

# Santa Monica Rent Control Board

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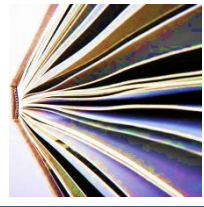
## ANNUAL OPERATING BUDGET FY 2013-14

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Adopted June 13, 2013

### **BOARD MEMBERS**

Todd Flora • Marilyn Korade-Wilson • Ilse Rosenstein  
Christopher Walton • Bill Winslow



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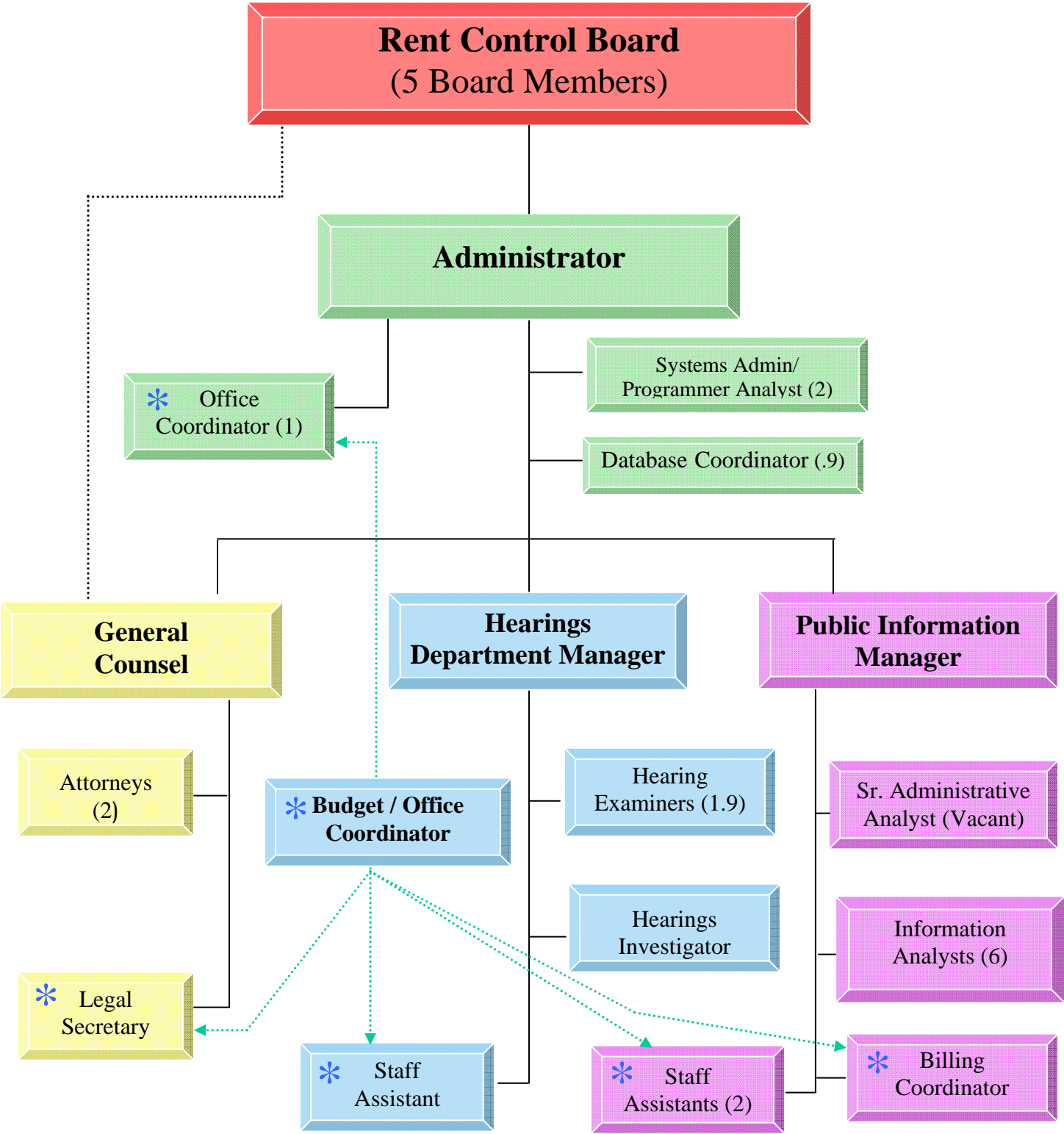
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# Santa Monica Rent Control Board Organization Chart



