

**MINUTES OF A REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF HAWTHORNE,
CALIFORNIA HELD MARCH 12, 2024.**

CALL TO ORDER

Mayor Vargas called the City Council meeting to order at 6:06 p.m. in the City Council Chambers of City Hall, 4455 W. 126th Street, Hawthorne, California.

INVOCATION

Pastor Greg Guich gave the evening's invocation.

PLEDGE OF ALLEGIANCE

Rob Williams led the Pledge of Allegiance.

ROLL CALL

Present: Councilmember Patterson, Mayor Pro Tem Reyes English, Mayor Vargas.

Absent: Councilmember Manning*, Montiero

*Arrived during the LAX presentation

PROCLAMATIONS/CERTIFICATES/PRESENTATIONS

1. Presentation for LAX: Soaring to New Heights

Jessica Merritt, Director of Communications for LAX Development Projects, outlined updates on the \$30 billion capital improvement program, the largest public works project in Los Angeles history. Key initiatives include the Automated People Mover (APM), a free 24/7 train system connecting terminals with off-site facilities, and the Consolidated Rental Car Facility (CONRAC), which will reduce congestion by centralizing rental car operations.

Additional improvements include upgraded roadways, new terminal connections to the APM, enhanced wayfinding, and landscaping around the historic Theme Building. Projects like the Midfield Satellite Concourse South and Hire LAX are advancing job creation, sustainability, and accessibility. These developments are modernizing LAX for upcoming global events and long-term community benefit. A QR code was shared for updates and advisories.

Councilmember Reyes English thanked Nicole Carcell, Director of Community Relations, for ensuring this evening's presentation on LAX developments. She highlighted enthusiasm for the people mover, LAX's growth, and the jobs created. She noted the convenience of the new transportation system and shared that she and Councilmember Manning serve as board members on the LAX Area Advisory Committee, which provides monthly input to the LAX Board.

Councilmember Manning expressed appreciation for the focus on job creation, including the upcoming job fair on Thursday.

Mayor Vargas reflected on the dilapidated homes across the street, which had been in that condition for years. He expressed curiosity about the construction that followed and appreciated the clarity provided about the rental car and parking elements of the project.

ORAL COMMUNICATIONS

Gordon Michael Migo advocated for a new City Hall on Hawthorne Boulevard with underground parking and nearby park placement. He proposed developments include a mall, medical center, and city facilities and provided diagrams for review.

Mohammad Ola Hussain requested increased police patrols due to rising crime and urged a resolution for a Gaza ceasefire, emphasizing global peace.

Cristina Prado, highlighted the Fair Housing Foundation services, invited participation in a virtual event, and promoted a youth poster contest.

Choba Salazar, raised concerns about a \$2,000 citation for yard maintenance, requested invoice clarification, and proposed a community app for reporting issues efficiently.

Abdullah Greg Ali invited the council to an interfaith Ramadan dinner on March 23rd and urged support for global peace and justice.

A **VVA Scholarship Representative** highlighted the Vietnam Veterans scholarship program deadline (April 7th), promoted a VFW breakfast, and raised safety concerns about cannabis-related facilities due to recent incidents.

Katherine Sabino Tadeo: An 11th-grade student seeking mentorship for a leadership program on politics, attended her first council meeting to request guidance and support.

CITY CLERK'S CONSENT CALENDAR

2. Approval of waiver of full readings of resolutions and ordinances on Tuesday, March 12, 2024's agenda.

3. City Treasurer requests approval of the warrants. Motion to approve the warrants.

Warrant Nos.: 24662-24962; 195964-195974; 485215-485375; 72434-72766; 10944-10947

Warrant Totals: \$886,139.96 \$6,690.93 \$1,736,035.11 \$939,485.367 \$6,654.32

RESOLUTIONS

4. **Resolution No. 8453** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA SETTING FORTH CERTAIN POLICIES FOR THE MANAGEMENT OF THE CITY BUDGET.

