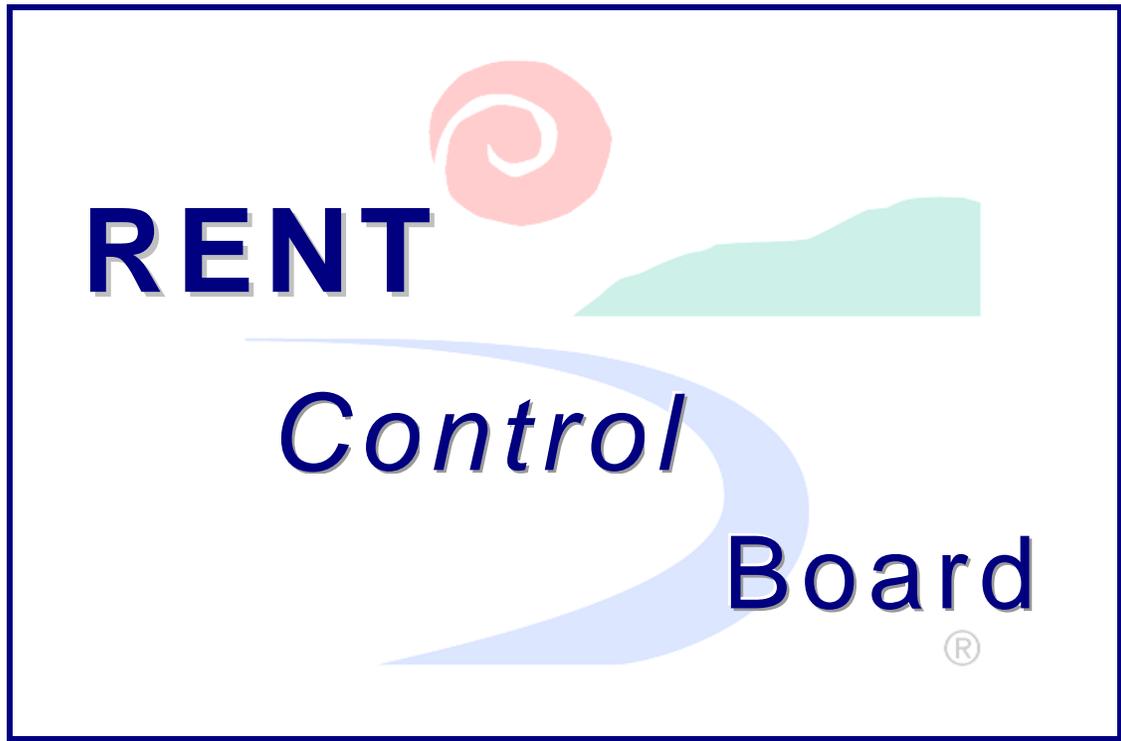


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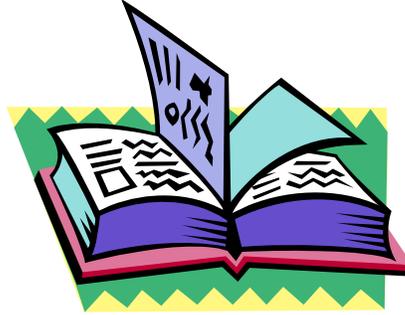


ANNUAL OPERATING BUDGET

FY 2008 / 2009

Adopted
June 5, 2008

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Letter from Administrator, Tracy H. Condon

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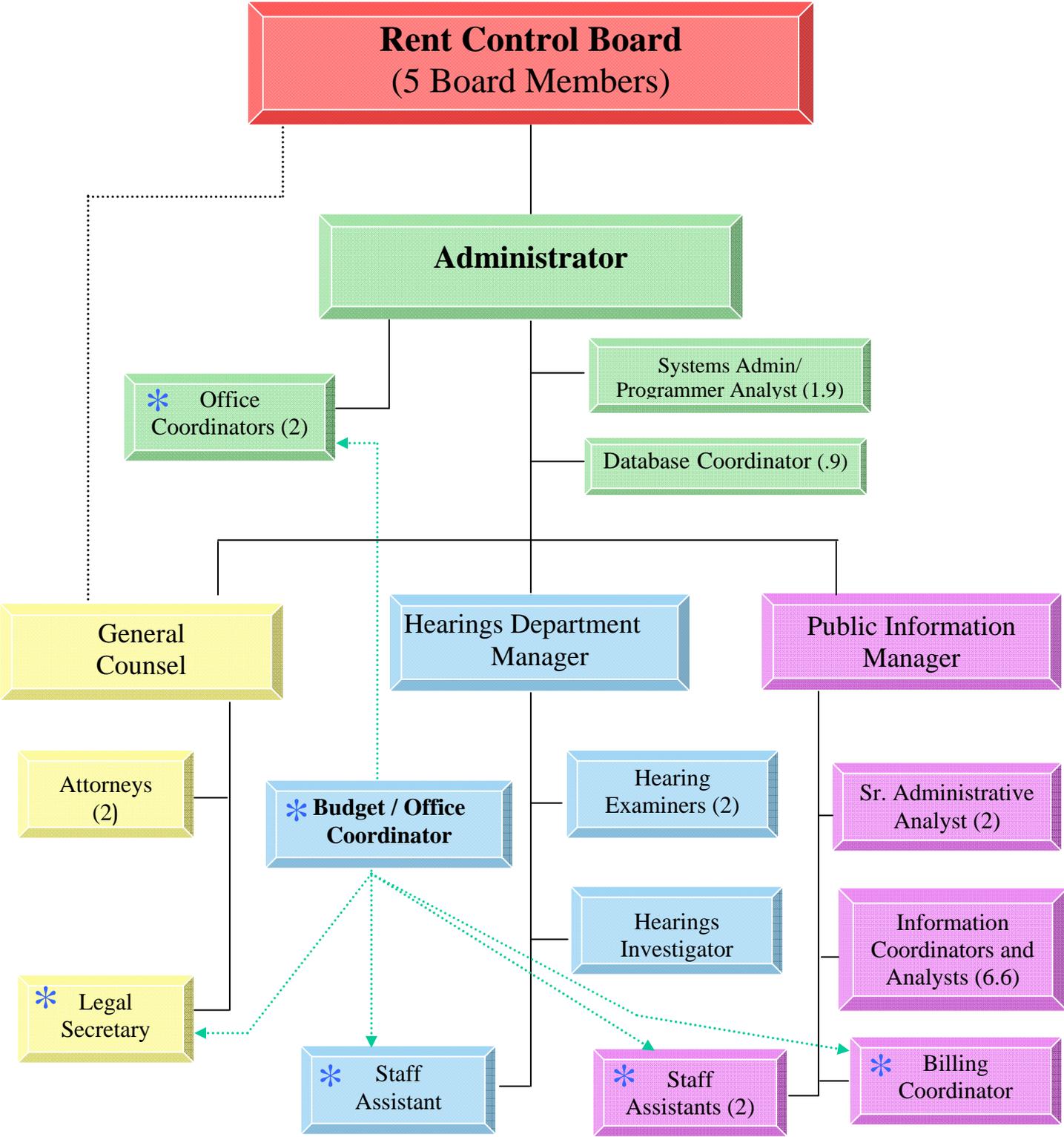
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Santa Monica Rent Control Board Organization Chart



LABOR SUMMARY
FY 2008/2009 ADOPTED

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 2005/06</i>	<i>AUTHORIZED POSITIONS 2006/2007</i>	<i>AUTHORIZED POSITIONS 2007/2008</i>	<i>ADOPTED POSITIONS 2008/2009</i>	<i>AMOUNT OF CHANGE 07/08 -- 08/09</i>
Administration	3.00	3.00	3.00	5.80	+2.80
Hearings	7.50	6.50	6.00	6.00	0.00
Public Information	14.30	14.30	16.40	12.60	-3.80
Legal	4.00	4.00	4.00	4.00	0.00
Total	28.80	27.80	29.40	28.40	-1.00