## ADOPTED LABOR SUMMARY

FY 2013/2014

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 2010/2011</i>	<i>AUTHORIZED POSITIONS 2011/2012</i>	<i>AUTHORIZED POSITIONS 2012/2013</i>	<i>AUTHORIZED POSITIONS 2013/2014</i>	<i>AMOUNT OF CHANGE 12/13 -- 13/14</i>
Administration	<b>5.90</b>	<b>5.90</b>	<b>4.90</b>	<b>4.90</b>	<b>0.00</b>
Hearings	<b>5.80</b>	<b>5.90</b>	<b>5.90</b>	<b>5.90</b>	<b>0.00</b>
Public Information	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>0.00</b>
Legal	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>0.00</b>
<b>Total</b>	<b>26.70</b>	<b>26.80</b>	<b>25.80</b>	<b>25.80</b>	<b>0.00</b>

## PERMANENT STAFF BY CLASSIFICATION

ADOPTED - FY 2013/2014

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 2010/11</i>	<i>AUTHORIZED POSITIONS 2011/12</i>	<i>AUTHORIZED POSITIONS 2012/13</i>	<i>AUTHORIZED POSITIONS 2013/14</i>	<i>AMOUNT OF CHANGE 12/13 -- 13/14</i>
Administrator	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Billing Coordinator	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Budget/Office Coordinator	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Database Coordinator	<b>0.90</b>	<b>0.90</b>	<b>0.90</b>	<b>0.90</b>	<b>0.00</b>
General Counsel	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Hearings Department Mgr.	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Hearings Investigator	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Hearing Examiner	<b>2.80</b>	<b>2.90</b>	<b>1.90</b>	<b>1.90</b>	<b>0.00</b>
Information Analyst	<b>4.00</b>	<b>4.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>
Information Coordinator	<b>2.00</b>	<b>2.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Legal Secretary II	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Office Coordinator	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Public Information Mgr.	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Sr. Administrative Analyst*	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Sr. Litigation Staff Attorney	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Staff Assistant III	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>0.00</b>
Staff Attorney	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Sys. Admin. / Prog. Analyst	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>26.70</b>	<b>26.80</b>	<b>25.80</b>	<b>25.80</b>	<b>0.00</b>

\*Vacant



**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.

**Increase efficiencies through the use of technology.**

- ✚ Identify software and hardware needed to facilitate efficiency improvements.
- ✚ Develop method for online filing, data capture, and database update of market-rate rental registrations.
- ✚ Provide web-based access to complete history of Board meeting agendas and minutes.
- ✚ Develop and implement improvements to RENT database to facilitate data retrieval and report generation.

**Streamline petition-related regulations and processes.**

- ✚ Review and amend the excess rent (Chapter 8), non-registration (Chapter 13) and individual rent adjustment (Chapter 4) regulations to simplify the processes and strive to see that final decisions are issued within 120 days of petition filing.
- ✚ Update petition and complaint forms and instructions.
- ✚ Develop educational materials to aid citizens understanding of the petition process (CITY-TV spot, PSA, web content).

**Collaborate with Code Compliance Division.**

- ✚ Assist Code Compliance Division as they develop proactive multifamily residential inspection program.
- ✚ Work to ensure repair and maintenance of controlled rental units by informing tenants of units/buildings with identified problems of their rent control remedies.
- ✚ Continue to identify properties withdrawn under the Ellis Act for periodic compliance inspections.

