

Santa Monica Rent Control Board

1685 Main Street, Room 202, Santa Monica, CA 90401 • (310) 458-8751 • www.smgov.net/rentcontrol

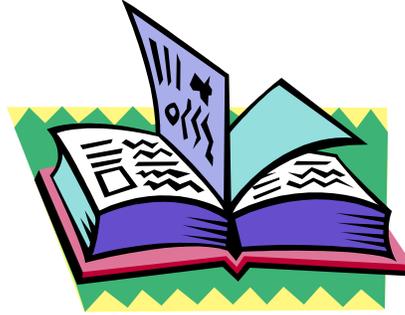


Adopted 6/14/2012

BOARD MEMBERS

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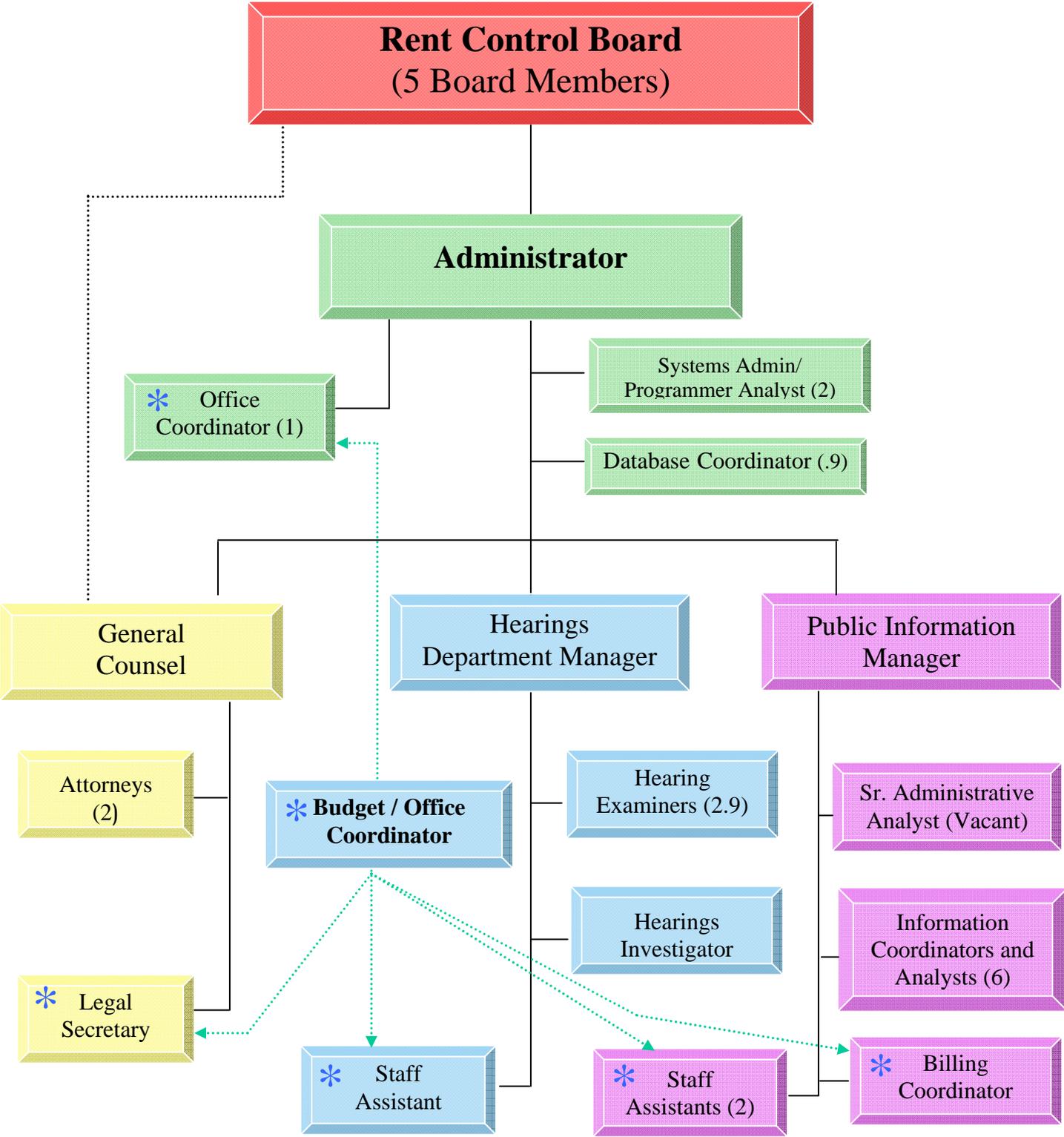
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Santa Monica Rent Control Board Organization Chart



