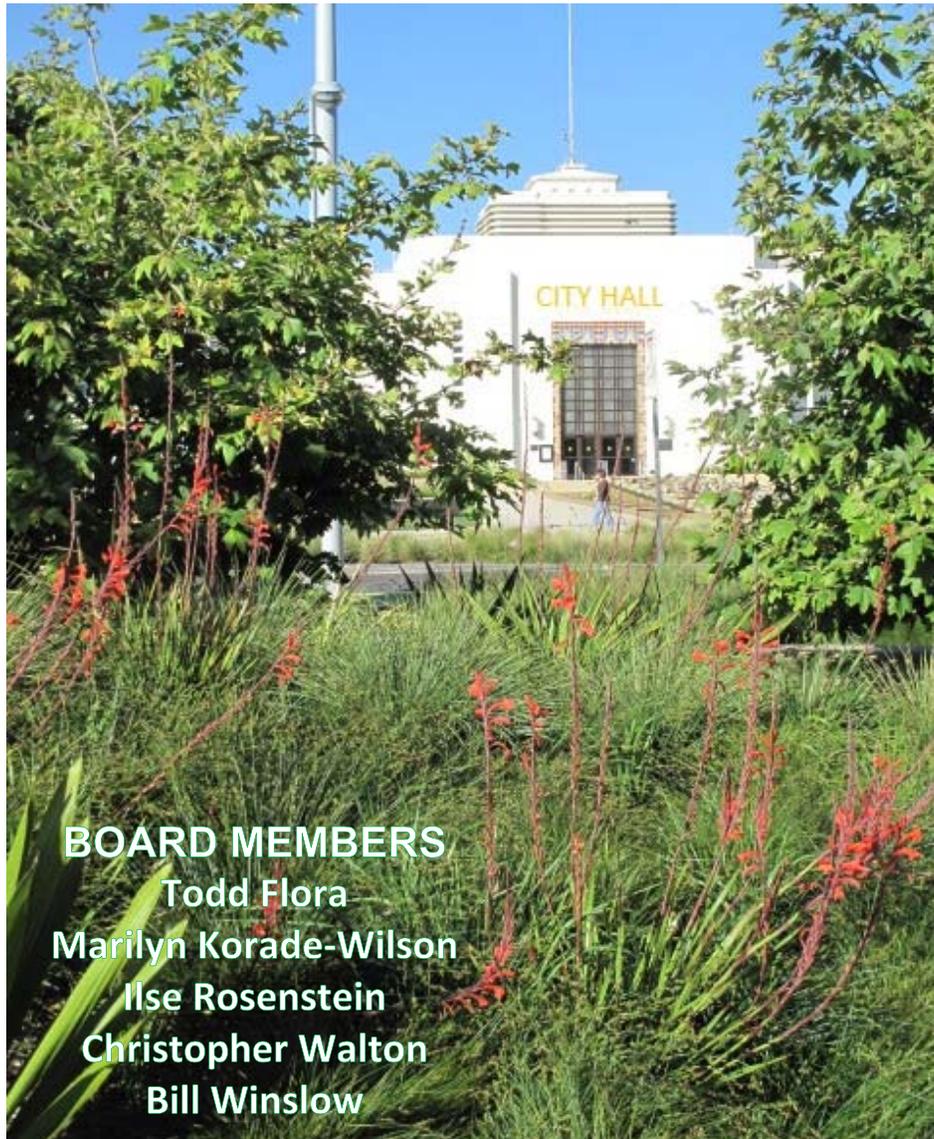




# Santa Monica Rent Control Board

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



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## FY 2014-15 ANNUAL OPERATING BUDGET