**AGENCY BUDGET**

OBJ	DESCRIPTION	FY 08-09 ACTUAL EXPENSES	FY 09-10 ACTUAL EXPENSES	FY 10-11 ACTUAL EXPENSES	FY 11-12 ACTUAL EXPENSES	FY 12-13 ADOPTED BUDGET	FY 12-13 PROJECTED EXPENSES	FY 13-14 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	2,676,316	2,769,054	2,964,086	2,946,474	2,809,100	2,809,602	2,883,397
1104	BOARD ALLOWANCE	4,800	6,000	6,075	6,600	6,375	5,925	6,375
1149	OVERTIME	6,568	5,678	6,573	9,589	5,000	2,087	2,250
1150	AS-NEEDED EMPLOYEES	20,340	27,836	14,164	0	0	44,610	40,000
1171	MEDICARE EMP CONT	32,640	34,407	38,279	39,926	38,341	39,024	39,325
1173	INS-WORKERS' COMP	19,800	19,900	20,800	17,798	17,798	17,798	13,706
1174	INS-EMPL HEALTH/DENT	331,198	336,885	336,422	319,258	374,180	355,765	397,871
11743	Health	298,706	305,030	305,547	288,160	340,465	324,399	363,272
11748	Dental	28,725	28,195	27,178	27,466	30,087	27,849	30,901
11749	Vision	3,768	3,661	3,698	3,631	3,629	3,517	3,697
1177	RETIREMENT CONTRIB	416,721	394,700	610,849	517,376	522,783	503,309	528,801
1194	MEDICAL TRUST	46,576	44,446	46,008	45,034	47,398	43,886	44,765
1197	OTHER FRINGE BENEFITS	18,769	29,372	11,121	7,795	12,641	12,331	9,713
	<b>TOTAL SALARIES &amp; WAGES</b>	<b>3,573,728</b>	<b>3,668,278</b>	<b>4,054,378</b>	<b>3,909,850</b>	<b>3,833,616</b>	<b>3,834,338</b>	<b>3,966,202</b>
2221	UTIL-TELEPHONE	24,850	23,491	25,396	2,531	25,000	22,909	23,000
2231	OFFICE SUPPLIES	14,257	12,759	9,988	16,879	17,475	16,300	17,050
2232	POSTAGE	37,313	38,163	36,373	32,743	35,500	35,500	35,900
2233	INVENTORY ISSUES	3,822	4,597	3,507	3,082	0	0	0
2254	ADVERTISING	446	3,011	4,148	2,500	3,000	1,812	3,000
2261	EQUIPMENT RENTAL	48	48	42	24	120	24	24
2262	RENT	8,206	12,144	12,697	1,096	0	0	0
2271	AUTO REIMBURSEMENT	7,620	5,020	5,820	6,450	8,220	5,000	0
2272	MILEAGE	338	363	179	573	500	453	500
2282	CONF-MTGS-TRAVEL	5,911	6,813	6,675	8,380	7,200	6,606	7,200
2290	MEMBERSHIPS & DUES	2,935	2,825	2,775	2,790	3,290	3,300	3,525
2294	INS-PROPERTY	900	1,900	2,040	2,995	3,145	3,145	2,272
3302	INS-GENERAL LIABILITY	30,232	8,669	15,385	17,882	18,152	18,448	19,300
4404	BOOKS & PERIODICALS	12,340	13,611	15,683	15,410	13,700	12,746	13,250
4411	PRINTING	24,285	25,454	29,828	23,249	25,600	25,600	23,700
4434	INDIRECT COSTS	237,725	267,442	278,769	287,132	282,355	282,355	263,280
4439	OTHER COSTS	34,686	25,092	57,684	7,150	37,700	37,700	8,050
5501	CONTRACTUAL SERVICES	27,657	26,881	21,715	21,536	22,400	23,226	23,000
5506	PROF SERVICES	83,149	66,526	51,793	78,749	66,500	67,131	60,704
5511	LEGAL EXPENSE	8,597	37,720	43,010	93,342	50,000	5,624	100,000
5521	TRAINING	6,748	9,867	8,788	6,126	11,500	5,795	9,500
7724	SERVICE AGREEMENTS	35,928	38,852	24,041	39,004	39,000	39,000	44,000
	<b>TOTAL SUPPLIES &amp; EXPENSES</b>	<b>600,352</b>	<b>631,248</b>	<b>656,336</b>	<b>669,622</b>	<b>670,357</b>	<b>612,672</b>	<b>657,255</b>
8803	COMPUTER SYSTEMS	8,389	4,919	2,600	5,400	5,200	5,200	10,200
8808	OFFICE EQUIPMENT	10,393	9,205	8,533	7,633	10,000	10,000	10,000
8820	BLDG. RENOVATION	813	2,983	0	925	1,000	2,036	1,000
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
	<b>TOTAL CAPITAL OUTLAY</b>	<b>19,594</b>	<b>17,107</b>	<b>11,133</b>	<b>13,958</b>	<b>16,200</b>	<b>17,236</b>	<b>21,200</b>
	<b>TOTAL BUDGET</b>	<b>4,193,679</b>	<b>4,316,633</b>	<b>4,721,848</b>	<b>4,593,431</b>	<b>4,520,173</b>	<b>4,464,245</b>	<b>4,644,657</b>