LABOR SUMMARY

FY 2012/2013

| CLASSIFICATION | AUTHORIZED POSITIONS 2009/2010 | AUTHORIZED POSITIONS 2010/2011 | AUTHORIZED POSITIONS 2011/2012 | AUTHORIZED POSITIONS 2012/2013 | AMOUNT OF CHANGE 11/12 -- 12/13 |
|--------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|
| Administration | 5.80 | 5.90 | 5.90 | 4.90 | -1.00 |
| Hearings | 6.00 | 5.80 | 5.90 | 5.90 | 0.00 |
| Public Information | 10.60 | 11.00 | 11.00 | 11.00 | 0.00 |
| Legal | 4.00 | 4.00 | 4.00 | 4.00 | 0.00 |
| Total | 26.40 | 26.70 | 26.80 | 25.80 | -1.00 |

PERMANENT STAFF BY CLASSIFICATION

AUTHORIZED - FY 2012/2013

| CLASSIFICATION | AUTHORIZED POSITIONS 2009/10 | AUTHORIZED POSITIONS 2010/11 | AUTHORIZED POSITIONS 2011/12 | AUTHORIZED POSITIONS 2012/13 | AMOUNT OF CHANGE 11/12 -- 12/13 |
|-------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------------|
| Administrator | 1.00 | 1.00 | 1.00 | 1.00 | 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 | 0.00 | 0.00 | 1.00 | +1.00 |
| Hearings Investigator | 1.00 | 1.00 | 1.00 | 1.00 | 0.00 |
| Hearing Examiner | 2.00 | 2.80 | 2.90 | 1.90 | -1.00 |
| Information Analyst | 3.60 | 4.00 | 4.00 | 6.00 | +2.00 |
| Information Coordinator | 2.00 | 2.00 | 2.00 | 0.00 | -2.00 |
| Legal Secretary II | 1.00 | 1.00 | 1.00 | 1.00 | 0.00 |
| Office Coordinator | 2.00 | 2.00 | 2.00 | 1.00 | -1.00 |
| Public Information Mgr. | 1.00 | 1.00 | 1.00 | 1.00 | 0.00 |
| Sr. Administrative Analyst* | 1.00 | 1.00 | 1.00 | 1.00 | 0.00 |
| Sr. Litigation Staff Attorney | 1.00 | 1.00 | 1.00 | 1.00 | 0.00 |
| Staff Assistant III | 3.00 | 3.00 | 3.00 | 3.00 | 0.00 |
| Staff Attorney | 1.00 | 1.00 | 1.00 | 1.00 | 0.00 |
| Sys. Admin. / Prog. Analyst | 1.90 | 2.00 | 2.00 | 2.00 | 0.00 |
| TOTAL | 26.40 | 26.70 | 26.80 | 25.80 | -1.00 |

*Vacant

Improve citizens' access to protections provided by the rent control law.

- ✦ Streamline the excess rent (Chapter 8) and non-registration (Chapter 13) regulations to simplify the processes and strive to ensure final decisions are issued within 120 days of petition filing.
- ✦ Update petition and complaint forms and instructions. Develop educational materials to help citizens better understand the petition process (CITY-TV spot, PSA, web content).
- ✦ Continue to expand the Board's outreach efforts through traditional communication tools and social media outlets.

Ensure compliance with the rent control law and take affirmative legal action where indicated.

- ✦ Verify continuing eligibility of: owner-occupied fee waivers and exemptions; and use exemptions (non-rental, commercial and hotel/motel).
- ✦ Proactively enforce the rent control law through civil litigation when appropriate.

Ensure the ongoing financial stability of the Rent Control Agency.

- ✦ Collect all revenue due by pursuing payment of unpaid registration fees and by reviewing the validity of fee waivers and use exemptions.
- ✦ Reduce litigation costs where possible.
- ✦ Collaborate/negotiate with employee associations to identify cost-saving measures while continuing to provide excellent service to the public.

Collaborate with other city departments on shared interests.

- ✦ Coordinate with Planning and Community Development on significant applications and projects:
 - Village Trailer Park development and removal permit agreements.
 - Housing element update and review.
- ✦ Cooperate with other city departments charged with improving health and safety in living environments.
 - Continue to work with the City Attorney's Office on fair and effective methods of addressing the impacts of drifting second-hand smoke.
 - Collaborate with Code Compliance office to ensure the habitability of controlled rental units and enforcement of prohibitions on short-term rentals.
- ✦ Encourage environmental awareness and sustainability
 - Participate in the Office of Sustainability and the Environment's Electric Vehicle Infrastructure Planning Group to ensure proposals/solutions comply with the rent control law.
 - Explore practical, cost-efficient and legal methods to encourage water conservation on rental properties and help the City reach its goal of water self-sufficiency by 2020.