PERMANENT STAFF BY CLASSIFICATION
FY 2008/2009 - ADOPTED

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 2005/06</i>	<i>AUTHORIZED POSITIONS 2006/07</i>	<i>AUTHORIZED POSITIONS 2007/08</i>	<i>ADOPTED POSITIONS 2008/09</i>	<i>AMOUNT OF CHANGE 07/08 -- 08/09</i>
Administrator	1.00	1.00	1.00	1.00	0.00
Assist. Public Information Mgr.	0.90	0.90	0.00	0.00	0.00
Billing Coordinator	1.00	1.00	1.00	1.00	0.00
Budget/Office Coordinator	1.00	1.00	1.00	1.00	0.00
Database Coordinator	0.90	0.90	0.90	0.90	0.00
General Counsel	1.00	1.00	1.00	1.00	0.00
Hearings Department Mgr.	1.00	1.00	1.00	1.00	0.00
Hearings Investigator	1.00	1.00	1.00	1.00	0.00
Hearing Examiner	2.50	2.50	2.00	2.00	0.00
Information Analyst	2.00	2.00	2.00	1.00	-1.00
Information Coordinator	3.60	2.60	4.60	4.60	0.00
Legal Secretary II	1.00	1.00	1.00	1.00	0.00
Office Coordinator	2.00	2.00	2.00	2.00	0.00
Public Information Mgr.	1.00	1.00	1.00	1.00	0.00
Sr. Administrative Analyst	1.00	1.00	2.00	2.00	0.00
Sr. Information Coordinator	1.00	1.00	1.00	1.00	0.00
Sr. Litigation Staff Attorney	0.00	1.00	1.00	1.00	0.00
Staff Assistant III	2.00	2.00	3.00	3.00	0.00
Staff Assistant IV	1.00	1.00	0.00	0.00	0.00
Staff Attorney	2.00	1.00	1.00	1.00	0.00
Sys. Admin. / Prog. Analyst	1.90	1.90	1.90	1.90	0.00
TOTAL	28.80	27.80	29.40	28.40	-1.00



AGENCY GOALS

2008/2009



1. Continue to provide excellent public service while the Agency integrates new personnel and cross trains existing staff members to address changes necessitated by the retirements of long-term staff members.
2. Work with other City departments and other rent control jurisdictions to assist the Board in fulfilling its mandate to protect the existing rental housing.
3. Monitor properties removed from rent control under the Ellis Act to determine their current use and, when indicated, take affirmative legal action to enforce the terms of the Ellis Act.
4. Develop a training program for new Board members elected in November 2008.



AGENCY BUDGET

OBJ	DESCRIPTION	FY 04-05 ACTUAL EXPENSES	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL EXPENSES	FY 07-08 ADOPTED BUDGET	FY 07-08 REVISED BUDGET	FY 07-08 PROJECTED EXPENSES	FY 08-09 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	2,601,979	2,630,168	2,567,750	2,752,921	2,738,921	2,638,948	2,782,532
1104	BOARD ALLOWANCE	6,150	6,000	6,075	7,875	7,875	6,900	7,125
1149	OVERTIME	4,885	3,956	4,993	5,000	5,000	5,939	5,000
1150	AS-NEEDED EMPLOYEES	11,157	33,989	57,132	0	0	14,160	0
1171	MEDICARE EMP CONT	25,401	27,541	27,566	31,171	31,171	29,893	33,623
1173	INS-COMPENSATION	27,200	21,500	22,800	19,100	19,100	19,100	19,800
1174	INS-EMPL HEALTH/DENT	217,231	275,926	298,099	350,068	339,968	313,732	339,020
11743	Health		242,625	267,352	316,019	305,919	282,753	297,957
11748	Dental		29,395	27,128	30,081	30,081	27,376	37,103
11749	Vision		3,906	3,619	3,967	3,967	3,603	3,959
1177	RETIREMENT CONTRIB	327,037	430,821	364,067	441,949	441,949	444,481	452,602
1194	MEDICAL TRUST	58,430	51,262	46,292	49,416	49,416	47,286	47,854
1197	OTHER FRINGE BENEFITS	11,614	8,641	8,285	12,873	12,873	11,930	15,008
	TOTAL SALARIES & WAGES	3,291,084	3,489,803	3,403,058	3,670,373	3,646,273	3,532,369	3,702,565
2221	UTIL-TELEPHONE	24,431	24,011	25,656	29,800	29,800	27,078	28,000
2231	OFFICE SUPPLIES	12,283	12,215	11,383	13,600	13,600	13,357	14,800
2232	POSTAGE	33,422	35,013	36,468	37,700	37,700	37,700	39,500
2233	INVENTORY ISSUES	3,734	3,915	4,535	5,200	5,200	4,216	5,200
2254	ADVERTISING	4,523	2,289	5,506	7,000	7,000	5,400	4,000
2261	EQUIPMENT RENTAL	120	110	76	120	120	44	120
2262	RENT	27,149	29,756	25,265	23,684	23,684	23,831	18,305
2271	AUTO REIMBURSEMENT	8,544	8,066	8,015	8,220	8,220	7,220	8,220
2272	MILEAGE	526	393	357	550	550	399	475
2282	CONF-MTGS-TRAVEL	4,650	2,705	6,707	6,000	6,000	6,000	6,000
2290	MEMBERSHIPS & DUES	3,868	3,643	3,695	4,490	4,490	3,404	4,090
2294	INS-VEHICLES	0	700	900	900	900	900	900
3302	INS-COMPREHENSIVE	35,331	33,627	38,168	41,921	41,921	33,681	39,931
4404	BOOKS & PERIODICALS	8,308	11,376	12,295	11,640	11,640	10,836	11,500
4411	PRINTING	24,251	21,895	25,099	26,800	26,800	26,800	28,800
4434	INDIRECT COSTS	195,789	247,866	268,156	237,545	237,545	237,545	237,726
4439	OTHER COSTS	36,834	7,700	30,474	34,900	34,900	34,900	33,250
5501	CONTRACTUAL SERVICES	33,436	33,393	30,969	32,400	32,400	30,493	30,300
5506	PROF SERVICES	69,112	77,189	73,790	110,030	110,030	81,079	89,300
5511	LEGAL EXPENSE	14,709	120,711	12,062	75,000	75,000	35,576	50,000
5521	TRAINING	5,058	1,130	5,351	10,100	10,100	5,561	10,100
7724	SERVICE AGREEMENTS	32,499	27,984	32,851	36,750	36,750	36,585	37,280
	TOTAL SUPPLIES & EXPENSES	578,575	705,686	657,779	754,350	754,350	662,604	697,797
8803	COMPUTER SYSTEMS	13,106	6,022	7,219	8,500	8,500	8,500	8,500
8808	OFFICE EQUIPMENT	13,130	10,107	11,844	21,000	27,550	18,567	10,200
8820	BLDG. RENOVATION	9,960	180	952	5,000	22,550	7,670	3,000
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	36,196	16,309	20,015	34,500	58,600	34,737	21,700
	TOTAL BUDGET	3,905,855	4,211,798	4,080,851	4,459,224	4,459,224	4,229,710	4,422,061

SALARIES AND WAGES

1100 PERMANENT EMPLOYEES  **ALLOCATION: \$2,782,532**

Total Agency Positions - 28.40

•Administration	5.80	positions	\$640,384
•Hearings	6.00	positions	699,493
•Public Information	12.60	positions	919,345
•Legal	4.00	positions	523,310
•Agency Total	28.40	positions	\$2,782,532

A cost-of-living increase is imputed for all salaries. Calculations of other staff benefits including deferred compensation and various payouts are included.

