MINUTES OF A SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA HELD JUNE 14, 2013.

Chairman Juarez called the City Council meeting to order jointly and concurrently at 6:00 p.m. in the City Council Chambers of the City Hall, 4455 West 126th Street, Hawthorne, California.

ROLL CALL-Present: Councilmembers Reyes English, Valentine, Vargas, Michelin, Mayor Juarez
Absent: None.

Mayor Pro Tem Reyes English led the Pledge of Allegiance.

1.

Under oral communications, **Jose Gutierrez** expressed concern that tonight's presentation was not received by the public in a timely manner.

Mayor Juarez ordered oral communications closed.

2.

City Clerk Huber announced that this was the time and place for the Public Hearing and Workshop for Proposed Annual Budget including Projected Revenue and Requested Appropriations for Fiscal Year 2013-2014.

City Clerk Department's declaration publication filed. No written communications were received.

Finance Manager Lani Emmich brought to light the structural deficit, whereby a municipality has an ongoing negative amount despite how well the economy is doing. The structural deficit is partly attributed rising personnel costs. Spoke on the city's bond indebtedness and loans payable. When the bonds mature, costs will go away and we will recognize those amounts as savings in the future years. In 2012-2013, which this year ends on June 30th, we're expecting to be at a deficit of $820,000 and for 2013-2014 a deficit of $1.1million. For the end of this fiscal year, we are projecting to be at $13.85 million for our reserves. Heading into 2013-2014 reserves will be $11.8million. For this fiscal year 2012-2013 revenues are $55.3million and anticipated for 2013-2014, $59.2million.

Mayor Juarez called for public comments.

Under oral comments **Katrina Manning** inquired about the possibility of there being an alert in the line item of our vendors that would come up and say something about the contract when we are getting ready to enter in a payment. Questioned the city's investment policies, business license fee, and increases in the budget on property taxes due to new construction in the city. **Jose Gutierrez** questioned how the general fund is calculated. Questioned if proposed new classifications, reclassifications and new positions would have any PERS repercussions with respect to the golden handshakes that were done years back. Questioned how the need for new positions and classifications was identified. **David Patterson** questioned the budget revision showing an $8million increase in revenue. Expressed concern that the budgeted expenses jumped about $4million from last fiscal year to this fiscal year.

Mayor Juarez ordered to close the public portion of the hearing. MOTION CARRIED.

3.

Mayor Juarez adjourned the meeting at 11p.m.

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Norbert Huber
City Clerk

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