AGENCY BUDGET

| OBJ | DESCRIPTION | FY 07-08 ACTUAL EXPENSES | FY 08-09 ACTUAL EXPENSES | FY 09-10 ACTUAL EXPENSES | FY 10-11 ACTUAL EXPENSES | FY 11-12 REVISED BUDGET | FY 11-12 PROJECTED EXPENSES | FY 12-13 ADOPTED BUDGET |
|-------|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| 1100 | PERMANENT EMPLOYEES | 2,613,697 | 2,676,316 | 2,769,054 | 2,964,086 | 2,947,173 | 2,931,276 | 2,809,100 |
| 1104 | BOARD ALLOWANCE | 6,675 | 4,800 | 6,000 | 6,075 | 6,375 | 6,224 | 6,375 |
| 1149 | OVERTIME | 7,207 | 6,568 | 5,678 | 6,573 | 5,000 | 5,593 | 5,000 |
| 1150 | AS-NEEDED EMPLOYEES | 14,169 | 20,340 | 27,836 | 14,164 | 0 | 0 | 0 |
| 1171 | MEDICARE EMP CONT | 28,946 | 32,640 | 34,407 | 38,279 | 41,209 | 40,789 | 38,341 |
| 1173 | INS-COMPENSATION | 19,100 | 19,800 | 19,900 | 20,800 | 17,798 | 17,797 | 17,798 |
| 1174 | INS-EMPL HEALTH/DENT | 302,674 | 331,198 | 336,885 | 336,422 | 353,934 | 332,383 | 374,180 |
| 11743 | Health | 270,186 | 298,706 | 305,030 | 305,547 | 318,515 | 300,910 | 340,465 |
| 11748 | Dental | 28,851 | 28,725 | 28,195 | 27,178 | 31,407 | 26,817 | 30,087 |
| 11749 | Vision | 3,638 | 3,768 | 3,661 | 3,698 | 3,834 | 3,548 | 3,629 |
| 1177 | RETIREMENT CONTRIB | 423,921 | 416,721 | 394,700 | 610,849 | 524,795 | 506,031 | 522,783 |
| 1194 | MEDICAL TRUST | 45,014 | 46,576 | 44,446 | 46,008 | 46,008 | 44,887 | 47,398 |
| 1197 | OTHER FRINGE BENEFITS | 27,215 | 18,769 | 29,372 | 11,121 | 13,787 | 13,786 | 12,641 |
| | TOTAL SALARIES & WAGES | 3,488,620 | 3,573,728 | 3,668,278 | 4,054,378 | 3,955,901 | 3,898,766 | 3,833,616 |
| 2221 | UTIL-TELEPHONE | 23,854 | 24,850 | 23,491 | 25,396 | 27,000 | 24,150 | 25,000 |
| 2231 | OFFICE SUPPLIES | 12,535 | 14,259 | 12,759 | 9,988 | 14,100 | 14,100 | 17,475 |
| 2232 | POSTAGE | 36,202 | 37,313 | 38,163 | 36,373 | 40,000 | 34,191 | 35,500 |
| 2233 | INVENTORY ISSUES | 3,424 | 3,822 | 4,597 | 3,507 | 4,400 | 2,037 | 0 |
| 2254 | ADVERTISING | 2,769 | 446 | 3,011 | 4,148 | 2,500 | 3,300 | 3,000 |
| 2261 | EQUIPMENT RENTAL | 48 | 48 | 48 | 42 | 120 | 22 | 120 |
| 2262 | RENT | 23,831 | 8,206 | 12,144 | 12,697 | 1,100 | 1,096 | 0 |
| 2271 | AUTO REIMBURSEMENT | 7,020 | 7,620 | 5,020 | 5,820 | 5,820 | 6,620 | 8,220 |
| 2272 | MILEAGE | 361 | 338 | 363 | 179 | 375 | 543 | 500 |
| 2282 | CONF-MTGS-TRAVEL | 7,642 | 5,911 | 6,813 | 6,675 | 7,200 | 7,200 | 7,200 |
| 2290 | MEMBERSHIPS & DUES | 3,509 | 2,935 | 2,825 | 2,775 | 3,010 | 2,790 | 3,290 |
| 2294 | INS-VEHICLES/PROPERTY | 900 | 900 | 1,900 | 2,040 | 2,995 | 2,995 | 3,145 |
| 3302 | INS-COMPREHENSIVE | 41,921 | 37,872 | 8,669 | 15,385 | 17,623 | 17,882 | 18,152 |
| 4404 | BOOKS & PERIODICALS | 11,279 | 12,340 | 13,611 | 15,683 | 15,700 | 14,854 | 13,700 |
| 4411 | PRINTING | 23,653 | 24,285 | 25,454 | 29,828 | 31,800 | 28,038 | 25,600 |
| 4434 | INDIRECT COSTS | 237,545 | 237,725 | 267,442 | 278,769 | 287,132 | 287,132 | 282,355 |
| 4439 | OTHER COSTS | 30,950 | 34,686 | 25,092 | 57,684 | 7,700 | 7,700 | 37,700 |
| 5501 | CONTRACTUAL SERVICES | 27,638 | 27,657 | 26,881 | 21,715 | 24,300 | 23,465 | 22,400 |
| 5506 | PROF SERVICES | 70,242 | 83,149 | 66,526 | 51,793 | 75,725 | 77,908 | 66,500 |
| 5511 | LEGAL EXPENSE | 44,700 | 8,597 | 37,720 | 43,010 | 125,775 | 103,744 | 50,000 |
| 5521 | TRAINING | 5,768 | 6,748 | 9,867 | 8,788 | 12,000 | 5,902 | 11,500 |
| 7724 | SERVICE AGREEMENTS | 35,043 | 35,928 | 38,852 | 24,041 | 41,000 | 41,000 | 39,000 |
| | TOTAL SUPPLIES & EXPENSES | 650,833 | 600,355 | 631,248 | 656,336 | 747,375 | 706,669 | 670,357 |
| 8803 | COMPUTER SYSTEMS | 7,436 | 8,389 | 4,919 | 2,600 | 5,200 | 5,200 | 5,200 |
| 8808 | OFFICE EQUIPMENT | 10,760 | 10,393 | 9,205 | 8,533 | 9,500 | 9,500 | 10,000 |
| 8820 | BLDG. RENOVATION | 4,170 | 813 | 2,983 | 0 | 1,000 | 1,000 | 1,000 |
| 8855 | RESVE-SYST. UPGRADE | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL CAPITAL OUTLAY | 22,365 | 19,594 | 17,107 | 11,133 | 15,700 | 15,700 | 16,200 |
| | TOTAL BUDGET | 4,161,815 | 4,193,679 | 4,316,633 | 4,721,848 | 4,718,976 | 4,621,134 | 4,520,173 |

