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all other sources of revenue, exclusive of taxes on property.

2. A detailed statement of the amounts required to meet the current expenses and permanent improvements of each utility, or department.

3. A detailed statement of the necessities of each fund in the City Treasury.

4. A comparative statement, in parallel columns, of appropriations and expenditures for the current and preceding fiscal year, and the increases or decreases in the appropriations and expenditures for the current and preceding fiscal year, and the increases or decreases in the appropriations and expenditures recommended.

5. A statement of the amount that will probably be required to be levied and raised by taxes in order to meet the necessities of each particular fund, and/or utility, or department.

6. The amount and description of the supplies and materials on hand at the date of the preparation of the inventory.

7. An estimate of the amount which should be appropriated for contingent or emergency purposes.

8. The amount of City debts outstanding, together with a schedule of maturities of all bond issues.

9. A statement of the amounts which should be appropriated:

(a) For interest on City debts.

(b) For paying off any interest or principal on serial bonds maturing during the year, or any bonded or funded indebtedness, or for sinking fund requirements.

10. A "cash basis fund" which shall be carried over to the next ensuing fiscal year for which the budget is prepared to meet the cash requirements prior to the receipt of taxes.

(D) Power of City Council Over Budget:

The City Council may at any time after the submission of said proposed budgets by the Mayor and before the adoption of the ordinance making the annual tax levy, adopt said budgets as submitted, or may adopt the same in such modified, altered or changed form as shall be deemed advisable. If said proposed budgets be not modified, altered or changed before the adoption of said ordinance making said annual tax levy, the adoption of said annual tax levy ordinance shall ipso facto be deemed an adoption of said proposed budgets as submitted by the Mayor.

Section 13. Appropriations:

(a) Adopted Budgets:

The several amounts of estimated revenue and proposed expenditures contained in said budgets, as adopted, shall be and become appropriated for the ensuing fiscal year to and for the several utilities, departments or divisions and for the purposes therein specified. Said budgets, as adopted, shall constitute authority for the Controller to set up the required revenue and expenditure accounts.

(b) Use of Appropriations In Budgets:

Each division of the City Government for which an appropriation has been made shall be authorized to use the money so appropriated for the purposes specified in the budgets, as adopted, and within the limits of the appropriation.

(c) Power of Controller Over Appropriations:

If for any reason the City Council shall fail to include in the adopted budgets, an appropriation sufficient to cover all debts of the municipality incurred during the fiscal year, the City Controller shall nevertheless have full power and authority to set up proper appropriation accounts or funds to cover the same and transfer to such accounts funds out of any revenues derived during said fiscal year, and not necessary to meet other appropriations in said budgets, such amount or amounts as may be necessary to discharge said debts. The proposed and adopted budgets shall be open to public inspection and copies thereof shall be kept on file in the office of the Controller for such purpose.

(d) Regulation of Contents of Budgets by City Council:

The City Council shall have the right to regulate the contents of proposed and adopted budgets and the procedure to be followed in preparing and adopting same subject to the requirements, conditions and limitations herein expressed.

Section 14. Annual Tax Levy:

The City Council shall finally adopt, not later than the last Tuesday in August of each year, an ordinance levying upon the assessed valuation of all property in the City taxable for municipal purposes, a rate of taxation sufficient to raise the amount estimated to be required in the annual budgets as herein provided, less the amounts estimated to be received from fines, licenses, and other sources of revenue, using as a basis the value of the property as assessed by the County Assessor, as the same may be equalized and returned to the Council by the County Auditor as provided by general law. The Council shall immediately thereafter transmit to the County Auditor of the County of Los Angeles a statement of such rate or rates so fixed by it.

Section 15. Revolving Funds:

The City Council, on recommendation of the Mayor, in any proposed budget may, in the approval and/or adoption of said budget, as in this Charter provided, establish revolving funds for any department of the City Government to be used as petty cash funds for specific purposes, said funds to be subject to audit by and settlement with the Controller at least monthly, in such manner as the City Council may prescribe. Other revolving funds may be established on recommendation of the Mayor, or by the City Council upon its own initiative, for specific purposes to be specified in the ordinance establishing the same. All such revolving funds shall be subject to audit by and settlement with the Controller.

