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, whichever is greater.

For fiscal year 2010-11, 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 2010-11 is $53,795,701. 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 2010-11 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 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.

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2010-11
General Government				
City Council				
Mayor	1.00	11,022	26,873	37,895
Councilmember	4.00	32,042	23,278	55,320
Total	5.00	43,065	50,150	93,215
City Clerk				
City Clerk	1.00	10,038	17,672	27,711
Deputy City Clerk	1.00	68,458	33,981	102,439
Administrative Aide I	1.00	48,980	23,630	72,610
Total	3.00	127,476	75,283	202,759
City Manager				
City Manager	1.00	180,692	58,460	239,152
Clerk Typist	1.00	40,873	21,126	61,998
Cable TV Prod. Coordinator	2.00	116,727	57,721	174,449
Total	4.00	338,292	137,307	475,600
City Treasurer				
City Treasurer	1.00	10,038	1,036	11,074
Total	1.00	10,038	1,036	11,074
City Attorney				
Acting City Attorney	1.00	184,029	99,872	283,901
Deputy City Attorney	1.00	130,328	68,828	199,155
Administrative Aide I	1.00	59,133	26,294	85,427
Total	3.00	373,491	194,993	568,484

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2010-11
Administrative Services				
Finance Manager	1.00	104,736	46,922	151,658
Accountant I	1.00	74,511	34,032	108,543
Payroll Technician	1.00	73,867	33,354	107,220
Senior Account Clerk	2.00	129,605	60,447	190,052
Billing & Collections Asst.	1.00	67,675	31,045	98,720
Bus. Lic. & Code Enf. Supervisor	1.00	80,974	35,069	116,043
Administrative Analyst	1.00	83,902	39,245	123,147
License Permit Technician	3.00	170,353	79,022	249,375
Business Licsence Technician	1.00	53,894	26,109	80,004
Human Resource Manager	1.00	106,175	62,618	168,792
Information Systems Analyst	1.00	90,768	43,082	133,850
Information Systems Specialist	1.00	73,070	32,196	105,266
Total	15.00	1,109,530	523,141	1,632,671
Planning & Community Development				
Acting Director of CDBG & Planning	1.00	106,751	42,774	149,525
Planning Associate	2.00	136,565	53,478	190,043
CDBG/Home Coordinator	1.00	73,867	41,465	115,332
Total	4.00	317,183	137,717	454,900

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2010-11
Building & Safety				
Director of Building & Safety	1.00	136,687	66,606	203,293
Building Permit Technician	1.00	68,458	29,768	98,226
Housing Specialist	1.00	69,554	37,358	106,913
Senior Building Inspector	2.00	157,006	86,596	243,602
Building Inspector	2.00	181,535	74,256	255,792
Code Enforcement Officer	5.00	362,492	166,337	528,829
Total	12.00	975,734	460,921	1,436,655

Public Safety

Police				
Chief of Police	1.00	144,772	115,492	260,265
Police Captain	2.00	289,001	220,930	509,931
Police Lieutenant	7.00	705,598	623,930	1,329,528
Police Sergeant	15.00	1,362,013	1,098,860	2,460,873
Police Officer	73.00	5,797,163	4,419,007	10,216,171
Police Service Officer	19.00	1,233,161	609,810	1,842,971
Secretary to Chief of Police	1.00	83,548	42,880	126,428
Identification Technician	1.00	72,494	36,701	109,195
Traffic Specialist	1.00	67,763	36,239	104,002
Administrative Assistant	1.00	64,109	28,102	92,211
Police Admin. Technician	1.00	65,133	28,474	93,607
Gang Analyst	1.00	54,601	25,696	80,297
Police Records Supervisor	1.00	87,202	37,180	124,382
Sr. Police Records Clerk	2.00	133,576	65,738	199,314
Police Records Clerk	10.00	534,012	258,487	792,499
Animal Control Officer	2.00	123,475	60,511	183,986
Total	138.00	10,817,622	7,708,037	18,525,659