SALARIES AND WAGES

1100 PERMANENT EMPLOYEES



**ALLOCATION:
\$2,809,100**

Total Agency Positions - 25.80

| | | | |
|----------------------|--------------|------------------|--------------------|
| •Administration | 4.90 | positions | \$608,599 |
| •Hearings | 5.90 | positions | 763,749 |
| •Public Information | 11.00 | positions | 882,211 |
| •Legal | 4.00 | positions | 554,541 |
| •Agency Total | 25.80 | positions | \$2,809,100 |

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:
\$6,375**

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

1149 OVERTIME



**ALLOCATION:
\$5,000**

The allocation covers \$600 for Administration, \$2,200 for Hearings, \$2,000 for Public Information and \$200 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 is 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 to cover any absences by permanent staff or to help with special projects, as-needed staff may be hired. Savings from the permanent employees' salaries will be used to offset the cost.

**1171 INSURANCE,
MEDICARE**



**ALLOCATION:
\$38,341**

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:
\$17,798**

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 approximately \$8.5 million. The Rent Control allocation of \$17,798 represents 0.24% of the total costs.

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



**ALLOCATION:
\$374,180**

The allocation is based on the 2012 and estimated 2013 premiums for the health, dental and vision plans that are provided 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.

In January 2011, Agency employees began making small contributions toward the cost of their selected health insurance premiums.

| | |
|---------|-----------|
| •Health | \$340,465 |
| •Dental | 30,087 |
| •Vision | 3,628 |

1177 RETIREMENT CONTRIBUTION



**ALLOCATION:
\$522,783**

For fiscal year 12/13 the retirement contribution rate is 18.9% of staff salaries, which is a slight increase from the 18.7% rate applied to salaries in FY 11/12.

1194 MEDICAL TRUST



**ALLOCATION:
\$47,398**

The Employee Medical Benefit Trust fund was established effective July 2001 to reimburse retirees for a portion of their healthcare expenses. Pursuant to the umbrella agreement the Rent Control Board entered into with Agency employees, during fiscal year 2012/2013, the Agency will make monthly contributions for each permanent employee in the amount of \$144.84 per month through December 2012, then \$147.74 from January through June 2013.

1197 OTHER FRINGE BENEFITS



**ALLOCATION:
\$12,641**

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: \$25,000**

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

2231 OFFICE SUPPLIES  **ALLOCATION: \$17,475**

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

2232 POSTAGE  **ALLOCATION: \$35,500**

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

- General Adjustment/Registration Fee Mailings \$ 8,800
- Newsletter Mailings (2) 16,000
- General Mailings 8,000
- Miscellaneous Postal Fees 2,700

**2233 INVENTORY
ISSUES**



**ALLOCATION:
\$0**

This line item represented 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. The warehouse closed during fiscal year 2011/12. The cost for these items is now included in the Office Supplies line item.

2254



ADVERTISING

**ALLOCATION:
\$3,000**

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

2261



**EQUIPMENT
RENTAL**

**ALLOCATION:
\$120**

This allocation is for leasing the water cooler in the Rent Control Office.