1104 BOARD ALLOWANCE  **ALLOCATION: \$7,125**

Rent Control Board Commissioners each receive \$75 per meeting they attend. This allocation provides funds for nineteen meetings.

1149 OVERTIME  **ALLOCATION: \$5,000**

The allocation covers \$600 for Administration, \$1,650 for Hearings, \$2,500 for Public Information and \$250 for legal work which cannot be completed in regularly scheduled hours. Most overtime hours in the Public Information Department are incurred during the summer months and for attending Agency-sponsored seminars and community meetings. The overtime for the Hearings Department will be used primarily by the Budget/Office Coordinator and the Hearings Investigator when necessary to complete time-sensitive projects.

**1150 AS-NEEDED
EMPLOYEES**



**ALLOCATION:
\$0**

Staff does not anticipate the need for hiring as-needed employees to supplement the existing permanent staff during the fiscal year. However, if help is needed during the year to cover any absences by permanent staff, as-needed staff may be hired, and savings from the permanent employees' salaries will be used to offset the cost.

**1171 INSURANCE,
MEDICARE**



**ALLOCATION:
\$33,623**

Medicare regulations require that a contribution of 1.45 percent of permanent and as-needed staff salaries be made for all employees hired after April, 1986.

**1173 INSURANCE,
WORKERS' COMPENSATION**



**ALLOCATION:
\$19,800**

The Rent Control Board participates in the City of Santa Monica Workers' Compensation Fund. The Agency's share is based on the total number of employees, with a factor for past and existing claims. The City's total Workers' Compensation budget is \$6.6 million. The Rent Control allocation of \$19,800 represents 0.3% of the total costs.

**1174 INSURANCE,
EMPLOYEE HEALTH, DENTAL AND VISION**



**ALLOCATION:
\$339,020**

The allocation is based on the 2008 premiums for the health, dental and vision plans and includes funding for health, dental and vision benefits for all permanent employees and their dependents. This budget uses actual amounts for each employee. Individual plan changes and/or rate changes during the fiscal year may affect the amount actually expended.

•Health	\$297,957
•Dental	37,103
•Vision	3,959

**1177 RETIREMENT
CONTRIBUTION**



**ALLOCATION:
\$452,602**

For fiscal year 08/09 the contribution rate of 16.758% of staff salaries reflects a slight decrease from the 16.966 % rate used in fiscal year 07/08.

**1194 MEDICAL
TRUST**



**ALLOCATION:
\$47,854**

The Employee Medical Benefit Trust fund was established effective July 2001. Pursuant to the umbrella agreement the Rent Control Board entered into with the Agency employees, the Agency is contributing \$142 per month for each permanent employee.

**1197 OTHER
FRINGE BENEFITS**



**ALLOCATION:
\$15,008**

This line item includes life and accident insurance, unemployment insurance, the Employee Assistance Program (counseling), Managed Mental Health (substance abuse and mental health treatment), long term disability insurance and DCAP (childcare subsidies for income-qualifying employees).

SUPPLIES AND EXPENSES

2221 UTILITIES TELEPHONE  **ALLOCATION: \$28,000**

This allocation covers telephone expenses for the Agency, including computer network connections.

2231 OFFICE SUPPLIES  **ALLOCATION: \$14,800**

The Rent Control Board purchases its office supplies through the City's Purchasing Department which contracts with an office supply vendor each year. This allocation includes traditional office supplies and funds to purchase computer supplies and accessories such as connector cables, storage disks, printer cartridges and paper.

2232 POSTAGE  **ALLOCATION: \$39,500**

This allocation covers postage for annual mass mailings and other regular mailings:

- General Adjustment/Registration Fee Mailings \$ 7,800
- Newsletter Mailings (2) 12,600
- Postcard Mailing (1) 9,300
- General Mailings 7,655
- Miscellaneous Postal Fees 2,145

**2233 INVENTORY
ISSUES**



**ALLOCATION:
\$5,200**

This line item represents purchases made through the City's warehouse for copy paper, drinking cups and paper towels as well as paper supplies used for letterhead and printed envelopes.

2254



ADVERTISING

**ALLOCATION:
\$4,000**

This allocation covers the cost of publishing public notices and other announcements required by law.

**2261 EQUIPMENT
RENTAL**



**ALLOCATION:
\$120**

This allocation is for leasing the water coolers in the Rent Control Offices.

2262



RENT

**ALLOCATION:
\$18,305**

There is insufficient space in City Hall to provide space for hearing rooms. The Agency has been renting 757 square feet of office space on 5th Street since 2006. The lease is set to expire in September 2008. The lease payments through the end of the lease are \$1,812 per month, including \$75 for parking. Rather than exercise the final 2-year option, staff explored other possibilities for space. Housing and Economic Development recently leased office space on Main Street. The agency will lease a small portion of their space, (275 square feet) beginning either in August or September 2008. The lease provides for monthly payments of \$962.50 through April 2009 and payments of \$1,010.63 for May through June 2009. The allocation includes the payments for the balance of the lease for 5th Street, the payments for the new space and our portion of operating expenses for Main Street (estimated at \$2,200 for the year).

2271

**AUTO
REIMBURSEMENT**



**ALLOCATION:
\$8,220**

This line item represents monthly car allowances for staff.

2272

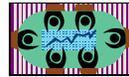
MILEAGE



**ALLOCATION:
\$475**

This allocation provides mileage reimbursements at 50.5 cents per mile.

2282 **CONFERENCES,
MEETINGS, TRAVEL**



**ALLOCATION:
\$6,000**

The Board and staff incur travel expenses for trips to Sacramento to attend conferences and to advocate and testify regarding proposed state legislation that would affect Santa Monica Rent Control, and to coordinate with other rent control agencies. This account also includes expenses related to conducting Board meetings.

2290 **MEMBERSHIP
AND DUES**



**ALLOCATION:
\$4,090**

It is the policy of the Board to pay the California State Bar dues of attorneys employed by the Board. Additionally, this allocation includes funds for staff to participate in professional management organizations and associations.

2294 **INSURANCE,
VEHICLES**



**ALLOCATION:
\$900**

This coverage is provided through the City of Santa Monica for liability when employees use their personal automobiles as part of their work.

**3302 INSURANCE,
COMPREHENSIVE**



**ALLOCATION:
\$39,931**

❖ **General Liability: \$39,073**

The Agency carries a \$1,000,000 combined single limit liability policy with a \$1,000 deductible for bodily injury and damage.

❖ **Multi-Peril Insurance for Property at City Hall and the Hearings Department hearing rooms: \$600**

Includes fire and theft of office equipment, furniture and valuable papers, as well as computer equipment and software at both office locations. The Hearings Department lease requires that the Agency provide multi-peril insurance. This policy, through the City of Santa Monica, provides \$1,000,000 coverage for the hearings space with a \$1,000 deductible.

❖ **Faithful Performance Bond: \$258**

All Agency employees are covered by a \$25,000 faithful performance bond.

**4404 BOOKS AND
PERIODICALS**



**ALLOCATION:
\$11,500**

This allocation covers purchase of books and materials on rent control and housing issues, updates to the legal library, computer manuals, and subscriptions to newspapers and journals.

4411 PRINTING



**ALLOCATION:
\$28,800**

- Charter Amendment and Regulations, Instructions, Information sheets, and Miscellaneous \$3,400
- Newsletter (2 issues) and MAR Postcard (1) 10,500
- General Adjustment Letters 11,000
- Registration Fee Bills/Envelopes 2,500
- Owner and Tenant Vacancy Registration Forms 1,400

**4434 ADMINISTRATIVE
INDIRECT COSTS**



**ALLOCATION:
\$237,726**

Each year the City assesses the Agency for various services provided during a fiscal year. This fee covers maintenance costs of office space within City Hall and the various services provided by the departments of Finance, Purchasing, Human Resources, General Services and Information Systems. These costs are distributed among all City departments according to an allocation base which approximates the Rent Control Board's share of overhead and service costs.