Section 16. Presentation of Claims:

(a) All Claims To Be Presented:

Except as otherwise provided in this charter, or by ordinance, all claims and demands of any nature, whether liquidated or unliquidated, arising out of contract, torts, or otherwise, against the City of Torrance, must be presented for approval and payment as herein provided.

(b) Where Presented:

All such claims and demands for which no appropriation has been made shall be presented to the City Council for approval, and all such claims and demands for which an appropriation has been made or other appropriate action taken authorizing the same to be granted or incurred, shall be presented to the Mayor and the head of the department incurring the same, for approval; provided, however, that in all events, all such claims and demands against the library fund shall be presented to the Board of Library Trustees, and all such claims and demands against funds under the control of the Board of Education shall be presented to such Board, for approval.

(c) Six Months Limitation:

No action shall ever be maintained upon any such claim or demand unless the same is presented for approval as above specified within six months after the cause of

Section 17. Certificate of Controller and Warrants On Treasury:

(a) Presentation to City Controller:

All claims and demands approved as in this Charter provided, shall thereupon be presented to the City Controller, who shall examine the same, and if the amount thereof is legally due, and it appears that the approval and/or payment of the same will not create an indebtedness against the City in excess of revenues thereof for the current fiscal year, and there remains on the books an unexhausted balance or appropriation against which the same may be charged, he shall approve such claim or demand, and endorse thereon a certificate to the foregoing effect, and draw and sign a warrant on the Treasurer to be paid out of the proper fund or appropriation.

(b) City Council May Over-rule Controller:

Objections of the Controller to the approval and payment of any claim or demand may be over-ruled by the City Council and the City Controller shall thereupon draw his warrant as directed by the Council.

(c) Payment By Treasurer:

Such warrants when presented to the Treasurer shall be paid by him out of the fund therein designated if there be sufficient money in such fund for that purpose.

(d) Registered Warrants:

A warrant not paid for lack of funds shall be registered; and all registered warrants shall be paid in the order of registration when funds are available therefor.

(e) Salaries and Bond Payments:

The Controller shall draw his warrants for salaries and payments on principal or interest on all municipal or other bonds, notes or contracts payable out of funds in the Treasury upon presentation and surrender of the proper bonds and coupons without the approval of any body or officer.

(f) Regulations By City Council:

Consistent with the provisions of this charter, the City Council may make further regulations by ordinance regarding the presentation, approval and payment of claims and demands against the City, provided that the Board of Library Trustees and the Board of Education shall regulate such presentation, approval and payment of funds under their respective control.

Section 18. Inventory of City Property:

The City Controller shall appraise annually the value of all real estate, buildings, structures, furniture and fixtures, supplies, materials, equipment, and property of any kind owned by the City, and may require every officer to furnish him the data required therefor. Proper depreciation shall be made of all property of any kind which is used by the City for utility purposes and such depreciation shall be made a charge against the Department and taken account of in the charges made for service by that Department. A proper balance sheet under classified heads shall be presented to the Mayor for inclusion in the annual budget and shall be published in the annual report of the Controller. This balance sheet shall show all convertible and other assets and all liabilities of the City.

Section 19. Audit of Accounts of Departments and Officers:

The City Council shall at least every two years order an audit made of all accounts, books, records and financial transactions of all or any of the departments, or other divisions of government of the City. Such audit shall be made by independent auditors who are in no way connected with the City. Upon the death, resignation or removal of any officer of the City, the City Controller and Treasurer shall cause an audit and investigation of the accounts of such officer to be made and shall report to the Mayor and the City Council. The Mayor may also order such audit or audits of the City Government. In case of death, resignation or removal of the City Controller or Treasurer, the Mayor shall cause an audit to be made of his accounts. If, as a result of any such audit, an officer or employee be found indebted to the City, the City Controller and Treasurer, or other person making such audit, shall immediately give notice thereof to the City Council, the Mayor and the City Attorney, and the latter shall forthwith proceed to collect such indebtedness.

Section 20. Counting City Money:

The Mayor, City Clerk and City Treasurer shall, together, count the money in the City Treasury at least once each three months, and ascertain whether or not the amount on hand agrees with the amount that should be in said City Treasury according to the books of said City, and they shall make a written report thereof to the City Council within five days thereafter.