## SALARIES AND WAGES



**1100 PERMANENT EMPLOYEES**

**ALLOCATION:  
\$2,883,397**

**Total Agency Positions - 25.80**

•Administration	4.90	positions	\$614,866
•Hearings	5.90	positions	774,601
•Public Information	11.00	positions	901,951
•Legal	4.00	positions	591,980
<b>•Agency Total</b>	<b>25.80</b>	<b>positions</b>	<b>\$2,883,397</b>

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:  
\$2,250**

The allocation covers \$300 for Administration, \$950 for Hearings, and \$1,000 for Public Information for 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:  
\$40,000**

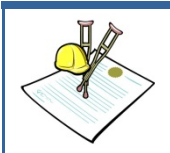
This allocation provides funds for as-needed employees to assist the Hearings Department Staff with mediations and hearings.



**1171 INSURANCE, MEDICARE**

**ALLOCATION:  
\$39,325**

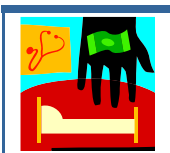
Medicare regulations require that a contribution of 1.45 percent of permanent and as-needed staff salaries be made for all employees hired after April, 1986.



**1173 INSURANCE, WORKERS' COMPENSATION**

**ALLOCATION:  
\$13,706**

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. This year's allocation reflects a decrease of 23% from last year's allocation.



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

**ALLOCATION:  
\$397,871**

The allocation is based on the 2013 and estimated 2014 premiums for the health, dental and vision plans that are provided for all permanent employees and their dependents. The City estimates premiums will increase by 16% for 2014. This budget uses actual amounts for each employee. Individual plan changes and/or actual 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 and continue to do so.

- Health \$363,272
- Dental 30,901
- Vision 3,697





**1177 RETIREMENT CONTRIBUTION**

**ALLOCATION:  
\$528,801**

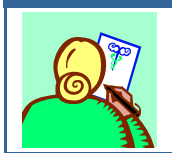
For fiscal year 13/14 the retirement contribution rate is 19.2% of staff salaries, which is a slight increase from the 18.9% rate applied to salaries in FY 12/13.



**1194 MEDICAL TRUST**

**ALLOCATION:  
\$44,765**

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 in January 2012, the Agency will make monthly contributions for each permanent employee in the amount of \$147.74 per month through December 2013, then \$150.69 from January through June 2014.



**1197 OTHER FRINGE BENEFITS**

**ALLOCATION:  
\$9,713**

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:  
\$23,000**

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



## 2231 OFFICE SUPPLIES

**ALLOCATION:  
\$17,050**

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:  
\$35,900**

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

- General Adjustment/Registration Fee Mailings \$ 8,400
- Newsletter Mailings (2) 18,500
- General Mailings 6,500
- Miscellaneous Postal Fees 2,500



**2233 INVENTORY  
ISSUES**

**ALLOCATION:  
\$0**

The cost for copy paper, drinking cups and paper towels and paper supplies used for letterhead and printed envelopes are now included in the Office Supplies line item since the closure of the City's supply warehouse during FY 11/12.



**2254 ADVERTISING**

**ALLOCATION:  
\$3,000**

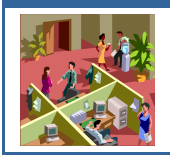
This allocation covers the cost of publishing public notices, other announcements required by law, and other various announcements.



**2261 EQUIPMENT  
RENTAL**

**ALLOCATION:  
\$24**

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



**2262 RENT**

**ALLOCATION:  
\$0**

During fiscal year 2012/2013, staff rearranged its current space to create a modest conference room. This room, along with conference rooms in City Hall, will be used in lieu of renting office space to hold hearings on petitions filed by tenants and owners.



**2271 AUTO  
REIMBURSEMENT**

**ALLOCATION:  
\$0**

The car allowances for management staff have been discontinued.



