

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 2016–17, 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 2016–17 is \$68,644,312. 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 2016–2017 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.

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 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.

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2016-17
---------------------	--------	--------------------	---------------------	-----------------------

General Government

City Council

Mayor	1.00	7,228	11,204	18,431
Councilmember	4.00	28,910	43,475	72,386
Total	5.00	36,138	54,679	90,817

City Clerk

City Clerk	1.00	10,038	23,508	33,546
Deputy City Clerk	1.00	80,770	50,545	131,315
Administrative Aide I	1.00	62,427	40,794	103,221
Total	3.00	153,236	114,847	268,083

City Manager

City Manager	1.00	180,692	110,457	291,150
Executive Assistant	1.00	55,037	31,956	86,993
Total	2.00	235,729	142,413	378,142

Cable

Cable TV Prod. Coordina	2.00	154,811	98,342	253,152
Total	2.00	154,811	98,342	253,152

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2016-17
<i>City Treasurer</i>				
City Treasurer	1.00	10,038	23,147	33,186
Total	1.00	10,038	23,147	33,186
<i>City Attorney</i>				
City Attorney	1.00	186,318	113,622	299,940
Assistant City Attorney	2.00	268,165	167,277	435,443
Administrative Aide II	1.00	64,230	38,943	103,173
Total	4.00	518,713	319,843	838,557

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2016-17
<i>Administrative Services</i>				
Finance Director	1.00	146,084	91,784	237,868
Accounting Supervisor	1.00	101,497	58,754	160,250
Finance Analyst	1.00	82,191	39,376	121,567
Accountant I	1.00	87,235	51,172	138,407
Internal Auditor	1.00	61,930	40,399	102,329
Payroll Technician	1.00	83,930	51,113	135,043
Payroll Assistant	1.00	59,336	38,721	98,057
Accounting Technician	2.00	141,494	90,004	231,498
Confidential Clerk	1.00	41,574	22,290	63,864
License Permit Technicia	4.00	271,508	165,907	437,416
Human Resource Directo	1.00	123,618	76,724	200,341
Human Resources Assist	1.00	58,402	29,369	87,771
Human Resources Specia	1.00	76,618	39,841	116,458
Total	17.00	1,335,416	795,452	2,130,868

Planning & Community Development

Director of CDBG & Planr	1.00	134,989	83,121	218,110
Sr. Planner	1.00	93,097	56,667	149,764
Planning Associate	1.00	88,015	55,590	143,606
Planning Clerk	1.00	54,467	36,132	90,600
Code Enforcement Office	3.00	271,882	173,563	445,445
Code Enforcement Office	1.00	50,678	27,690	78,369
CDBG/Home Coordinato	1.00	81,960	51,081	133,041
Total	9.00	775,089	483,845	1,258,934

Building & Safety

Director of Building & Sa	1.00	167,996	104,112	272,108
Building Permit Technici	1.00	54,345	30,036	84,381
Plan Check Specialist	1.00	76,409	90,835	167,244
Senior Building Inspector	3.00	265,894	171,041	436,935
Total	6.00	564,644	396,023	960,668

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2016-17
Public Safety				
<i>Police</i>				
Chief of Police	1.00	231,447	219,722	451,169
Police Captain	2.00	350,137	339,580	689,717
Police Lieutenant	8.00	1,144,953	1,137,406	2,282,359
Police Sergeant	16.00	1,703,897	1,757,717	3,461,614
Police Officer	68.00	5,670,658	5,976,297	11,646,954
Police Service Officer	13.00	918,921	607,534	1,526,455
Jailer I	6.00	239,470	151,137	390,607
Jailer II	1.00	73,469	48,811	122,280
Exec Asst to Chief of Pol	1.00	93,843	54,685	148,529
Executive Assistant	1.00	52,690	32,809	85,499
Finance Analyst	1.00	64,929	39,315	104,244
Info Tech Serv Sys/Net M	1.00	102,754	66,610	169,364
Information Systems Anz	1.00	100,174	61,154	161,328
Information Systems Spe	1.00	82,625	52,725	135,349
Info Systems Support Te	1.00	56,411	31,791	88,202
Sr. Forensics Specialist	1.00	92,129	56,630	148,759
Forensics Specialist	1.00	67,579	35,324	102,903
Traffic Specialist	1.00	72,052	48,439	120,490
Traffic Clerk	1.00	51,019	37,173	88,192
Administrative Assistant	1.00	68,687	45,316	114,003
Police Admin. Technician	1.00	69,992	44,685	114,677
Gang Analyst	1.00	68,318	41,116	109,434
Police Records Supervisc	1.00	92,539	56,370	148,909
Sr. Police Records Clerk	2.00	142,566	90,442	233,009
Police Records Clerk	10.00	523,757	336,982	860,739
Parking Enf. Officer II	6.00	272,650	161,307	433,957
Animal Control Officer	2.00	142,799	95,718	238,517
Total	150.00	12,550,464	11,626,796	24,177,260