ARTICLE XIX. CONTRACTS AND PURCHASES

Section 1. General Supplies (Purchases of \$500 or Less):

Subject to the provisions of this Charter in regard to public utilities, the City Clerk shall order all general supplies costing \$500.00 or less for all departments and divisions of the City Government. He shall have power to issue requisitions therefor not exceeding \$50.00 for any one requisition. Requisitions covering said supplies of a value exceeding \$50.00 and not more than \$500.00 shall be issued only on order of the Mayor after securing at least two bids in connection with any such purchase. Said requisitions shall be furnished by the City Clerk and shall be serially numbered. No requisition shall be issued by the City Clerk unless an appropriation therefor has been made by the City Council.

Section 2. Public Improvements Costing \$1000.00 or Less:

Any "public work or improvement" estimated to cost One Thousand and no/100 (\$1000.00) dollars, or less, may be performed under contract, or written order, or by the employment of the necessary labor and purchase of the necessary materials and supplies directly by the city; provided, however, that no such work or improvement shall be done unless there is an appropriation covering the same.

Any such work or improvement, other than routine repair work, shall be contracted for or ordered by the Mayor, but only after detailed estimates have been prepared and submitted to the Mayor by the head of the department concerned. A separate and detailed account of the cost of said work shall be kept by the department, or division of the government involved, which shall include all direct, indirect and supervisory elements of said cost, and such account shall be rendered to the Mayor and the Controller. The Controller shall issue his warrant for all such costs on order from the head of the department or division of the government involved. Before the Mayor shall issue any order or let any contract covering such work or improvement he shall call for estimates by three day notice, by posting in three public places. The Mayor must receive at least two estimates covering such work or improvement which shall be kept on file by the proper department, or division of the government, but if city employees or county employees perform the labor thereon, and city and/or county materials and supplies are used in connection therewith, said posting and estimates may be dispensed with.

Section 3. General Supplies Costing Over \$500.00 and Public Improvements Exceeding \$1000.00:

(a) Written Contract:

"General Supplies" purchased at any one time costing

over \$500.00, and all contracts let in connection with any public work or improvement when the contract price thereof exceeds one thousand dollars shall be by written contract.

(b) Sealed Bids—Time and Material Basis:

Sealed bids therefor shall be called for by an advertisement inserted one time in the official newspaper of the City of Torrance, and contracts therefor shall be let by the City Council to the lowest responsible and reliable bidder not less than ten days after the date of such publication, and the City Council shall determine the responsibility and reliability of the bidder. The City Council shall have power to reject all bids and readvertise, and/or upon the recommendation of the Mayor and/or four-fifths vote of the City Council may order any such public work and/or improvement done by the City upon a time and material basis by the proper department of the City, if in its opinion such work and/or improvement can be done more economically upon such basis.

(c) Gross Price, Unit Basis:

If so specified in the published notice soliciting said bids, any contract for any public work or improvement referred to in Subsection (b) of this section, may be let for a gross price, or on a basis of cost per unit of work to be performed. No cost-plus contract shall ever be let.

(d) Extras, Contracts for:

If it becomes necessary, in the prosecution of any such work or improvement, and/or in the performance of any such contract, to make alterations or modifications, or to provide for extra material to be used or work to be performed in connection therewith, which shall increase the cost of such work or improvement, alterations, modifications or extras shall be made only on the written recommendation of the department head responsible for the supervision of the contract, work and improvement and the Mayor. Such increased cost must be agreed upon in writing and signed by the Mayor, the head of such department and the contractor, otherwise the same shall not be paid. The City Council shall appropriate the necessary funds to cover such increased cost.

(e) Work May Be Performed By City Department:

The City Council, may establish, by ordinance, a procedure whereby appropriate city departments may file sealed bids covering any such work and/or improvement, and if such bid is the lowest, the contract may be awarded to such department. All costs and accounts in connection therewith shall be audited by the City Controller.