**2272 MILEAGE**

**ALLOCATION:  
\$500**

This allocation provides mileage reimbursements at \$0.565 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:  
\$3,525**

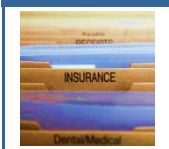
It is the policy of the Board to pay the California State Bar dues of attorneys employed by the Board. Additionally, this allocation includes funds for staff to participate in professional management organizations and associations.



**2294 INSURANCE,  
VEHICLE/PROPERTY**

**ALLOCATION:  
\$2,272**

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:  
\$19,300**

- ❖ **General Liability includes the following coverage: Non-owned and Hired Automobile Liability, Public Officials Errors and Omissions and Employment Practices Liability.**

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:  
\$13,250**

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:  
\$23,700**

- Newsletter (2 issues) 10,900
- General Adjustment Letters 8,800
- Registration Fee Bills/Envelopes 1,640
- Owner and Tenant Vacancy Registration Forms 1,100
- Regulations, information sheets, letterhead, envelopes, and miscellaneous printing 1,260



**4434 ADMINISTRATIVE INDIRECT COSTS**

**ALLOCATION:  
\$263,280**

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.

The indirect cost allocations for this budget year are based on either FY 11/12 information or on individual department’s budgets for FY 12/13. This year’s plan includes various changes to the type of allocations seen previously. Several new allocation categories have been added while other categories were renamed or eliminated.

The cost allocation plan prepared for FY13/14 reflects a total allocation of \$312,944 to the Agency. However, staff has identified several categories where downward adjustments or elimination of expenses appear to be warranted and has requested downward adjustments totaling \$49,664. This

budget reflects those adjustments and the total amount is now \$263,280. Staff will work with the Finance Department to review the indirect charges and evaluate the requested adjustments. If the total amount is ultimately different, the adjustments will be addressed in the mid-year budget review. Any changes to the total amount of indirect costs will affect the total expenditures projected in this budget.

For each category of expense included in the Board's allocation the following information is provided: the source of the charges, a description of services rendered, the allocation base used, and the percentage used to calculate the Rent Control assessment.

❖ **Community Information - \$3,652**

**City Hall Receptionist: \$3,652**

**Allocation Percentage - 1.21**

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

Allocation Base – Adjusted adopted budget FY 12/13.

❖ **City Attorney - \$4,178**

**Civil Legal Services: \$4,178**

**Allocation Percentage – 0.070%**

Services Rendered – Provide legal advisory services for personnel matters.  
*(\*This figure has not been adjusted. However, we have requested documentation to confirm the allocation.)*

Allocation Base – Allocation of time spent FY 11/12.

❖ **Support Services – \$15,131**

**Mail Services: \$10,878**

**Allocation Percentage –1.89%**

Services Rendered – Pick-up, stamp and process outgoing mail.

Allocation Base – Actual Postage Charges FY 11/12.

**Printing Services: \$4,253**

**Allocation Percentage – 0.650%**

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

Allocation Base – Actual Print Shop Charges FY 11/12

❖ **Facilities Management: \$165,121**

**Administration: \$163**

**Allocation Percentage – 0.196%**

Services Rendered – Administrative cost of facility maintenance.

Allocation Base – Actual hours of facility maintenance.

**City Hall Custodial Services: \$91,904**

**Allocation Percentage – 1.543%**

Services Rendered – Provide custodial services at City Hall

Allocation Base – FY 11/12 - Actual custodial hours.



**City Hall Maintenance: \$26,214\***                      **Allocation Percentage – 7.768%**

Services Rendered - Structural maintenance for City Hall.

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

(This figure reflects a downward adjustment of \$2803 due to a probable error in the amount of square footage.)

**Facilities Maintenance Mgmt: \$22,685\***                      **Allocation Percentage – 0.584%**

Services Rendered – Oversight and administration of maintenance management.

Allocation Base – FY 11/12 (50% of Maintenance time + 50% Sq. footage).

(This figure reflects a downward adjustment of \$1,254 due to a probable error in the amount of square footage.)

**City Hall Building Use: \$24,155\***                      **Allocation Percentage – 7.768%**

Services Rendered – Provide general building improvements to City Hall.

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

(This figure reflects a downward adjustment of \$2,584 due to a probable error in the amount of square footage.)

