist	5.00	344,187	158,516	502,703
Total	10.00	756,803	369,998	1,126,800
Enterprise Operations				
<i>Airport</i>				
Senior Engineer Specialist	1.00	118,414	58,756	177,170
Skilled City Maintenance Worker	1.00	64,740	37,322	102,062
Total	2.00	183,154	96,078	279,232
<i>Sewer</i>				
City Maintenance Worker	1.00	59,539	33,360	92,899
Total	1.00	59,539	33,360	92,899
Internal Service Operations				
<i>Insurance Reserve</i>				
Public Risk Manager	1.00	103,891	52,806	156,696
Deputy City Attorney	1.00	118,236	61,943	180,179
Total	2.00	222,126	114,749	336,875
<i>Equipment Maintenance</i>				
Master Mechanic	1.00	67,995	37,436	105,431
Equipment Mechanic III	1.00	73,784	40,936	114,720
Equipment Mechanic I	1.00	60,409	34,548	94,956
Total	3.00	202,187	112,920	315,107
GRAND TOTAL	331	24,076,122	14,007,205	38,083,327



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