The City modified and updated the cost allocation plan for fiscal year 2004/2005 following the recommendations of an outside consultant. City staff has since followed that methodology to prepare the Cost Allocation plan.

The Agency's share of the 2006/2007 indirect costs, which are allocated for payment in this fiscal year, reflects a slight increase of \$181 over last fiscal year's allocation. The allocations for half of the categories were less than last fiscal year, while the other half had allocations greater than last fiscal year. Changes in costs (decreases and increases) are related to cost changes for the City departments providing services and changes in usage for those services by the Agency.

Three new categories with relatively small allocations were included in this year's allocation. Two of the new categories reflect administrative costs associated with printing and mail services. The third category is for legal advisory services from the City Attorney's office.

The following itemizes the source of the charges, a description of services rendered, the allocation base used, and the percentage used to calculate the Rent Control assessment. All figures are based on actual cost allocations.

❖ **City Manager - City Hall Receptionist: \$1,767**

❖ **Allocation Percentage - 1.383%**

Services Rendered – Provide direction and information to members of the public and other visitors to City Hall.

Allocation Base – Authorized Full Time Positions in 2006/07.

❖ **City Attorney - \$727**

❖ **Civil Legal Services: \$727**

Allocation Percentage – 0.010%

Services Rendered – Provide legal advisory services for personnel matters.

Allocation Base – Number of cash receipts processed in 2006/07.

❖ **Revenue - \$11,008**

❖ **Cash Receipts: \$10,829**

Allocation Percentage – 1.190%

Services Rendered – Process the registration fees submitted by property owners and miscellaneous revenue collections.

Allocation Base – Number of cash receipts processed in 2006/07.

❖ **Cash Management: \$179**

Allocation Percentage – 1.47%

Services Rendered - Manage the City's investment portfolio which includes Rent Control funds. For 2008/2009 the expected rate of return on invested Rent Control funds is 3.5%

Allocation Base - These costs are divided equally among all interest earning funds with a 50% downward adjustment for Rent Control.

❖ **Facilities Management - City Hall Maintenance: \$44,814**

❖ **Allocation Percentage – 9.392%**

Services Rendered - Structural maintenance and utility expenses for City Hall.

Allocation Base - Square feet occupied by Rent Control Board offices in City Hall.

❖ **Maintenance Management -City Hall Custodial Services: \$70,129**

❖ **Allocation Percentage – 9.392%**

Services Rendered – Provide custodial services at City Hall

Allocation Base - Square feet occupied by Rent Control Board offices in City Hall.

❖ **Building Use Allowance - City Hall Building Use: \$14,077**

❖ **Allocation Percentage – 9.392%**

Services Rendered – Provide general building improvements to City Hall.

Allocation Base - Square feet occupied by Rent Control Board offices in City Hall.

❖ **Central Warehouse Services - \$1,271**

❖ **Allocation Percentage – 0.488%**

Services Rendered – Store and deliver copy paper and other paper goods to the Agency.

Allocation Base – Actual expenditures in this category in 2006/07.

❖ **Human Resources - \$11,859**

❖ **Benefit Administration: \$5,668** **Allocation Percentage - 1.527%**

Services Rendered – Administer employee benefits for all permanent employees.

Allocation Base - Authorized permanent employees for 2006/07

❖ **Benefit Administration: \$265** **Allocation Percentage - 0.350%**

Services Rendered – Administer employee benefits for all as-needed employees.

Allocation Base - Authorized as-needed employees for 2006/07.

❖ **Class & Compensation Studies: \$2,944** **Allocation Percentage – 2.094%**

Services Rendered – Prepare job classification and compensation studies.

Allocation Base – Number of permanent employees for 2006/07.

❖ **Employee Training: \$2,982** **Allocation Percentage – 1.792%**

Services Rendered – Provide employee development and training programs.

Allocation Base - Authorized full and part time positions for 2006/07.

❖ **Support Services – \$5,826**

❖ **Printing Services: \$2,269** **Allocation Percentage –0.563%**

Services Rendered – Provide printing and copying services for the Agency.

Allocation Base – Actual Print Shop Charges for 2006/07

❖ **Mail Services: \$3,557** **Allocation Percentage – 1.812%**

Services Rendered – Provide mail services and postage for the Agency mail.

Allocation Base – Actual Postage Charges for 2006/07.

❖ **Records & Election Services - Administration – \$460**

❖ **Printing Services: \$66** **Allocation Percentage – 0.563%**

Services Rendered – Provide printing and copying services for the Agency.

Allocation Base – Actual Print Shop Charges for 2006/07

❖ **Mail Services: \$394** **Allocation Percentage – 1.812%**

Services Rendered – Provide mail services and postage for the Agency mail.

Allocation Base – Actual Postage Charges for 2006/07.

❖ **Information Systems - Operations: \$36,593**

❖ **PC/Network Support: \$8,422** **Allocation Percentage – 0.532%**

Services Rendered – Provide computer and network support.

Allocation Base – Number of computers and printers (adjusted to .25% since the Agency's own computer staff maintains the department's computers and internal network services).

❖ **Telecommunications Support: \$11,090** **Allocation Percentage – 2.042%**

Services Rendered – Provide telecommunications support.

Allocation Base – Number of telecommunication lines.

❖ **Help Desk/Training Services: \$6,993** **Allocation Percentage – 1.491%**

Services Rendered – Provide computer help and training services.

Allocation Base – Number of computers, printers and telecommunication lines.

❖ **Application Development/Support: \$1,783** **Allocation Percentage – 0.096%**

Services Rendered – Provide application development and database support services.

Allocation Base – Detailed time records of Information Systems Staff.

❖ **Web Services: \$6,438** **Allocation Percentage – 1.383%**

Services Rendered – Provide mainframe web services for City web pages.

Allocation Base – Number of full and part time employees

❖ **GIS Services: \$1,867** **Allocation Percentage – 0.333%**

Services Rendered – Provide geographic information services support.

Allocation Base – Detailed time records of Information Systems Staff.

❖ **Finance - \$39,195**

❖ **Finance Admin. & Budget**

Budget Prep./Support: \$17,781

Allocation Percentage - 1.440%

Services Rendered - Maintain and update the Agency's budget within the City's Financial Accounting System.

Allocation Base - Adjusted actual expenditures in 2006/07.

❖ **Cash Management: \$1,873**

Allocation Percentage - 1.47%

Services Rendered - Manage the City's investment portfolio which includes Rent Control funds. For 2008/2009 the expected rate of return on invested Rent Control funds is 3.5%

Allocation Base - These costs are divided equally among all interest-earning funds with a 50% downward adjustment for Rent Control.

❖ **Financial Operations**

Accounts Payable: \$4,704

Allocation Percentage - 0.968%

Services Rendered - Disburse funds to vendors and conduct other necessary accounting activities.

Allocation Base - Number of warrants issued in 2006/07.

❖ **Financial Operations**

Budget Prep. & Support: \$430

Allocation Percentage - 1.440%

Services Rendered - Provide information and assistance to Rent Control staff on budget-related matters.

Allocation Base - Adjusted actual expenditures in 2006/07.

❖ **Financial Operations**

General Accounting: \$3,089

Allocation Percentage - 0.293%

Services rendered - Provide accounting services, such as compiling financial reports and maintaining financial accounting systems.

Allocation Base - Actual supplies and expenses for 2006/07.