2262



RENT

**ALLOCATION:
\$0**

For fiscal year 2012/2013, staff will use conference rooms in City Hall in lieu of renting office space to hold hearings on petitions filed by tenants and owners.

2271



**AUTO
REIMBURSEMENT**

**ALLOCATION:
\$8,220**

This line item represents monthly car allowances for staff.

2272

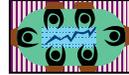


MILEAGE

**ALLOCATION:
\$500**

This allocation provides mileage reimbursements at \$0.555 cents per mile.

2282 **CONFERENCES,
MEETINGS, TRAVEL**



**ALLOCATION:
\$7,200**

The Board and staff incur travel expenses for trips to Sacramento to attend conferences, 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 and training for Board members.

2290 **MEMBERSHIP
AND DUES**



**ALLOCATION:
\$3,290**

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,
VEHICLE/PROPERTY**



**ALLOCATION:
\$3,145**

This allocation is for Multi-Peril Insurance for property at City Hall which includes fire and theft of office equipment, furniture and valuable papers, as well as computer equipment and software.

3302 **INSURANCE,
COMPREHENSIVE**



**ALLOCATION:
\$18,152**

- ❖ **General Liability, Non-owned and Hired Automobile Liability, Public Officials Errors and Omissions and Employment Practices Liability: \$18,152**

The Agency carries a \$3,000,000 combined limit liability policy with a \$1,000 deductible for all items except for Employment Practice Liability which has a \$10,000 deductible.

4404 BOOKS AND PERIODICALS



**ALLOCATION:
\$13,700**

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:
\$25,600**

- Newsletter (2 issues) 11,500
- General Adjustment Letters 8,500
- Registration Fee Bills/Envelopes 1,600
- Owner and Tenant Vacancy Registration Forms 2,000
- Charter Amendment and Regulations, Instructions, Information sheets, and Miscellaneous Notices 2,000

4434 ADMINISTRATIVE INDIRECT COSTS



**ALLOCATION:
\$282,355**

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, Facilities Maintenance and Information Systems. These costs are distributed among all City departments according to an allocation base which approximates each department's share of overhead and service costs. Indirect costs are allocated to the departments two years after they are incurred. However, the Finance Department has not issued a cost allocation plan since FY 2010/2011 (that plan was based on costs incurred for FY 2008/2009). Instead of providing a detailed plan, the Finance Department increased the 2010/2011 indirect cost allocation for each department by 3% for FY 2011/2012 and for this budget, FY 2012/2013, the percent increase was 5%. Staff has requested that the Finance Department reduce and/or eliminate several questionable allocations for a total downward adjustment of \$19,134. This budget reflects those adjustments. If the Finance Department provides the Board with documentation to support the original allocations, staff will make the necessary adjustments to the

❖ **Support Services – \$2,002**

❖ **Printing Services: \$2,002** **Allocation Percentage – 0.507%**

Services Rendered – Provide printing and copying services for the Agency.
Allocation Base – Actual Print Shop Charges.

❖ **Facilities Management: \$53,670**

❖ **City Hall Maintenance: \$52,803** **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.

❖ **Other Facilities Maintenance: \$867** **Allocation Percentage – 0.048%**

Services Rendered - Structural maintenance and utility expenses for other facilities.
Allocation Base – Actual hours used.

❖ **Maintenance Management - \$93,742**

❖ **City Hall Custodial Services: \$93,742** **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 - \$15,224**

❖ **City Hall Building Use: \$15,224** **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.

❖ **Human Resources - \$13,675**

❖ **Benefit Administration: \$6,702** **Allocation Percentage - 1.414%**

Services Rendered – Administer employee benefits for all permanent employees.
Allocation Base - Authorized permanent employees.

❖ **Labor Negotiations: \$0*** **Allocation Percentage – 1.414%**

Services Rendered – Negotiate labor agreements with bargaining units.
*(*Adjusted to \$0 from a projected cost of \$3,771. Human Resources does not negotiate the Board's labor agreements.)*
Allocation Base - Authorized permanent employees.

❖ **Class & Compensation Studies: \$3,179** **Allocation Percentage – 1.414%**

Services Rendered – Prepare job classification and compensation studies.
Allocation Base – Number of permanent employees.

❖ **Employee Training: \$3,794** **Allocation Percentage – 1.297%**

Services Rendered – Provide employee development and training programs.
Allocation Base - Authorized full and part time positions.

❖ **Finance - \$47,929**

❖ **Finance Admin. & Budget**

Budget Prep./Support: \$15,530 **Allocation Percentage - 1.342%**

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

Allocation Base – Adjusted actual expenditures.

❖ **Cash Management: \$3,853** **Allocation Percentage – 2.778%**

Services Rendered - Manage the City's investment portfolio which includes Rent Control funds.