Section 4. Liquidated Damages—Faithful Performance Bonds:

All contracts or orders referred to in Sections 2 and 3 of this Article shall provide for liquidated damages to the City for every day during which said contract or order is uncompleted beyond the date specified therein, and a bond to guarantee the faithful performance thereof, including the payment of all bills for labor and material, and of said liquidated damages shall be required of all contractors in all cases. No extension of any contract or order shall ever be granted except on condition of payment of said damages for each day of said extension. Delays due to acts of God may be excepted therein. Said bonds shall be filed with the bids.

Section 5. Awarding Contract, Supervision and Acceptance of Work:

The City Council shall establish, by ordinance, a procedure not inconsistent herewith to be followed in awarding and executing all contracts and/or orders for work referred to in this Article, the supervision of such work, and the acceptance thereof on completion.

Section 6. Splitting of Work and Purchases Prohibited:

No purchase, or public work or improvement shall be split or otherwise divided for the purpose of evading the provisions of this Article, and in event any such split or division shall be made, no recovery shall be had on any contract, agreement, or order made in connection therewith.

Section 7. Illegal Contracts:

(a) City Officers and Employees Prohibited As Interested Parties:

No member of the City Council or of any Board or other division of the government and no officer or employee of the City shall be or become directly or indirectly interested in (1) the purchase or sale of any property real or personal belonging to or taken by said City or which shall be sold for taxes or assessments due said City or by virtue of any legal process issued out of the Police Court, (2) any city contract, work or business, or (3) the sale of any article, the expense, price, or consideration of which is payable from the City Treasury, nor shall either or any of them receive any gratuity or advantage from any contract or person furnishing labor or materials for the same.

(b) Percentage Agreements Prohibited:

No understanding, agreement or contract, or other arrangement shall at any time be entered into by the Mayor or City Council, or any other person, for the City of Torrance, whereby any city official or city employee shall receive as compensation for services rendered, while in such city employment, any commission, part or percentage of the cost of any work or improvement ordered done by the city; and no city official or city employee shall solicit or accept, as remuneration for any service he may render, any money, commission or any percentage of the costs of any work being done under contract for the city, or for any district of the city, or of which the city is a part, by any contractor, firm or person.

(c) Penalty for Violation:

Any person wilfully violating this Section shall be guilty of a misdemeanor, and shall immediately forfeit his office and shall be thereafter forever barred and disqualified from holding any elective or appointive office in the service of the city.

(d) Contract Voided:

All contracts entered into in violation of this Section shall be void, and shall not be enforced against said city; provided, however, that officers of a municipality may own stock in public utility service corporation and the city permitted to contract for public utility service when the rates for such service are fixed by the law or by virtue of the Railroad Commission of the State of California, and in such cases such contracts shall be valid and enforceable obligations against the municipality, and the officer interested as a stockholder in such public utility corporation shall not be deemed to have an interest in such city contracts within the meaning of this section of the Charter.

Section 8. Progressive Payments on Contracts:

Any contract of the city may provide for progressive payments if the ordinance or resolution authorizing the work or improvement so prescribes, but no progressive payment can be provided for or made at any time which with prior payments, shall exceed in amount at that time 75% of the value of the work done and materials used, and no contract shall authorize or permit the payment of more than 75% of the contract price before five days after the expiration period of filing liens and the acceptance thereof by the head of the department concerned and the Mayor.

Section 9. Mandatory Provisions in Contracts:

Every contract involving labor entered into by the City of Torrance, shall provide: (a) That in the performance of the contract, or any sub-contract, or piece work done in connection therewith, eight hours shall be the maximum number of hours of labor in any one calendar day, and that the minimum wage or compensation for labor performed thereon shall be \$3.00 per day. (b) That any person performing labor in the execution of such contract, sub-contract, or piece work, must be a citizen of the United States, or shall have legally declared his intention of becoming such, except in an emergency declared to exist by the City Council. (c) That preference in performance of labor under such contract, sub-contract or piece work shall be given to persons who have actually resided in the City of Torrance for the year next preceding the date of their employment to perform labor thereunder.

The said provisions, designated (a), (b) and (c) shall also apply to any work done for or by the city. Any contract for work to be performed within the city under the provisions of this Section, which does not comply with the provisions thereof shall be null and void.

Section 10. Approval By City Attorney:

All contracts, agreements or orders referred to in this Article shall be approved by the City Attorney as to form and legality.