❖ **Financial Operations**

Payroll: \$7,595

Allocation Percentage - 1.383%

Services rendered - Process the payroll for the Rent Control staff.

Allocation Base - Authorized full-time positions in 2006/07.

❖ **Financial Operations**

Purchasing Services: \$3,723

Allocation Percentage - 0.553%

Services Rendered - Acquisition of services, materials and supplies for the Agency.

Allocation Base - Number of purchasing transactions for the Agency in 2006/07.

4439 OTHER COSTS



**ALLOCATION:
\$33,250**

The allocation covers the cable television costs for coverage of 15 televised Rent Control Board meetings at \$550 per meeting. The allocation also includes \$25,000 to cover estimated election costs for the November 2008 election of Board members.

5501 CONTRACTUAL SERVICES



**ALLOCATION:
\$30,300**

❖ **Administration: \$16,500**

- Mailhouse services for mass mailings \$4,515
- Mailhouse services for the newsletter & postcard 4,660
- Design and layout services for the newsletter 6,825
- Access to the County Assessor's database through DataQuick 500

❖ **Hearings: \$11,000**

- Attorney service to serve subpoenas and advance witness fees \$1,200
- Storage, retrieval and destruction of files 9,800

❖ **Legal: \$2,800**

- Messenger service \$2,800

5506

**PROFESSIONAL
SERVICES**



**ALLOCATION:
\$89,300**

\$83,500 is allocated for all professional services for the agency including the Board's lobbyist, a contract hearing officer, and other consulting services.

- ❖ The lobbyist represents the Board's interests in Sacramento and for statewide and national legislative advocacy. Funds for travel-related expenses are included.
- ❖ The contract hearing officer assists the Hearings Department in handling cases which can not be heard by permanent staff.
- ❖ The former Board Administrator will provide consulting services to the Administrator and Board as needed.
- ❖ The services of a real estate appraiser and contractor consultant are used in connection with removal permits and construction-related petitions.

This allocation also includes funds for the following:

- ❖ \$1,500 is allocated to provide translation services for the newsletter, information sheets and other mailings.
- ❖ \$4,300 of the allocation is for interpreters at hearings and Board meetings and police/security services when needed.

5511

**LEGAL
EXPENSE**



**ALLOCATION:
\$50,000**

The allocation covers the direct costs of litigation, outside counsel, title searches, depositions, and a reserve for potential legal liabilities.

5521



TRAINING

**ALLOCATION:
\$10,100**

The Agency encourages staff to acquire training and skills that will enhance their contribution to the Agency and further their promotional opportunities. The allocation provides funds for courses, seminars and workshops conducted by universities, professional associations and other educational organizations and for Continuing Legal Education that the State Bar requires for attorneys.

7724

**SERVICE
AGREEMENTS**



**ALLOCATION:
\$37,280**

This allocation covers the costs of purchasing service agreements for office equipment and computer hardware. In most cases, the agreements provide regular maintenance and repair of covered equipment at no additional cost. The allocation also includes funds to cover the cost of software maintenance/license agreements.

❖ **Administration: \$36,200**

- Hewlett Packard Computer Hardware and Software \$22,925
- Microsoft License Agreements 6,000
- Liberty Net and Ascent Scanning System 4,825
- Miscellaneous office equipment 2,250
- City Hall alarm 200

❖ **Hearings: \$1,080**

- Hearing Room Recording Equipment 1,080

**8820 BUILDING
RENOVATION**



**ALLOCATION:
\$3,000**

This allocation includes funds to cover costs to reconfigure various workspaces, if required.

**8855 RESERVE FOR
CAPITAL EQUIPMENT**



**ALLOCATION:
\$0**

No reserve allocations are requested at this time.

ADMINISTRATION DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2007/2008</u>	<u>AUTHORIZED POSITIONS FY 2008/2009</u>
Administrator	1.00	1.00
Office Coordinator	2.00	2.00
Systems Administrator/ Programmer Analyst	0.00	1.90
Database Coordinator	0.00	0.90
Total positions	3.00	5.80

DEPARTMENT DESCRIPTION

The Administration Department oversees the fiscal, personnel, contract administration, labor relations, public relations, research, planning and policy development activities of the Rent Control Agency.

This year, the three staff members responsible for maintaining the Agency's computer systems and databases will be shifted from the Public Information Department to Administration.

Along with general administrative activities, the department provides direct support to the elected Rent Control Board by preparing and distributing agenda packages, scheduling Board meetings, producing and archiving Board actions and processing correspondence for the Board.

The Administrator, who heads the Administration Department as well as the Agency, is responsible for directing the overall operations of the Agency on behalf of the Board.

The two Office Coordinators perform the administrative, record-keeping and clerical responsibilities for the Board and Administrator.

The three computer staff members maintain the database and word processing systems, generate computer reports, and coordinate Agency activities that rely on the computer, such as development of the web site. They develop and update programs, design and install new systems to meet changing Board requirements, and maintain the capabilities of the computer and peripheral electronic equipment

HEARINGS DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2007/2008</u>	<u>AUTHORIZED POSITIONS FY 2008/2009</u>
Department Manager	1.00	1.00
Hearing Examiner	2.00	2.00
Hearings Investigator	1.00	1.00
Budget/Office Coordinator	1.00	1.00
Staff Assistant III	1.00	1.00
Total positions	6.00	6.00

DEPARTMENT DESCRIPTION

The Hearings Department is responsible for completing the following tasks on petitions, complaints and applications filed by landlords and tenants: scheduling hearings, sending notices, conducting investigations, drafting and issuing subpoenas for parties and documents, conducting administrative hearings, and issuing recommendations, decisions and addenda. The department also handles mediation of decrease and excess rent cases and mediates disputes between landlords and tenants which are not part of on-going cases. Members of the department work closely with the Building and Safety Department to encourage owners to make needed repairs of rent controlled units and with the Planning

Department in reviewing plan check applications involving rent controlled properties.

The Department Manager performs a variety of duties, including participating in the management team which oversees the operation of the Agency.

The Hearing Officers' major responsibility is conducting administrative hearings, gathering evidence and issuing written decisions based on the evidence. Administrative hearings are held on a variety of issues, including rent decreases, excess rent complaints, tenants not in occupancy, exemptions, registration of qualifying bootleg units, rent increases and base rent and amenities issues. One Hearing Officer acts as a settlement facilitator of excess rent complaints and rent decrease petitions, often enabling the parties to come to an agreement without the necessity of a hearing. In addition, she mediates a variety of issues outside the petition process. She also facilitates periodic seminars for tenants and owners.

The Hearings Investigator conducts inspections of properties for which rent decrease petitions have been filed and follow-up inspections to see whether or not the units have been repaired as required by the Rent Control Board's decision. The Inspector also conducts inspections for the Agency regarding occupancy and unit identification.

The Budget/Office Coordinator performs duties specific to the Hearings Department, directly supervises clerical staff throughout the Agency and prepares and monitors the Agency's budget including fiscal planning. In addition, she interacts with the public on a variety of matters, performs research and generates complex technical reports and is responsible for screening petitions and scheduling hearings.

The Staff Assistant, along with clerical staff from other parts of the Agency, provides support to the department through sending out notices of hearings, typing decisions, receiving and directing calls from the public, and processing documents for the document imaging system.

PUBLIC INFORMATION DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2007/08</u>	<u>AUTHORIZED POSITIONS FY 2008/2009</u>
Public Information Manager	1.00	1.00
Sr. Administrative Analyst	2.00	2.00
Systems Administrator/ Programmer Analyst	1.90	0.00
Database Coordinator	0.90	0.00
Information Analyst	2.00	1.00
Information Coordinator	4.60	4.60
Sr. Information Coordinator	1.00	1.00
Billing Coordinator	1.00	1.00
Staff Assistant III	2.00	2.00
Total positions	16.40	12.60

DEPARTMENT DESCRIPTION

The Public Information Department responds to public inquiries regarding the Rent Control Law. The department also maintains manual and electronic files, and researches the current legal rent level and history of administrative and legal activity affecting each controlled unit in the City.