5. **Resolution No. 8454** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA, PROCLAIMING MARCH 2024 AS “WOMEN’S HISTORY MONTH.”

Councilmember Patterson pulled Item No. 4 for discussion.

Councilmember Reyes English moved, seconded by Councilmember Patterson, to approve Items No. 2, 3, and 5.

ROLL CALL AYES: Councilmembers Manning, Patterson, Reyes English, Mayor Vargas.

NOES: None

ABSENT: Councilmember Montiero

Councilmember Patterson pulled Item No. 4 for discussion.

Councilmember Patterson expressed enthusiasm for the resolution, highlighting its valuable financial policies for the City of Hawthorne. He inquired about the role of the Government Finance Officers Association (GFOA) in inspiring the resolution. Finance Director Felice Lopez reported attending a conference in January where numerous Government Finance Officers Association (GFOA) policies were discussed. The conference provided recommendations on how cities should address and regularly update financial policies, which directly influenced the development of this policy.

Councilmember Patterson inquired about Section 2, Item A, which emphasizes paying current year expenditures with current year revenues to avoid financial practices that defer obligations. Finance Director Felice Lopez explained that the goal is to avoid using prior year revenues or the fund balance to fund a current year's budget.

Councilmember Patterson emphasized the importance of protecting the City's budget by ensuring that current year expenditures are funded without borrowing from future or prior years. He expressed support for maintaining a diversified and stable revenue base to mitigate economic fluctuations, referencing discussions from the Financial Oversight Committee about the city's balanced tax base. He highlighted the potential to increase tax revenues through strategies such as adding more hotels along Imperial Avenue and expanding the Transient Occupancy Tax (TOT).

Councilmember Patterson noted that the general fund balance is maintained at 25% of the annual operating budget, currently around \$24 million. Finance Director Lopez acknowledged the City's approximately \$83 million in unassigned funds. Councilmember Patterson advocated for

creating a policy to allocate surplus funds effectively. With high interest rates generating strong returns, he suggested exploring investment opportunities beyond money market accounts to maximize returns on unneeded funds. He commended the finance team for bringing these proposals forward and recognized the value of attending conferences and trainings in staying aligned with best practices.

Finance Director Lopez expressed appreciation for the City Manager and City Council's support in facilitating such initiatives over the past five years and conveyed enthusiasm for supporting the resolution.

Mayor Vargas moved, seconded by Councilmember Patterson, to approve Items No. 4.

ROLL CALL AYES: Councilmembers Manning, Patterson, Reyes English, Mayor Vargas.
NOES: None
ABSENT: Councilmember Montiero

ORDINANCES

6. **Ordinance No. 2249** (1st Reading) AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA, AMENDING SECTION 17.87.050 (USES PROHIBITED) OF CHAPTER 17.87 (MIXED USE OVERLAY ZONE (MU)) TO REMOVE CANNABIS-RELATED USES FROM THE LIST OF USES PROHIBITED, AND APPROVING AN EXEMPTION UNDER SECTION 15061(b)(3) OF CEQA.

Mayor Pro Tem Reyes English moved to introduce Ordinance No. 2249.

7. **Ordinance No. 2251** (2nd Reading) AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA, AMENDING SECTION 2.30.140 (SALARIES OF THE CITY CLERK AND CITY TREASURER) OF CHAPTER 2.30 (CIVIL SERVICE GENERAL PROVISIONS AND REGULATIONS) OF TITLE 2 (ADMINISTRATION, CIVIL SERVICE AND PERSONNEL) OF THE HAWTHORNE MUNICIPAL CODE AND MAKING A FINDING OF EXEMPTION IN COMPLIANCE WITH CEQA IN CONNECTION THEREWITH.

Mayor Pro Tem Reyes English asked whether it is common for an ordinance to be changed to a resolution in most cities.

City Attorney Robert Kim explained that most California cities set City Clerk and City Treasurer salaries by resolution due to structural variations. Hawthorne's ordinance, set 20 years ago, lists these salaries at \$833 per month. The proposed amendment would allow adjustments by resolution rather than code amendments, offering flexibility without setting new amounts.