Section 11. Provisions Inapplicable to Board of Education:

None of the provisions of this Article shall be applicable to the Board of Education, but the provisions of the general law relative to all matters referred to in said Article shall control.

Section 12. Provisions Inapplicable When Acting Under General Law:

If the city is acting in pursuance of any provisions of general law, such provisions of the general law shall control.

ARTICLE XX. GASOLINE TAX FUND

Section 1. Creation:

A fund is hereby created to be known as the "Gasoline Tax Fund" into which fund shall be paid: all moneys received by the City of Torrance from collections, either by the State of California, or by the County of Los Angeles, of taxes levied and collected for use in the construction and/or maintenance of roads, highways or other public ways as provided by State law; and all moneys authorized paid by the City Council from its General Fund to apply toward the payment of the costs of any work, or improvement to be done upon any major or sub-major highway, within the City of Torrance.

Section 2. Major and Sub-Major Highways:

All moneys placed in such "Gasoline Tax Fund" shall be used only for payments toward the cost of work done, or improvements made upon major and/or sub-major highways, within the City. A "major or sub-major highway" as hereinabove used, is defined as a highway or public way not less than eighty feet in width, and which shall be, or is a portion of, or a connecting link in, a County or State highway or public way joining two or more municipalities, and which when improved, will be a highway or public way of more than local use and importance. The phrase "more than local use and importance" as herein used shall be construed as meaning such highways or public ways as are used by the general traveling public in passing from one community to another, and wherever in this Charter reference is made to such phrase, it is not the intention thereby to include streets used for local community service.

Section 3. Resolution of Intention—Contents:

(a) The City Council shall clearly state in its Resolution or Ordinance of Intention to pave and/or to otherwise improve any portion of a major or sub-major highway lying within the City, that the particular work and/or improvement, or a portion of such work or improvement is to be done, or made upon a major or sub-major highway.

(b) And shall also set forth in such Resolution or Ordinance of Intention the amount of money, if any, to be paid from the "Gasoline Tax Fund" toward defraying the cost of such proposed work or improvement.

(c) The City Council shall also in such Resolution or Ordinance of Intention stipulate what amount of money, if any, is to be paid from the General Fund of the City toward defraying the cost of such work or improvement.

Section 4. Intersections Paving:

(a) Cost: Whenever the City Council shall order the improvement of any major or sub-major highway as hereinbefore defined, the entire cost of paving and/or otherwise improving the intersections of all streets, alleys, or other public ways terminating at, or crossing such major or sub-major highways, shall be paid from the said "Gasoline Tax Fund", provided sufficient funds to make such payments are available, or shall become available from such fund prior to the completion of such work or improvement, in which event no part of the cost of the work done or improvements made within such intersections shall be assessed against any abutting property, or against any property within the district established by the City Council as being benefited by such work or improvement.

(b) Intersection Defined:

Intersections of streets, alleys or other public ways with major or sub-major highways, as hereinabove referred to, shall include all of the area across such major or sub-major highways, between the prolonged side lines of such intersecting streets, alleys or public ways, together with all area considered by the City Engineer of the City of Torrance as necessary to be improved in order to make proper connections between such highway and other intersecting streets, alleys or public ways, as the plans of such improvement shall show at such intersection.

(c) Improving Intersection—Defined:

Improving such intersections as are referred to in subdivision (a) of this sub-section, shall include the performance of all work, and the furnishing of all material or materials necessary or convenient for the completion of all improvements to be done, at such intersections, in accordance with the plans and specifications governing such improvement, and/or instructions given by the City Engineer.

(d) Property Abutting, Assessed for Intersections, When?:

In the event that there shall not be available in the "Gasoline Tax Fund", a sufficient amount to pay the entire costs of the work done and improvements made upon the intersections referred to in subdivision (a) of this Section, then any amount of money that shall be available in such fund, and set aside to defray the costs of the particular improvement being made, shall be applied toward defraying the costs of such work or improvement and the balance of the costs of such work and improvements shall be ordered, by the City Council, assessed against the property benefited by the improvement, as shall be the case where no funds at all are available for such payment.

Section 5. Use of Gasoline Tax Fund:

(a) Intersection and Cost of Improvement: After the costs of paving, and/or otherwise improving the intersections referred to in Section 4 hereof shall have

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