The Public Information Manager coordinates the work of the department and participates on the management team which oversees the operation of the Agency.

The Senior Administrative Analysts investigate and write staff reports on exemptions; investigate and lapse owner-occupied exemptions when appropriate; supervise the Vacancy Increase Program; produce the

newsletter; and work on special projects including public information and community outreach. With the Public Information Manager and Hearings Department Manager, the Senior Analysts also act as liaisons with City Departments on construction and development issues.

The Information Coordinators and Information Analyst handle a variety of tasks central to providing information to the public regarding the Rent Control Law and regulations, state laws, and Maximum Allowable Rent levels for controlled rental units. The information staff processes new and amended registration forms; reviews petitions; and responds to public inquiries via e-mail. They also pursue outstanding registration fees through small claims actions; and process Ellis withdrawals and prepare reports on Ellis activity.

Staff assistants provide support to the department through processing Vacancy Increase Registrations, maintaining the property files, producing memos and letters, receiving and directing calls from the public, and preparing informational mailings.

The Billing Coordinator, with help from the staff assistants, inputs changes into the database, issues registration fee bills to owners of controlled properties, collects fees, maintains the electronic billing history, and processes owner-occupied, single family dwelling, Section 8, and low-income senior and disabled fee waiver applications.

LEGAL DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2007/2008</u>	<u>AUTHORIZED POSITIONS FY 2008/2009</u>
General Counsel	1.00	1.00
Sr. Litigation Staff Attorney	1.00	1.00
Staff Attorney	1.00	1.00
Legal Secretary	1.00	1.00
Total positions	4.00	4.00

DEPARTMENT DESCRIPTION

The Legal Department prepares and presents staff reports on appeal of hearings and administrative decisions, as well as removal applications.

A critical component of the Legal Department is defense of the Board's appellate decisions as well as litigating the legitimacy of the Rent Control Law and its implementing regulations.

The Legal Department serves as the Board's legal counsel providing advice on a myriad of legal topics. This includes drafting regulations and legal opinions. Legal staff also participates in discussions and critique with the Board's lobbyist when bills are drafted for the State Legislature.

Legal staff oversees the Ellis withdrawal process, and with the City Attorney's Office, monitors these properties for compliance with use-restrictions imposed by the Ellis Act.

The Legal Department also works closely with the City's Planning and Building and Safety Divisions identifying bootleg (built without permits) residential units, and when feasible, preserving them for continued occupancy. Legal staff and the City Attorney's Office work together in recognizing trends in the real estate market that could result in the loss of residential rental housing.

Legal staff advises the Information Coordinators and Information Analysts on rent control law issues. General Counsel sits on the management team of the Agency participating in the operational oversight of the Agency's functions.

The legal secretary supports the three attorneys in the department. Her duties include, formatting and word processing written materials, maintaining the law library, keeping appeal and litigation calendars and answering the department's phone line. She also lends clerical assistance to the Agency.

ADMINISTRATION

OBJ	DESCRIPTION	FY 04-05 ACTUAL EXPENSES	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL EXPENSES	FY 07-08 ADOPTED BUDGET	FY 07-08 REVISED BUDGET	FY 07-08 PROJECTED EXPENSES	FY 08-09 ADOPTED BUDGET
1100	PERMANENT EMPLOYEE	325,874	334,218	348,426	373,288	373,288	394,973	640,384
1104	BOARD ALLOWANCE	6,150	6,000	6,075	7,875	7,875	6,900	7,125
1149	OVERTIME	456	393	601	600	600	600	600
1150	AS-NEEDED EMPLOYEES	0	0	0	0	0	0	0
1171	MEDICARE EMP CONT	2,404	2,515	2,671	4,135	4,135	4,135	9,294
1173	INS-COMPENSATION	27,200	21,500	22,800	19,100	19,100	19,100	19,800
1174	INS-EMPL HEALTH/DENT	23,181	27,021	31,544	34,983	34,983	30,059	82,341
11743	Health		23,509	28,031	31,461	31,461	26,655	70,071
11748	Dental		3,112	3,112	3,112	3,112	3,022	11,448
11749	Vision		400	401	410	410	382	822
1177	RETIREMENT CONTRIB	43,102	57,035	50,647	58,060	58,060	62,345	103,093
1194	MEDICAL TRUST	5,655	5,112	5,112	5,112	5,112	5,112	10,224
1197	OTHER FRINGE BENEFIT	1,743	1,385	1,393	2,319	2,319	1,466	3,217
	TOTAL SALARIES & WAGES	435,765	455,179	469,270	505,472	505,473	524,689	876,078
2221	UTIL-TELEPHONE	24,431	24,011	25,656	29,800	29,800	27,078	28,000
2231	OFFICE SUPPLIES	10,701	10,446	10,845	11,500	11,500	11,500	12,700
2232	POSTAGE	33,422	35,013	36,468	37,700	37,700	37,700	39,500
2233	INVENTORY ISSUES	3,734	3,915	4,535	5,200	5,200	4,216	5,200
2254	ADVERTISING	4,523	2,289	5,506	7,000	7,000	5,400	4,000
2261	EQUIPMENT RENTAL	120	110	76	120	120	44	120
2262	RENT	0	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	1,204	986	1,020	1,020	1,020	1,020	1,020
2272	MILEAGE	526	393	323	550	550	383	475
2282	CONF-MTGS-TRAVEL	4,650	2,705	6,707	6,000	6,000	6,000	6,000
2290	MEMBERSHIPS & DUES	600	645	620	1,140	1,140	579	650
2294	INS-VEHICLES	0	700	900	900	900	900	900
3302	INS-COMPREHENSIVE	35,331	33,627	38,168	41,921	41,921	33,681	39,931
4404	BOOKS & PERIODICALS	526	562	566	1,200	1,200	506	1,200
4411	PRINTING	24,251	21,895	25,099	26,800	26,800	26,800	28,800
4434	INDIRECT COSTS	195,789	247,866	268,156	237,545	237,545	237,545	237,726
4439	OTHER COSTS	36,834	7,700	30,474	34,900	34,900	34,900	33,250
5501	CONTRACTUAL SERVICE	19,749	21,251	18,554	18,300	18,300	18,300	16,500
5506	PROF SERVICES	51,530	69,976	45,699	50,430	50,430	48,453	89,300
5511	LEGAL EXPENSE	0	0	0	0	0	0	0
5521	TRAINING	706	184	975	1,000	1,000	923	3,000
7724	SERVICE AGREEMENTS	31,424	26,874	31,741	35,450	35,450	35,450	36,200
	TOTAL SUPPLIES & EXPENSES	480,050	511,148	552,087	548,476	548,476	531,378	584,472
8803	COMPUTER SYSTEMS	13,106	6,022	7,219	8,500	8,500	8,500	8,500
8808	OFFICE EQUIPMENT	13,130	10,107	11,844	15,000	21,550	12,567	10,200
8820	BLDG. RENOVATION	9,960	180	952	5,000	22,550	7,670	3,000
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	36,196	16,309	20,015	28,500	52,600	28,737	21,700
	TOTAL BUDGET	952,010	982,636	1,041,372	1,082,448	1,106,549	1,084,804	1,482,249