Mayor Pro Tem Reyes English asked if these roles were Civil Service or ceremonial. City Attorney Kim clarified that they are elected positions with specific duties, noting that the City Clerk's workload increases significantly during elections, especially with current staffing shortages.

Mayor Vargas inquired if salary adjustments could be made through an ordinance. City Attorney Kim confirmed that salaries can be set either by ordinance or resolution. Resolutions require only a majority vote and take effect immediately, whereas ordinances need two readings and a 30-day implementation period. He noted that City Council salaries must follow ordinance procedures per the Government Code.

Councilmember Patterson asked why a resolution was recommended. City Attorney Kim emphasized its efficiency and flexibility compared to the formal process required for ordinances.

Mayor Vargas suggested tabling the item. Councilmember Patterson agreed to proceed with an ordinance and requested the City Attorney to bring back the proposed changes. City Attorney Kim confirmed that any adjustments should take effect after the election in January 2025, aligning with the City Council's timeline.

GENERAL MATTERS

8. Collaboration with the Los Angeles Dodgers Foundation

Mayor Vargas moved, seconded by Councilmember Reyes English, to receive and file the staff report.

ROLL CALL AYES: Councilmembers Manning, Patterson, Reyes English, Mayor Vargas.

NOES: None

ABSENT: Councilmember Montiero

CITY MANAGER'S CONSENT CALENDAR

9. Progress Payment #6 in the amount of \$29,576.59 due to Elecnor Belco Electric of Chino, CA for Hawthorne Blvd Mobility Improvement Project – Phase II (Project # 23-01)
10. Progress Payment #4 in the amount of \$199,226.02 due to GRBCON, Inc. of Baldwin Park, CA for Sewer Main and Miscellaneous Storm Drain Improvement Project 2023 (Project # 23-04)
11. Progress Payment #9 in the amount of \$169,654.80 due to Elecnor Belco Electric of Chino, CA for Highway Safety Improvement Project Traffic Signal Upgrade and Reconstruction 120th St Improvement Project – Prairie Ave to Felton Ave (Project # 21-06)
12. Progress Payment #1 in the amount of \$208,836.14 due to Sequel Contractors of Santa Fe Springs, CA for Northeast Hawthorne Mobility Improvement Project (Project # 21-05)
13. City of Hawthorne's Investment Report for the quarter ended December 31, 2023.

14. 120 St Improvements – Crenshaw Blvd to Felton Ave, Phase II (Project #21- 03) - Out to Bid.

Councilmember Reyes English moved, seconded by Mayor Vargas, to approve Item No. 9 through 14.

ROLL CALL AYES: Councilmembers Manning, Patterson, Reyes English, Mayor Vargas.

NOES: None

ABSENT: Councilmember Montiero

15. Review of the Mid-Year Financial Report for Fiscal Year 2023-2024.

Finance Director Lopez reported an increase in cash balances from \$14 million in 2018 to \$95 million in January 2024. The 2023-24 budget projects \$97.1 million in expenditures and \$100.1 million in revenues. Operating revenues saw a slight 0.57% decrease, excluding ARPA funds, with business license taxes and investment earnings increasing, but sales tax revenue declining. Recommendations included allocations for asset acquisition, reserves, capital improvements, and equipment replacement while maintaining a 25% General Fund reserve.

Councilmember Patterson estimated that allocating \$15 million from the unassigned balance would leave \$70 million in reserves. Councilmember Manning suggested increasing the \$1 million asset acquisition allocation to \$3 million to address high asset costs. Patterson supported this, emphasizing the need to adequately fund acquisitions. She expressed concerns about missed sales tax revenue due to 40 vacancies on Hawthorne Boulevard and supported grants and loans to assist struggling businesses. She also inquired about declines in hotel TOT revenue, which Finance Director Lopez attributed to higher interest rates, reduced travel, and uncollected Airbnb taxes. A program to address short-term rental revenue is set to begin.

