

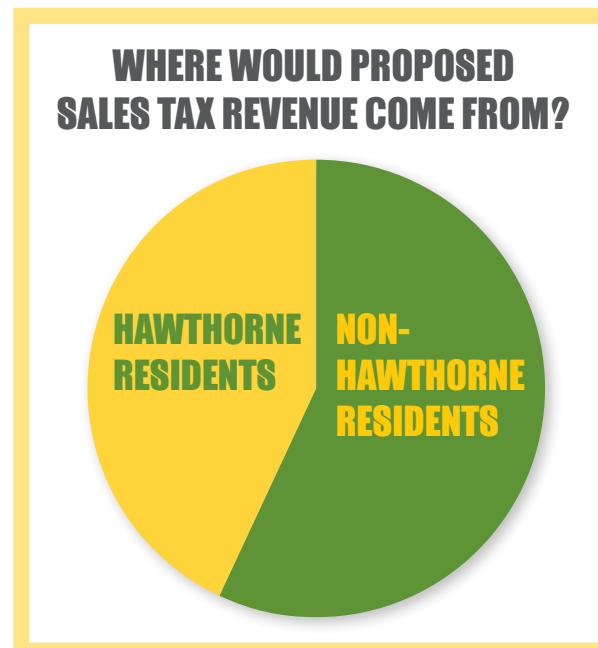
HAWTHORNE City Council Places 3/4 of 1% Sales Tax Measure on November 2017 Ballot

IT'S YOUR CHOICE TO DECIDE!

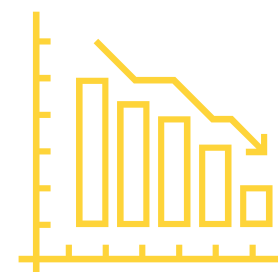
The **three-quarter cent transactions (sales) and use tax measure** is expected to raise \$8 million annually and is projected to close the deficit. Without additional revenue, cuts would be made to services and public safety.

The proposed measure has safeguards to ensure that the funds raised would be placed in Hawthorne's general fund to be used only for fire protection, public safety and other municipal services.

A review of sales tax patterns found that **OVER HALF** of Hawthorne's sales tax revenues are paid by people who do not live in Hawthorne. More than \$4 million would be raised from people who travel to Hawthorne to shop.



The Financial Status of HAWTHORNE



City Faces Projected \$7.5 Million Structural Budget Deficit for FY 2018-19

The City of Hawthorne has taken the following cost reduction measures to reduce the deficit:

- Elimination of 30 full time positions
- Layoffs and hiring freezes
- Cuts in city workforce pay (5%) and benefits during five of last eight years

HAWTHORNE is a LOW REVENUE CITY

A study of 13 comparable and nearby cities found that Hawthorne ranks near the bottom in taxes and user fees paid by city residents.

Hawthorne:

- Ranks 11th out of 13 cities in general revenue raised per person (per capita).
- Is 12th in local revenues raised through property taxes and service fees.
- Has the 10th lowest utility user fees.
- Does not currently raise revenue from voter-approved local sales taxes.



Understanding Hawthorne's Structural Deficit

The City Has NOT Raised Local Taxes

Over the last nine years, the city has averaged an annual deficit of \$5.2 million. While cuts were made to the City's workforce size and pay, taxes were not raised to address the growing deficit. Hawthorne has one of the lowest revenues in the region.

Over the past 37 years, the city's population increased by 55% which has led to proportionately greater infrastructure need, service calls, and operation costs while staffing overall remained unchanged or even decreased in some departments.

Without new funds, the growing deficit will translate into 30% General Fund reductions to personnel in police, fire/paramedics, public works, and essential services, which means longer response times.

The City remains vulnerable to increases for fire protection services contracted from LA County Fire, and to other unanticipated costs. Sudden revenue losses caused by economic downturns, and decisions by the state and federal governments to reduce local aid create additional budget shortfalls. The City's budget is strongly influenced by many factors beyond its control.

General Fund Revenues Per Capita