HEARINGS

OBJ	DESCRIPTION	FY 04-05 ACTUAL EXPENSES	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL EXPENSES	FY 07-08 ADOPTED BUDGET	FY 07-08 REVISED BUDGET	FY 07-08 PROJECTED EXPENSES	FY 08-09 ADOPTED BUDGET
1100	PERMANENT EMPLOYEE	736,303	702,472	657,542	669,151	669,151	670,832	699,493
1104	BOARD ALLOWANCE	0	0	0	0	0	0	0
1149	OVERTIME	1,729	1,729	1,850	1,650	1,650	1,650	1,650
1150	AS-NEEDED EMPLOYEES	0	12,768	33,034	0	0	13,110	0
1171	MEDICARE EMP CONT	4,894	4,904	5,131	4,387	4,387	4,723	4,541
1173	INS-COMPENSATION	0	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	54,869	66,266	73,731	77,938	77,938	78,191	86,442
11743	Health		58,096	66,665	69,719	69,719	71,002	78,904
11748	Dental		7,194	6,224	7,261	7,261	6,350	6,717
11749	Vision		976	842	958	958	839	822
1177	RETIREMENT CONTRIB	92,344	115,767	93,292	108,745	108,745	113,539	114,492
1194	MEDICAL TRUST	15,079	12,922	10,224	11,928	11,928	12,638	10,224
1197	OTHER FRINGE BENEFIT	3,684	2,705	2,616	3,405	3,405	2,867	4,047
TOTAL SALARIES & WAGES		908,901	919,534	877,420	877,204	877,204	897,550	920,890
2221	UTIL-TELEPHONE	0	0	0	0	0	0	0
2231	OFFICE SUPPLIES	150	412	111	400	400	400	400
2232	POSTAGE	0	0	0	0	0	0	0
2233	INVENTORY ISSUES	0	0	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0	0
2262	RENT	27,149	29,756	25,265	23,684	23,684	23,831	18,305
2271	AUTO REIMBURSEMENT	2,420	2,320	2,400	2,400	2,400	2,400	2,400
2272	MILEAGE	0	0	34	0	0	16	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	1,670	1,475	1,495	1,650	1,650	1,290	1,655
2294	INS-VEHICLES	0	0	0	0	0	0	0
3302	INS-COMPREHENSIVE	0	0	0	0	0		0
4404	BOOKS & PERIODICALS	0	0	0	200	200	90	200
4411	PRINTING	0	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0	0
4439	OTHER COSTS	0	0	0	0	0	0	0
5501	CONTRACTUAL SERVICE	8,596	9,142	9,950	10,400	10,400	9,721	11,000
5506	PROF SERVICES	10,137	7,213	18,078	47,000	47,000	28,860	0
5511	LEGAL EXPENSE	0	0	0	0	0	0	0
5521	TRAINING	1,064	0	318	2,000	2,000	1,763	2,000
7724	SERVICE AGREEMENTS	1,075	1,110	1,110	1,300	1,300	1,135	1,080
TOTAL SUPPLIES & EXPENSES		52,260	51,427	58,761	89,034	89,034	69,506	37,040
8803	COMPUTER SYSTEMS	0	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	6,000	6,000	6,000	0
8820	BLDG. RENOVATION	0	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
TOTAL CAPITAL OUTLAY		0	0	0	6,000	6,000	6,000	0
TOTAL BUDGET		961,161	970,961	936,181	972,238	972,238	973,056	957,930

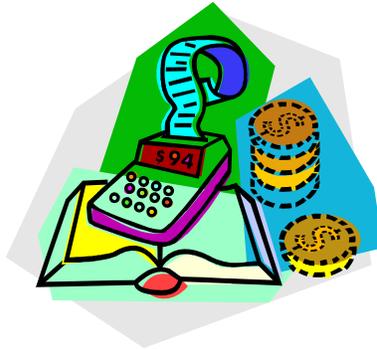
PUBLIC INFORMATION

OBJ	DESCRIPTION	FY 04-05 ACTUAL EXPENSES	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL EXPENSES	FY 07-08 ADOPTED BUDGET	FY 07-08 REVISED BUDGET	FY 07-08 PROJECTED EXPENSES	FY 08-09 ADOPTED BUDGET
1100	PERMANENT EMPLOYEE	1,078,189	1,076,709	1,106,523	1,217,581	1,203,581	1,081,186	919,345
1104	BOARD ALLOWANCE	0	0	0	0	0	0	0
1149	OVERTIME	2,679	1,834	2,088	2,500	2,500	3,440	2,500
1150	AS-NEEDED EMPLOYEES	11,157	21,221	24,097	0	0	1,050	0
1171	MEDICARE EMP CONT	11,510	12,416	13,096	15,498	15,498	13,812	12,196
1173	INS-COMPENSATION	0	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	116,986	141,403	150,726	185,850	175,750	151,972	118,188
11743	Health		124,465	134,755	168,239	158,139	136,384	101,960
11748	Dental		14,940	14,076	15,559	15,559	13,746	14,460
11749	Vision		1,998	1,896	2,052	2,052	1,842	1,769
1177	RETIREMENT CONTRIB	134,223	180,195	159,183	194,660	194,660	185,928	147,944
1194	MEDICAL TRUST	30,157	26,412	24,708	25,560	25,560	22,720	20,590
1197	OTHER FRINGE BENEFIT	3,777	2,628	2,548	4,196	4,196	5,529	4,599
TOTAL SALARIES & WAGES		1,388,679	1,462,816	1,482,970	1,645,846	1,621,745	1,465,637	1,225,362
2221	UTIL-TELEPHONE	0	0	0	0	0	0	0
2231	OFFICE SUPPLIES	1,379	1,331	253	1,500	1,500	1,405	1,500
2232	POSTAGE	0	0	0	0	0	0	0
2233	INVENTORY ISSUES	0	0	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0	0
2262	RENT	0	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	2,420	2,320	2,400	2,400	2,400	1,400	2,400
2272	MILEAGE	0	0	0	0	0	0	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	0	0	0	100	100	0	100
2294	INS-VEHICLES	0	0	0	0	0	0	0
3302	INS-COMPREHENSIVE	0	0	0	0	0	0	0
4404	BOOKS & PERIODICALS	0	0	0	40	40	40	100
4411	PRINTING	0	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0	0
4439	OTHER COSTS	0	0	0	0	0	0	0
5501	CONTRACTUAL SERVICE	0	0	0	0	0	0	0
5506	PROF SERVICES	0	0	0	0	0	0	0
5511	LEGAL EXPENSE	0	0	0	0	0	0	0
5521	TRAINING	1,768	0	334	3,500	3,500	874	1,500
7724	SERVICE AGREEMENTS	0	0	0	0	0	0	0
TOTAL SUPPLIES & EXPENSES		5,567	3,651	2,987	7,540	7,540	3,719	5,600
8803	COMPUTER SYSTEMS	0	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
TOTAL CAPITAL OUTLAY		0	0	0	0	0	0	0
TOTAL BUDGET		1,394,246	1,466,467	1,485,957	1,653,386	1,629,285	1,469,356	1,230,962