❖ **Human Resources - \$22,880**

**Benefit Administration: \$9,607**                      **Allocation Percentage – 1.38% / 0.177%**

**Permanent Employees - \$9,530 / As-Needed Employees - \$77**

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

Allocation Base - Authorized permanent and as-needed employees FY 11/12.

**Class & Compensation Studies: \$3,309**                      **Allocation Percentage – 1.383%**

Services Rendered – Prepare job classification and compensation studies.

Allocation Base – Number of permanent employees FY 11/12.

**Recruitment: \$9,604**                      **Allocation Percentage – 1.297%**

Services Rendered – Provide recruitment services.

Allocation Base – FY 11/12 (50% Requisitions + 50% New Hires)

**Rideshare Program: \$359**                      **Allocation Percentage – 0.455%**

Services Rendered – Administer Rideshare program for City Employees.

Allocation Base - # of rideshare participants FY 11/12.

❖ **Finance - \$35,113**

**Finance Admin. - \$4,151**

**Purchasing Services: \$3,301**                      **Allocation Percentage – 0.354%**

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

Allocation Base – Weighted average of Purchasing Transactions FY 11/12.

**Contract Services: \$850**

**Allocation Percentage – 0.444%**

Services Rendered – Process contracts and contract payments.  
Allocation Base – # of Contracts Processed FY 11/12.

**Financial Operations - \$26,459**

**Accounts Payable: \$7,481**

**Allocation Percentage – 1.346%**

Services Rendered - Disburse funds to vendors and conduct other necessary accounting activities.  
Allocation Base - Number of warrants issued FY 11/12.

**General Accounting: \$17,212**

**Allocation Percentage – 1.21%**

Services rendered – Provide accounting services – general ledger maintenance, compiling financial reports etc.  
Allocation Base – Adjusted adopted FY 12/13 budget

**Financial System Support: \$1,766**

**Allocation Percentage – 1.21%**

Services rendered – Maintain financial accounting systems.  
Allocation Base – Actual supplies and expenses.

**Finance Business and Revenue - \$4,503**

**Cash Management: \$817**

**Allocation Percentage – 0.530%**

Services Rendered - Manage the City's investment portfolio which includes Rent Control funds.  
Allocation Base – Department's fund interest FY 11/12.

**Finance Internal Audit**

**Audit Service: \$3,686**

**Allocation Percentage – 1.21%**

Services rendered – Provide audit services.  
Allocation Base – Adjusted adopted budget FY 12/13.

**❖ Information Systems - Operations: \$17,205**

**PC/Network Support: \$7,527\***

**Allocation Percentage – 0.557%**

Services Rendered – Provide computer and network support.  
Allocation Base – Number of computers and printers FY 11/12

(\*This figure reflects a downward adjustment of \$20,881 based on 25% of the total number of PCs and printers as the Agency's own computer staff maintains the department's computers and internal network services.)

**Telecommunications Support: \$5,173**

**Allocation Percentage – 1.128%**

Services Rendered – Provide telecommunications support.  
Allocation Base – Number of telecommunication lines FY 11/12

**Help Desk/Training Services: \$4,505\***

**Allocation Percentage – 0.568%**

Services Rendered – Provide computer help and training services.

Allocation Base – Number of computers, printers FY 11/12

(\*This figure reflects a downward adjustment of \$12,161 based on 25% of the total number of PCs and printers as the Agency's own computer staff maintains the department's computers and provides technical support to staff members for most issues.)

❖ **The following allocations were reduce to \$0:**

City Council and City Manager Services (\$5,665) –The City Council and the City Manager's office do not provide advisory services.

Human Services Labor Negotiations (\$4,315) – Human Resources does not negotiate the Board's labor agreements.



**4439 OTHER COSTS**

**ALLOCATION:  
\$8,050**

The allocation covers the cable television costs for coverage of 14 televised Rent Control Board meetings at \$575 per meeting.



**5501 CONTRACTUAL SERVICES**

**ALLOCATION:  
\$23,000**

❖ **Administration: \$9,850**

- Mailhouse services for two newsletters \$5,100
- Mailhouse services for mass mailings 4,250
- Access to the County Assessor's database through DataQuick 500

❖ **Hearings: \$11,950**

- Attorney service to serve subpoenas and advance witness fees \$1,200
- Storage, retrieval and destruction of files 10,750

❖ **Legal: \$1,200**

- Messenger service \$1,200



**5506 PROFESSIONAL SERVICES**

**ALLOCATION:  
\$60,704**

\$57,704 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.