Allocation Base - These costs are divided equally among all interest-earning funds with a 50% downward adjustment for Rent Control. (Adjustment was not made and is under review.)

❖ **Financial Operations**

Accounts Payable: \$9,851 **Allocation Percentage – 1.250%**

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

Allocation Base - Number of warrants issued.

❖ **Financial Operations**

Budget Prep. & Support: \$525 **Allocation Percentage – 1.342%**

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

Allocation Base – Adjusted actual expenditures.

❖ **Financial Operations**

General Accounting: \$8,607 **Allocation Percentage – 0.722%**

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

Allocation Base – Actual supplies and expenses.

❖ **Financial Operations**

Payroll: \$6,479 **Allocation Percentage – 1.297%**

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

Allocation Base - Authorized full-time positions.

❖ **Financial Operations**

Purchasing Services: \$3,084 **Allocation Percentage – 0.480%**

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

Allocation Base – Number of purchasing transactions.

❖ **Information Systems - Operations: \$30,454**

❖ **PC/Network Support: \$12,453** **Allocation Percentage – 0.579%**

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: \$6,151** **Allocation Percentage – 3.590%**

Services Rendered – Provide telecommunications support.

Allocation Base – Number of telecommunication lines.

❖ **Help Desk/Training Services: \$3,210*** **Allocation Percentage – 0.565%**

Services Rendered – Provide computer help and training services.

*(*Reduced from a projected cost of \$7,686. Staff believes this cost should have been reduced to reflect the cost for only 25% of the number of computers and printers as is done with the PC/Network Support allocation. The Agency's computer staff maintains the department's computers and provides technical support to staff members for most issues.)*

Allocation Base – Number of computers, printers

❖ **Application Dev./Support: \$2,500*** **Allocation Percentage – 0.553%**

Services Rendered – Provide application development and database support services. *(*Reduced from a projected cost of \$12,500. Most years, Board staff does not require significant support for application development. The projection of \$12,500 was based on costs incurred during fiscal year 2008-2009 for a special project that did require significant assistance from the Information Systems Department. The amount of \$2,500 is in line with allocations from prior years (adjusted for inflation) where minimal assistance was needed.)*

Allocation Base – Detailed time records of Information Systems Staff.

❖ **Web Services: \$6,140** **Allocation Percentage – 1.307%**

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

Allocation Base – Number of full and part time employees.

❖ **Central Warehouse Services - \$734**

❖ **Central Warehouse Services - \$734** **Allocation Percentage – 0.427%**

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

Allocation Base – Actual expenditures in this category.

4439 OTHER COSTS



**ALLOCATION:
\$37,700**

The allocation covers the cable television costs for coverage of 14 televised Rent Control Board meetings at \$550 per meeting. The allocation also includes \$30,000 for the Agency's estimated share of the November 2012 election costs. If additional funds are needed to cover the Agency's share, staff will request Board authorization to move funds into the budget from the uncommitted reserve funds.

5501 CONTRACTUAL SERVICES



**ALLOCATION:
\$22,400**

❖ **Administration: \$10,100**

- Mailhouse services for two newsletters \$5,100
- Mailhouse services for mass mailings 4,500
- Access to the County Assessor's database through DataQuick 500

❖ **Hearings: \$11,000**

- Attorney service to serve subpoenas and advance witness fees \$1,000
- Storage, retrieval and destruction of files 10,000

❖ **Legal: \$1,300**

- Messenger service \$1,300

5506

**PROFESSIONAL
SERVICES**



**ALLOCATION:
\$66,500**

\$63,500 is allocated for professional services for the agency including the Board's lobbyist and other consulting services.

- ❖ The services of a real estate appraiser and contractor consultant are used in connection with removal permits and construction-related petitions.
- ❖ The lobbyist represents the Board's interests in Sacramento and for statewide and national legislative advocacy. Funds for travel-related expenses are included.
- ❖ Consulting services from various professionals including former Board employees.

\$3,000 is allocated for the following:

- ❖ Translation services for the newsletter, website, information sheets and other mailings.
- ❖ 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. If additional funds are needed to cover legal expenses, funds will be moved into the budget from the committed reserve fund with the Board's authorization.

5521



TRAINING

ALLOCATION:

\$11,500

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:

\$39,000

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.

- Hewlett Packard Computer Hardware and Software \$21,720
- Microsoft License Agreements 6,000
- On Base and Ascent Scanning System 8,580
- Miscellaneous office equipment 2,700

**8820 BUILDING
RENOVATION**



**ALLOCATION:
\$1,000**

This allocation includes funds to cover costs to reconfigure various workspaces, if required, and other minor modifications to the Agency's space.