LEGAL

OBJ	DESCRIPTION	FY 04-05 ACTUAL EXPENSES	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL EXPENSES	FY 07-08 ADOPTED BUDGET	FY 07-08 REVISED BUDGET	FY 07-08 PROJECTED EXPENSES	FY 08-09 ADOPTED BUDGET
1100	PERMANENT EMPLOYEE	461,614	516,769	455,259	492,902	492,902	491,957	523,310
1104	BOARD ALLOWANCE	0	0	0	0	0	0	0
1149	OVERTIME	22	0	454	250	250	250	250
1150	AS-NEEDED EMPLOYEES	0	0	0	0	0	0	0
1171	MEDICARE EMP CONT	6,593	7,706	6,668	7,151	7,151	7,224	7,592
1173	INS-COMPENSATION	0	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	22,195	41,237	42,097	51,297	51,297	53,509	52,048
11743	Health		36,555	37,901	46,601	46,601	48,711	47,022
11748	Dental		4,149	3,717	4,149	4,149	4,258	4,478
11749	Vision		533	479	547	547	540	548
1177	RETIREMENT CONTRIB	57,367	77,823	60,944	80,484	80,484	82,669	87,073
1194	MEDICAL TRUST	7,539	6,816	6,248	6,816	6,816	6,816	6,816
1197	OTHER FRINGE BENEFIT	2,410	1,924	1,727	2,953	2,953	2,068	3,145
	TOTAL SALARIES & WAGES	557,739	652,274	573,398	641,853	641,853	644,493	680,234
2221	UTIL-TELEPHONE	0	0	0	0	0	0	0
2231	OFFICE SUPPLIES	53	26	174	200	200	53	200
2232	POSTAGE	0	0	0	0	0	0	0
2233	INVENTORY ISSUES	0	0	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0	0
2262	RENT	0	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	2,500	2,440	2,195	2,400	2,400	2,400	2,400
2272	MILEAGE	0	0	0	0	0	0	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	1,598	1,523	1,580	1,600	1,600	1,535	1,685
2294	INS-VEHICLES	0	0	0	0	0	0	0
3302	INS-COMPREHENSIVE	0	0	0	0	0	0	0
4404	BOOKS & PERIODICALS	7,781	10,814	11,729	10,200	10,200	10,200	10,000
4411	PRINTING	0	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0	0
4439	OTHER COSTS	0	0	0	0	0	0	0
5501	CONTRACTUAL SERVICE	5,092	3,000	2,465	3,700	3,700	2,473	2,800
5506	PROF SERVICES	7,446	0	10,013	12,600	12,600	3,766	0
5511	LEGAL EXPENSE	14,709	120,711	12,062	75,000	75,000	35,576	50,000
5521	TRAINING	1,520	946	3,724	3,600	3,600	2,001	3,600
7724	SERVICE AGREEMENTS	0	0	0	0	0		0
	TOTAL SUPPLIES & EXPENSES	40,699	139,460	43,943	109,300	109,300	58,002	70,685
8803	COMPUTER SYSTEMS	0	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	0	0	0	0	0	0	0
	TOTAL BUDGET	598,438	791,734	617,341	751,153	751,153	702,495	750,919

REVENUE PROJECTION



Revenue for fiscal year 2008/2009 is projected to be \$4,227,205. The sources of the Agency's revenue are registration fees at \$156 per unit (\$13 per month per unit), interest earnings on unexpended Rent Control funds, fees for administrative records, limited filing fees and miscellaneous receipts.

Registration Fees

The Santa Monica Rent Control Board's primary source of income has always been the registration fee paid on each rent controlled unit in the city.

Each year, staff projects the number of billable units for the upcoming fiscal year based on analysis of the Agency's database and projections of current trends such as Ellis withdrawals, exemptions, fee waiver applications and rates of TORCA unit sales. The number of billable units changes during the year. Units become exempt or fee waivers are granted making some units no longer billable, while other units previously exempt or otherwise not under Rent Control become billable units. For fiscal year 2007/2008, staff projected 26,380 units would be billed. For fiscal year 2008/2009 staff believes there will be a slight decrease in the number of billable units and is projecting 26,350 units will be billed.

Registration Fee Refunds

Sometimes after registration fees have been paid for a unit, that unit receives a fee waiver or an exemption. In those instances, refunds are issued. Fee waivers are granted throughout the fiscal year for owner-occupied units and units

occupied by low income senior and disabled tenants and tenants with Section 8 vouchers.

Refunds for units occupied by tenants with Section 8 vouchers increased somewhat over the last several fiscal years. The number of units occupied by tenants with senior and disabled fee waivers decreased. Staff believes this pattern will continue.

Refunds are also issued for overpayments of billed fees. Overpayment refunds are unpredictable and can vary widely from year to year. In recent years, staff has diligently updated and adjusted Agency billing records as soon as relevant information is available. This process has helped reduce the number of overpayment refunds, although overpayments are still made for a variety of reasons.

For fiscal years 2006/2007 and 2007/2008 staff projected \$15,000 in refunds each year. Actual refunds issued for fiscal year 2006/2007 were just under \$12,000. For fiscal year 2007/2008, it appears total refunds will be approximately \$10,300.

As refunds appear to have decreased over the past few years, staff projects a somewhat lower amount of \$12,500 in various types of refunds for fiscal year 2008/2009.

Based on an estimate of 26,350 controlled billable rental units with a registration fee of \$13 per month, the revenue from registration fees would be \$4,110,600. Net registration fees after subtracting projected refunds (\$12,500) would be \$4,098,100.

Interest Earnings

Another significant source of revenue is interest earnings on City-invested Rent Control funds. Staff estimates the interest earnings for fiscal year 2008/2009 will be \$119,105. The City Treasurer is estimating a rate of return on invested funds of 3.5%. Staff uses the same rate to estimate Board interest earnings on a declining balance.

Administrative Records

The Agency provides administrative records as a service to members of the public who request them. Staff estimates that the Agency will receive \$3,000 in administrative records fees in 2008/2009, some of which may need to be reimbursed to the requestor. All unexpended funds collected for these records will become unreserved funds for the Agency.

Filing Fees

In June of 1999, the Board adopted two filing fees: a \$50 fee for processing a Vacancy Unit Registration on a property which has an owner-occupied exemption and a \$100 fee for processing an owner-occupied exemption application. The majority of filing fees collected each fiscal year are attributed to owner-occupied exemption applications. Total projected filing fees are \$3,000.

Miscellaneous Charges

Miscellaneous charges, such as those for copy charges, prints from the computerized site file documents and public records requests, are projected to be \$4,000.

SOURCES OF REVENUE

Registration Fees - 26,350 units	\$4,110,600	
Refunded Registration Fees	- <u>12,500</u>	
Registration Fees Subtotal		4,098,100
Interest Earnings @ 3.5%		119,105
Administrative Records Charges		3,000
Filing Fees		3,000
Miscellaneous Charges		<u>4,000</u>
Total Revenue		\$4,227,205

At the end of fiscal year 2007/2008, the Agency's undesignated fund balance, which is the Agency's "safety net" in case of emergency, is projected to be slightly more than \$1.5 million. The proposed budget has a deficit of \$194,856. That shortfall will be covered from the undesignated reserve fund.

Total Projected Revenue	\$4,227,205
Total Projected Expenditures	- <u>4,422,061</u>
Revenue less Expenditures	\$ (194,856)

DESIGNATED BALANCE SHEET RESERVES

Balance sheet reserve accounts identify funds which had been designated for particular purposes during the budget cycle, but were not spent by the end of the fiscal year. The reserves are a form of savings account for specialized purposes.

The Agency's Designated Balance Sheet Reserves will total \$58,975 at the end of fiscal year 2007/2008. An existing reserve of \$14,010 for Office Equipment will be eliminated and a new designated reserve for Office Equipment/Building Renovation of \$25,000 will be established. If the Agency is able to develop a plan for remodeling the front counter area or if new furniture is selected, the Board will be asked to allocate funds from this reserve into the current year budget.

The General Emergency reserve account will be increased to total \$33,975. The Legal/Administrative Records reserve will be eliminated as funds can be used from the Legal Expense line within the budget if any reimbursements for records are necessary.

The chart below summarizes these changes.

Reserve Name	2007/2008 Reserves	Adopted Change in Reserves	Adopted 2008/2009 Reserves
General Emergency	\$24,770	\$+ 9,205	\$33,975
Office Equipment	14,010	-14,010	0
Office Equipment/Building Renovation	0	+25,000	25,000
Legal/Administrative Records	20,195	-20,195	0
Totals	\$58,975	\$0	\$58,975