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2010-11
Public Works				
Public Works				
Chief of Gen. Services & Pub Wks	1.00	158,018	78,656	236,674
Administrative Assistant	1.00	67,675	30,390	98,065
Senior Engineer	1.00	104,585	50,069	154,653
Sr. Transportation Engineer	1.00	121,461	56,690	178,152
Associate Engineer	1.00	87,808	35,765	123,573
Engineering Technician	1.00	59,022	27,510	86,532
Administrative Analyst	1.00	74,272	32,505	106,777
Sr. Clerk Typist I	1.00	44,974	21,147	66,121
Electrician	1.00	60,719	33,100	93,819
Skilled City Maintenance Worker	3.00	195,494	107,056	302,550
Supervisor - Park Maintenance	1.00	87,202	48,094	135,296
Crew Leader	1.00	75,433	43,439	118,872
Custodian	2.00	91,529	54,636	146,165
City Maintenance Worker	6.00	312,951	182,526	495,477
Tree Trimmer	2.00	119,816	66,032	185,848
Graffiti Worker	4.00	207,488	124,246	331,735
Total	28.00	1,868,447	991,862	2,860,308
Street				
P.W. Maintenance Superintendent	1.00	106,019	60,378	166,397
Crew Leader	2.00	149,299	78,751	228,050
City Maintenance Worker	2.00	111,566	63,436	175,001
Sewer Service Technician	1.00	71,228	40,204	111,432
Maintenance Worker I	1.00	47,156	27,462	74,618
Total	7.00	485,267	270,231	755,498

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2010-11
Recreation & Community Services				
Recreation & Community Services				
Asst. Dir. of Recreation & Commu	1.00	124,026	66,082	190,108
Asst. Rec. Supervisor	2.00	140,123	63,029	203,152
Community Liason Officer	1.00	68,458	30,519	98,978
Skilled City Maint. Worker	1.00	65,915	39,400	105,314
City Maintenance Worker	3.00	174,161	100,566	274,726
Total	8.00	572,683	299,596	872,279
Community Development				
Job Training & Development				
Dir. of Job Training & Developmer	1.00	93,389	5,613	99,001
Customer Service Rep	1.00	51,811	24,316	76,126
Employment Services Mgr	1.00	115,788	49,558	165,346
Emp Dev Account Clerk	1.00	42,403	20,896	63,299
Emp Dev Admin Aide I	5.00	244,862	114,675	359,537
Emp Dev Admin Aide II	1.00	43,944	21,456	65,401
Emp Dev Assistant I	9.00	554,198	223,778	777,976
Emp Dev Assistant II	6.00	407,797	181,993	589,790
Emp Dev Fiscal Coordinator	1.00	115,646	50,187	165,833
Emp Dev Office Supervisor	1.00	61,435	27,814	89,249
Emp Operations Manager	1.00	60,203	3,618	63,821
Emp Dev Program Asst I	3.00	196,693	85,894	282,587
Emp Dev Program Asst II	5.00	387,409	168,774	556,182
Emp Dev Specialist	4.00	371,695	163,207	534,901
Emp Dev Sr. Account Clerk	1.00	60,978	28,371	89,349
Emp Dev Sr. Admin. Analyst	1.00	102,501	43,158	145,659
Emp Dev Typist Clerk I	1.00	34,127	17,888	52,015
Emp Dev Typist Clerk II	1.00	49,040	23,308	72,348
Sr Emp Dev Specialist	5.00	527,442	527,442	1,054,885
Total	49.00	3,521,359	1,781,946	5,303,305

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2010-11
Housing				
Director of Housing	1.00	128,850	59,068	187,918
Housing Inspector	2.00	131,649	76,349	207,998
Housing Specialist	5.00	349,972	163,598	513,570
Total	8.00	610,471	299,015	909,486
Enterprise Operations				
Airport				
Senior Engineer Specialist	1.00	120,678	63,088	183,766
Skilled City Maintenance Worker	1.00	64,989	42,336	107,325
Total	2.00	185,667	105,424	291,092
Sewer				
City Maintenance Worker	1.00	62,031	35,588	97,619
Total	1.00	62,031	35,588	97,619
Internal Service Operations				
Insurance Reserve				
Public Risk Manager	1.00	104,585	51,664	156,248
Deputy City Attorney	1.00	127,737	67,472	195,209
Total	2.00	232,322	119,136	351,458
Equipment Maintenance				
Master Mechanic	1.00	70,900	39,892	110,791
Equipment Mechanic III	1.00	75,894	43,775	119,670
Total	2.00	146,794	83,667	230,461
GRAND TOTAL	292	21,797,473	13,275,049	35,072,521