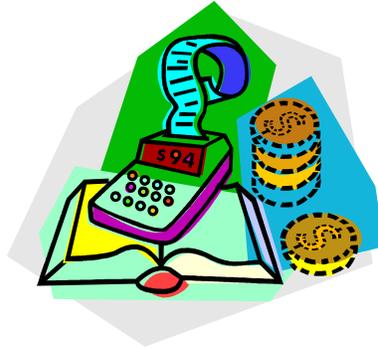
**8855 RESERVE FOR
CAPITAL EQUIPMENT**



**ALLOCATION:
\$0**

No reserve allocations are requested at this time.

REVENUE PROJECTION



Revenue for fiscal year 2012/013 is projected to be \$4,158,176. 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, administrative record fees, limited filing fees and miscellaneous receipts.

Registration Fees

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

Staff projects the number of billable units for the upcoming fiscal year based on recent trends in fee waiver applications, Ellis withdrawals, exemption and removal applications and rates of TORCA unit sales. The number of billable units decreases during the year as exemptions and fee waivers are granted. Conversely, as exemptions end or fee waivers lapse, the number of billable units increases. For fiscal year 2011/2012, staff projected 26,450 billable units. For fiscal year 2012/2013 staff is projecting 26,350 billable units. The reduction is attributable primarily to fee waivers granted to government-subsidized affordable rental units.

Past Due Fees

In addition to annual registration fees paid for each controlled unit, the Agency collects some past due fees from prior years. Staff has been actively pursuing these debts. If informal negotiations with property owners are unsuccessful, small claims cases are filed to collect monies due to the Board. It is projected that \$20,000 in past due fees will be collected during fiscal year 2012/2013.

Fee Refunds

When a fee waiver or exemption application is granted after registration fees have been paid, a refund is issued for the remainder of the fiscal year. Fee waivers are granted for owner-occupied units, units occupied by low-income senior or disabled tenants, and affordable units occupied pursuant to Section 8 vouchers and other affordable housing programs.

Refunds are also issued for overpayments of billed fees. This type of refund is unpredictable and varies 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 still occur.

For fiscal year 2011/2012, total refunds will be approximately \$14,000. Staff projects refunds for 2012/2013 will be slightly higher at \$15,000.

Registration Fee Projection--\$4,115,600

Based on an estimate of 26,350 billable controlled units with a registration fee of \$156 per year (\$13 per month), the revenue from registration fees (current and past due) would be \$4,130,600. Net registration fees after subtracting projected refunds (\$15,000) would be \$4,115,600.

Interest Earnings--\$33,576

Another source of revenue is interest earnings on City-invested Rent Control funds. Interest earnings for fiscal year 2012/2013 are projected to be \$33,576. The City Treasurer is estimating a rate of return on invested funds of 1.0%. This rate is used to estimate Board interest earnings on a declining balance. In past years, interest earnings were a larger source of revenue for the Agency. However, as interest rates have declined in recent years, this revenue source has been decreasing. The projection for this fiscal year is the lowest in two decades.

Administrative Records--\$3,000

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 2012/2013.

Filing Fees--\$3,000

The Board has two filing fees: a \$50 fee for processing a Vacancy Unit Registration form on a property with an owner-occupied exemption and a \$100

fee for processing an owner-occupied exemption application. Owner-occupied exemption applications account for the majority of filing fees collected each fiscal year. Total projected filing fees are \$3,000.

Miscellaneous Charges--\$3,000

Miscellaneous charges for photocopies, prints from the computerized site file documents and public records requests are projected to be \$3,000.

SOURCES OF REVENUE

| | | |
|----------------------------------|----------------|--------------|
| Registration Fees - 26,350 units | \$4,110,600 | |
| Past Due Registration Fees | 20,000 | |
| Refunded Registration Fees | <u>-15,000</u> | |
| Registration Fees Subtotal | | 4,115,600 |
| Interest Earnings @ 1.0% | | 33,576 |
| Administrative Records Charges | | 3,000 |
| Filing Fees | | 3,000 |
| Miscellaneous Charges | | <u>3,000</u> |
| Total Revenue | | \$4,158,176 |

| | |
|-------------------------------------|---------------------|
| Total Projected Revenue | \$4,158,176 |
| Total Projected Expenditures | - 4,520,173 |
| Revenue less Expenditures | \$ (361,997) |

FUND BALANCES

At the end of fiscal year 2011/2012, the Agency's fund balance, which is the Agency's "safety net" in case of emergency, is projected to be \$1.6 million. The proposed budget has a deficit of \$361,997. That shortfall will be covered from the available fund balance.

The City's reserve fund policies require the City to maintain a level of reserves equal to at least 10% of the current year's operating budget and to maintain a designation in the general fund for earned but unused vacation and sick leave benefits. Staff believes it is prudent for the Agency to follow similar policies. Under these guidelines, the Agency should maintain, at a minimum, \$889,205 in reserves through fiscal year 2012/2013.

COMMITTED FUND BALANCE

Balance sheet accounts identify funds that have been designated for particular purposes during the budget cycle. The committed funds are a form of savings account for unforeseeable possible expenditures for a particular expense category.