Councilmember Reyes English highlighted the importance of an asset acquisition fund and inquired about state-mandated payments owed to the City. Lopez confirmed minimal amounts are pending and noted recent payments. Reyes English urged ongoing advocacy for outstanding funds and supported studying funding for emergency management systems and updated CERT equipment.

Mayor Vargas and Councilmember Patterson commended staff for the \$95 million in reserves, reflecting disciplined financial management. Patterson also praised departmental budget savings and emphasized transparency in financial reporting. Vargas requested the City Manager evaluate recommendations and provide feasibility assessments.

Councilmember Manning moved, seconded by Councilmember Patterson, to approve Item No 15.

ROLL CALL AYES: Councilmembers Manning, Patterson, Reyes English, Mayor Vargas.

NOES: None

ABSENT: Councilmember Montiero

DISCUSSION/ACTION ITEMS

16. Attending California Public Utilities Commission Hearing Re. Southern California Edison's Request to Raise the Fixed Cost to Residential Electric Bills. (Mayor Pro Tem A. English)

ELECTED OFFICIALS REPORTS / RECOMMENDATIONS

Councilmember Reyes English opposed Southern California Edison's proposed utility rate hike of up to \$51 per ratepayer, highlighting maintenance and delivery costs. She announced an April 10 hearing in Long Beach and proposed chartering buses for residents to attend, urging strong community participation. She criticized state officials for inaction and pledged to seek a sponsor for snacks for attendees.

City Treasurer Poindexter commended Finance Director Lopez for a transparent financial report and proposed exploring investment diversification beyond the Local Agency Investment Fund's current 4% rate. She encouraged civic engagement and voter participation.

City Clerk Hunter reminded attendees of notary services available by appointment and expressed intent to coordinate on the proposed bus trip for the Edison hearing.

Councilmember Manning announced events for Women's History Month on March 30 and the Hawthorne Business Expo and Job Fair on March 14. She praised city planning efforts, expressed excitement about the civic and senior center projects, and proposed granting employees time off during the last week of December.

Councilmember Patterson applauded the city's \$15 million surplus and emphasized the importance of economic development, supporting mixed-use projects and redevelopment, including the mall. He requested updates on commission appointments and operations.

Councilmember Reyes English highlighted upcoming Earth Day celebrations, CERT training, and community events. She requested updates on emergency preparedness and proposed facilitating local filming at the mall to create jobs.

Mayor Vargas praised the city's financial health, encouraged staff collaboration on implementing ideas, and stressed the importance of promoting city services and addressing the needs of a predominantly rental-based community.

CLOSED SESSION

Mayor Vargas called for oral comments. No public comments were received.

Mayor Vargas recessed into Closed Session at 8:27 p.m.

17. CONFERENCE WITH LEGAL COUNSEL – REAL PROPERTY NEGOTIATION
(Pursuant to Section 54956.8, 54954(b) of the California Government Code.)

Property APN: 4050-014-002

Property Address: Approximately .91 acres of land located at 13007 Yukon Avenue

City Negotiator: Vontray Norris, City Manager

Negotiation with: 13007 Yukon Avenue Hawthorne, LLC.

Under Negotiation: Price and Terms of Payment

Mayor Vargas called the City Council meeting back to order at 8:53 p.m. following recess with all Councilmembers present except for Councilmember Montiero.

City Attorney Kim reported the City Council met on Item No. 17 in closed session regarding real property which involved negotiations led by City Manager Norris with 13007 Yukon Avenue, Hawthorne LLC, focusing on price and terms of payment. He reported that City Council voted unanimously 4-0 to terminate this project.

ADJOURNMENT

Mayor Vargas adjourned the Regular Meeting at 8:54 p.m.

CERTIFICATION

Passed and approved on the ____ day of _____ 2025.

Dayna S. Williams-Hunter
City Clerk