\$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:  
\$100,000**

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:  
\$9,500**

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:  
\$43,000**

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 ongoing software maintenance/license agreements, maintenance of our digital filing system and funds to purchase additional software licenses and maintenance agreements, if needed to accommodate and implement new technology.

- Hewlett Packard Computer Hardware and Software \$22,000
- Microsoft License Agreements 6,000
- On Base and Ascent Scanning System 9,200
- Miscellaneous office equipment 1,800
- New software license fees and maintenance agreements 4,000

# CAPITAL OUTLAY



## 8803 COMPUTER SYSTEMS

**ALLOCATION:**  
**\$10,200**

For several years, staff has followed a program to replace or upgrade existing computer equipment as needed.

This allocation provides funds to replace or repair computers, monitors and printers if needed, and to purchase additional computer equipment, software and hardware to implement new programs such as online filings for market-rate rental registrations.

- Desktop computers, monitors, printers: \$5,500
- Software, hardware and misc. supplies: 4,700



## 8808 OFFICE EQUIPMENT

**ALLOCATION:**  
**\$10,000**

The allocation provides funds for monthly lease payments for a copier machine. The lease payments include costs for maintenance and supplies. The allocation also includes funds for office equipment and furniture for the Agency such as bookcases, desks and small cabinets.

- Lease copier at City Hall \$8,000
- Miscellaneous office furniture/equipment 2,000



## 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 2013/14 is projected to be \$4,645,407. The sources of the Agency's revenue are registration fees projected at \$174.96 per unit (\$14.58 per month per unit), interest earnings on unexpended Rent Control funds, fees for administrative records, limited filing fees and miscellaneous receipts. The \$14.58 per month per unit registration fee reflects a \$1.58 increase over the \$13 per month fee that has been in effect since 2006.

### **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 2012/2013, staff projected 26,350 units would be billed. For fiscal year 2013/2014 staff believes the number of billable units will remain the same and is projecting 26,350 units will be billed.

### **Past Due Registration Fees**

In addition to registration fees paid for each controlled unit, the Agency collects fees due from prior years during the course of the fiscal year. Staff has been actively working with property owners who owe registration fees. If informal negotiations are unsuccessful, staff will file small claims cases in order to collect monies due to the Board. Staff is projecting that \$15,000 in past due fees will be collected during fiscal year 2013/2014.

### **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 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 year 2012/2013, it appears total refunds will be approximately \$11,000. Staff projects refunds for 2013/2014 will be somewhat greater as the refunds of registration fees will be based on a \$14.58 monthly fee and is projecting \$15,000 to be disbursed for refunds.

Based on an estimate of 26,350 controlled billable rental units with a registration fee of \$14.58 per month, the revenue from registration fees (current and past due) would be \$4,625,196. Net registration fees after subtracting projected refunds (\$15,000) would be \$4,610,196.

### **Interest Earnings**

Another source of revenue is interest earnings on City-invested Rent Control funds. Staff estimates the interest earnings for fiscal year 2013/2014 will be \$26,211. The City Treasurer is estimating a rate of return on invested funds of 0.75%. Staff uses the same rate to estimate Board interest earnings on a declining balance. In past years, interest earnings were a significant source of revenue for the Agency. However, in recent years, this revenue has been decreasing. The amount projected for this fiscal year is the lowest it has been in the past decade and perhaps the past two decades.

### **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 2013/2014.

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

## SOURCES OF REVENUE

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Registration Fees - 26,350 units	\$4,610,196	
Past Due Registration Fees	15,000	
Refunded Registration Fees	<u>-15,000</u>	
Registration Fees Subtotal		4,610,196
Interest Earnings @ 0.75%		26,211
Administrative Records Charges		3,000
Filing Fees		3,000
Miscellaneous Charges		<u>3,000</u>
Total Revenue		\$4,645,407

<b>Total Projected Revenue</b>	<b>\$4,645,407</b>
<b>Total Projected Expenditures</b>	<b>- 4,644,657</b>
<b>Revenue less Expenditures</b>	<b>\$ 750</b>

The adopted budget anticipates a small surplus by the end of the fiscal year.