The Agency's Committed Fund Balance will total \$41,975 at the end of fiscal year 2011/2012. Staff recommends maintaining this committed fund for fiscal year 2012/2013.

| Committed Fund Name | 2012/2013 |
|----------------------------|------------------|
| Legal Expenses | \$41,975 |

ADMINISTRATION DEPARTMENT



| <u>CLASSIFICATION</u> | <u>AUTHORIZED POSITIONS FY 2011/2012</u> | <u>AUTHORIZED POSITIONS FY 2012/2013</u> |
|--|---|---|
| Administrator | 1.00 | 1.00 |
| Office Coordinator | 2.00 | 1.00 |
| Systems Administrator/ Programmer Analyst | 2.00 | 2.00 |
| Database Coordinator | 0.90 | 0.90 |
| Total positions | 5.90 | 4.90 |

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. The department is also responsible for maintaining the Agency's computer systems and databases.

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 Office Coordinator performs the administrative, record-keeping, confidential support 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 2011/2012</u> | <u>AUTHORIZED POSITIONS FY 2012/2013</u> |
|------------------------------------|---|---|
| Hearings Department Manager | 0.00 | 1.00 |
| Hearing Examiner | 2.90 | 1.90 |
| Hearings Investigator | 1.00 | 1.00 |
| Budget/Office Coordinator | 1.00 | 1.00 |
| Staff Assistant III | 1.00 | 1.00 |
| Total positions | 5.80 | 5.90 |

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.

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

The Hearing Officers' major responsibilities are conducting administrative hearings, evaluating 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. In addition, the Hearing Officers prepare staff reports on certain exemption applications and administrative decisions not requiring a hearing. In addition to presiding at hearings, one Hearing Officer also 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.

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



| CLASSIFICATION | AUTHORIZED POSITIONS FY 2011/12 | AUTHORIZED POSITIONS FY 2012/2013 |
|------------------------------------|--|--|
| Public Information Manager | 1.00 | 1.00 |
| Sr. Administrative Analyst* | 1.00 | 1.00* |
| Information Analyst | 4.00 | 6.00 |
| Information Coordinator | 2.00 | 0.00 |
| Billing Coordinator | 1.00 | 1.00 |
| Staff Assistant III | 2.00 | 2.00 |
| Total positions | 11.00 | 11.00 |

*Vacant

DEPARTMENT DESCRIPTION

The Public Information Department's primary focus is responding to questions from the public about the Rent Control Law, as well as the current status and history of specific controlled units. The Department also informs the public about the Agency's services, using a variety of media to reach all of the Agency's constituents. In addition to publishing a twice-yearly newsletter and preparing three major reports annually, the Department maintains the Agency's website and social media presence; staffs seminars for tenants, landlords, and realtors; appears at public meetings throughout the City; and communicates with the public citywide through CityTV advertising and programming. The Department also expects to expand its public outreach via social media to communicate with Agency constituents even more fluidly.

As part of its public information and records-keeping mission, the Department archives data in hard-copy and electronic form that is used to research current lawful rent levels and to document administrative and legal activity affecting each controlled unit in the City.

The Public Information Manager plans the Department's work, supervises the Vacancy Increase Program, and participates on the management team that oversees the Agency's operation.

The Senior Administrative Analyst position is currently vacant. The person occupying this position normally provides supervisory and program planning support for the department, conducts staff training, and works on special projects.

The Information Analysts are the primary contacts with the public. They handle a variety of tasks centered on providing information regarding the Rent Control Law and regulations, related City and State laws, and information regarding specific controlled rental units. Information Analysts handle projects such as debt collection efforts, investigation of owner-occupied exemption lapses, and deed restriction compliance. In addition, they also act as departmental liaison with the Planning and Community Development Department on development review; process new and amended registration forms; review petitions filed by tenants and landlords; process and report on Ellis withdrawals, and respond to public inquiries at the public counter, by phone and email. They also participate in community outreach through writing newsletter articles and presenting at tenant and landlord seminars.

The Information Coordinator position handles many of the tasks described above for Information Analysts, but with a lesser degree of independence. There are currently no Information Coordinators.

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 registration fee waiver applications. She also processes Clean Beaches and Ocean Parcel Tax waiver applications and refunds.

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.

LEGAL DEPARTMENT



| <u>CLASSIFICATION</u> | <u>AUTHORIZED POSITIONS FY 2011/2012</u> | <u>AUTHORIZED POSITIONS FY 2012/2013</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 and the City Manager's Office when bills are drafted for the State Legislature.

Legal staff oversees the Ellis withdrawal process, and along 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 local law allows, preserving them for continued occupancy.

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, preparation of administrative records, maintaining the law library, keeping appeal and litigation calendars and answering the department's phone line. She also lends clerical assistance to the Agency.