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2016-17
---------------------	--------	--------------------	---------------------	-----------------------

Public Works

Public Works

Chief of Gen. Services & Senior Engineer	1.00	215,626	130,110	345,737
Sr. Transportation Engin	1.00	123,790	77,120	200,910
Sr. Public Works Inspecto	1.00	88,790	58,755	147,545
Associate Engineer	1.00	98,424	62,850	161,274
Engineering Technician	1.00	76,736	50,349	127,084
Administrative Analyst	1.00	85,154	53,170	138,324
Administrative Aide II	1.00	60,516	39,647	100,163
Bldg Maint. Crew Leader	1.00	78,236	56,794	135,030
City Maintenance Worker	1.00	49,357	38,480	87,837
NPDES Maintenance Wor	3.00	136,049	96,320	232,369
Custodian	2.00	115,892	89,166	205,058
Graffiti Worker	4.00	228,928	172,117	401,044
Total	19.00	1,471,203	996,324	2,467,527

GasTax

NPDES Maintenance Wor	1.00	45,366	33,570	78,936
Total	1.00	45,366	33,570	78,936

Street

P.W. Maintenance Superi	1.00	113,768	77,835	191,603
Crew Leader	2.00	163,021	117,791	280,812
City Maintenance Worker	4.00	222,478	159,687	382,165
Sewer Service Techniciar	1.00	73,131	53,857	126,988
Sr. Typist Clerk I	1.00	40,874	29,206	70,080
Clerk Typist	1.00	41,487	24,626	66,113
Total	10.00	654,759	463,002	1,117,762

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2016-17
---------------------	--------	--------------------	---------------------	-----------------------

Recreation & Community Services

Recreation & Community Services

Director of Rec & Comm	1.00	173,840	104,661	278,500
Asst. Rec. Supervisor	2.00	157,793	98,836	256,629
Supervisor - Park Mainte	1.00	89,348	63,842	153,190
Crew Leader	2.00	158,791	112,980	271,771
Skilled City Maint. Work	2.00	141,165	103,881	245,046
City Maintenance Work	3.00	193,723	145,635	339,358
Total	11.00	914,660	629,834	1,544,494

Community Development

Housing

Director of Housing	1.00	151,927	94,275	246,202
Housing Administrator	1.00	94,036	58,791	152,827
Housing Inspector	1.00	80,215	61,158	141,373
Housing Specialist	1.00	78,452	46,504	124,956
Administrative Clerk II	2.00	86,877	46,147	133,024
Housing Clerk Typist	1.00	37,085	20,401	57,485
Sr. Clerk Typist	1.00	43,575	31,224	74,799
Clerk Typist	1.00	38,668	25,355	64,023
Maintenance Worker I	1.00	47,028	37,885	84,913
Total	10.00	657,864	421,740	1,079,604

Personnel Classification Summary

Full Time Employees	Number	Gross Compensation	Other Payroll Costs	Total Cost FY 2016-17
---------------------	--------	--------------------	---------------------	-----------------------

Enterprise Operations

Airport

Associate Engineer	1.00	79,920	44,901	124,821
Crew Leader	1.00	77,553	56,764	134,318
City Maintenance Worker	1.00	47,187	32,752	79,939
Total	3.00	204,660	134,418	339,078

Sewer

City Maintenance Worker	1.00	68,709	50,753	119,462
Total	1.00	68,709	50,753	119,462

Internal Service Operations

Insurance Reserve

Public Risk Manager	1.00	142,770	89,920	232,690
Assistant City Attorney	1.00	122,082	76,741	198,823
Legal Clerk	1.00	59,050	32,319	91,370
Total	3.00	323,902	198,980	522,882

Equipment Maintenance

Master Mechanic	1.00	92,878	66,080	158,958
Equipment Mechanic III	1.00	67,926	50,256	118,182
Equipment Mechanic I	1.00	53,212	35,023	88,235
Equipment Mechanic	1.00	51,200	32,017	83,217
Total	4.00	265,216	183,376	448,593

GRAND TOTAL 261 20,895,251 17,035,474 37,775,915