## FUND BALANCE COMMITMENTS

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At the end of fiscal year 2012/2013, the Agency's fund balance, which is the Agency's "safety net" in case of emergency, is projected to be \$1,276,000. The adopted budget has a small surplus of \$750.

The City's most recent reserve fund policies require the City to maintain a level of reserves that is equal to at least 15% 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, \$1,105,314 in reserves through fiscal year 2013/2014.

## COMMITTED FUND BALANCE

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

The Agency's Committed Fund Balance will total \$41,975 at the end of fiscal year 2012/2013. Staff recommends maintaining this committed fund for fiscal year 2013/2014.

Committed Fund Name	2013/2014
Legal Expenses	\$41,975

# ADMINISTRATION DEPARTMENT



<b><u>CLASSIFICATION</u></b>	<b><u>AUTHORIZED POSITIONS FY 2012/2013</u></b>	<b><u>ADOPTED POSITIONS FY 2013/2014</u></b>
<b>Administrator</b>	<b>1.00</b>	<b>1.00</b>
<b>Office Coordinator</b>	<b>1.00</b>	<b>1.00</b>
<b>Systems Administrator/ Programmer Analyst</b>	<b>2.00</b>	<b>2.00</b>
<b>Database Coordinator</b>	<b>0.90</b>	<b>0.90</b>
<b>Total positions</b>	<b>4.90</b>	<b>4.90</b>

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## 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



<b><u>CLASSIFICATION</u></b>	<b><u>AUTHORIZED POSITIONS FY 2012/2013</u></b>	<b><u>ADOPTED POSITIONS FY 2013/2014</u></b>
<b>Hearings Department Manager</b>	<b>1.00</b>	<b>1.00</b>
<b>Hearing Examiner</b>	<b>1.90</b>	<b>1.90</b>
<b>Hearings Investigator</b>	<b>1.00</b>	<b>1.00</b>
<b>Budget/Office Coordinator</b>	<b>1.00</b>	<b>1.00</b>
<b>Staff Assistant III</b>	<b>1.00</b>	<b>1.00</b>
<b>Total positions</b>	<b>5.90</b>	<b>5.90</b>

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## 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



<b><u>CLASSIFICATION</u></b>	<b><u>AUTHORIZED POSITIONS FY 2012/2013</u></b>	<b><u>ADOPTED POSITIONS FY 2013/2014</u></b>
<b>Public Information Manager</b>	<b>1.00</b>	<b>1.00</b>
<b>Sr. Administrative Analyst*</b>	<b>1.00*</b>	<b>1.00*</b>
<b>Information Analyst</b>	<b>4.00</b>	<b>6.00</b>
<b>Information Coordinator</b>	<b>2.00</b>	<b>0.00</b>
<b>Billing Coordinator</b>	<b>1.00</b>	<b>1.00</b>
<b>Staff Assistant III</b>	<b>2.00</b>	<b>2.00</b>
<b>Total positions</b>	<b>11.00</b>	<b>11.00</b>

\*Vacant

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## 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 provides supervisory and program planning support for the department; heads debt collection efforts; investigates and processes owner-occupied exemption lapses; monitors deed restriction compliance; acts as departmental liaison with the Planning and Community Development Department on development review; conducts staff training; and works on special projects.

The Information Analysts and Information Coordinators are the primary contacts with the public and handle a variety of tasks centered on providing information regarding the Rent Control Law and regulations, related City and State laws, and Maximum Allowable Rent levels for controlled rental units. They 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 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



<b><u>CLASSIFICATION</u></b>	<b><u>AUTHORIZED POSITIONS FY 2012/2013</u></b>	<b><u>ADOPTED POSITIONS FY 2013/2014</u></b>
<b>General Counsel</b>	<b>1.00</b>	<b>1.00</b>
<b>Sr. Litigation Staff Attorney</b>	<b>1.00</b>	<b>1.00</b>
<b>Staff Attorney</b>	<b>1.00</b>	<b>1.00</b>
<b>Legal Secretary</b>	<b>1.00</b>	<b>1.00</b>
<b>Total positions</b>	<b>4.00</b>	<b>4.00</b>

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## 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.