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Adopted June 12, 2014



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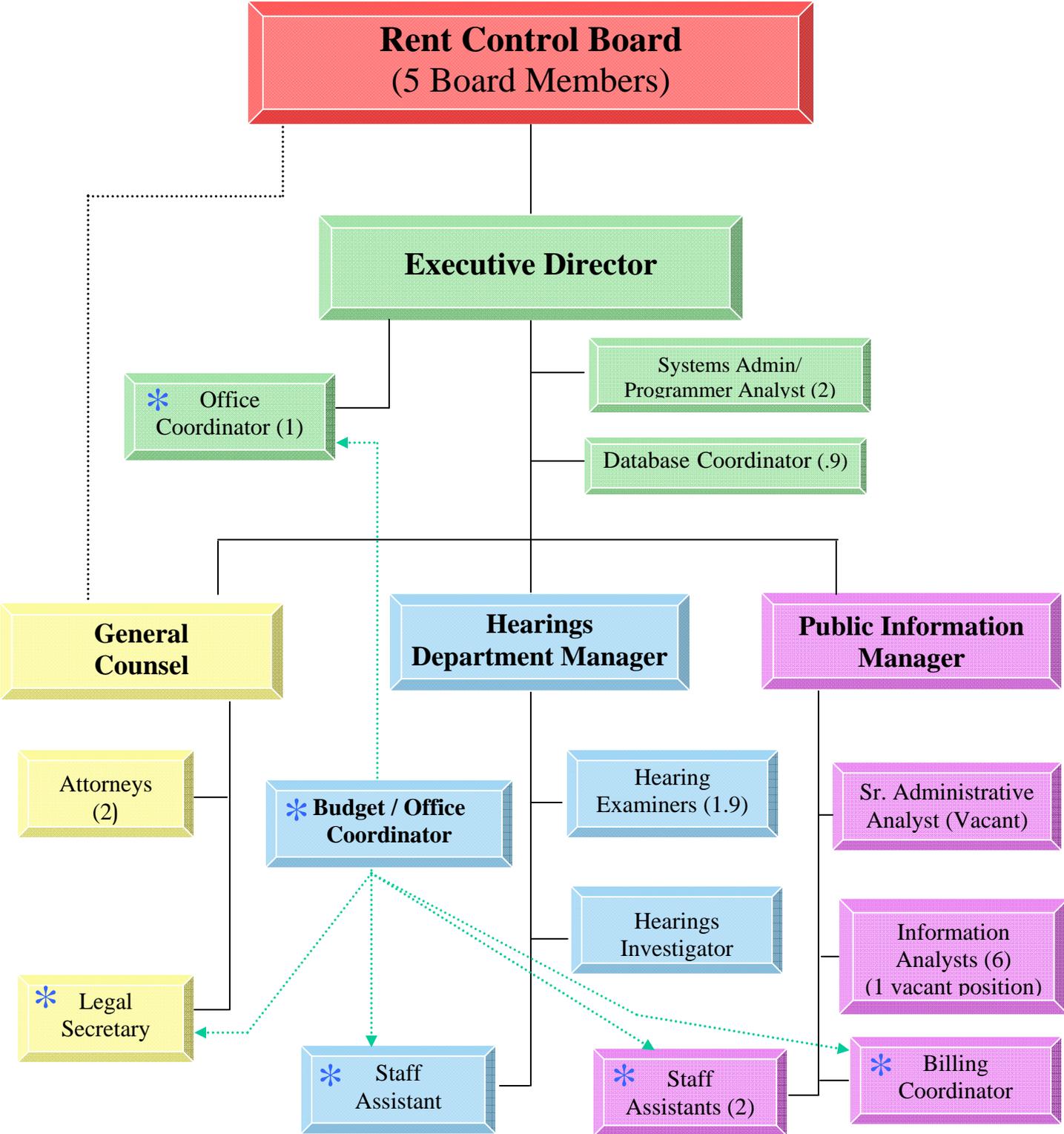
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# Santa Monica Rent Control Board Organization Chart



## LABOR SUMMARY

FY 2014/2015

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 2011/2012</i>	<i>AUTHORIZED POSITIONS 2012/2013</i>	<i>AUTHORIZED POSITIONS 2013/2014</i>	<i>AUTHORIZED POSITIONS 2014/2015</i>	<i>AMOUNT OF CHANGE 13/14--14/15</i>
Administration	<b>5.90</b>	<b>4.90</b>	<b>4.90</b>	<b>4.90</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>
Hearings	<b>5.90</b>	<b>5.90</b>	<b>5.90</b>	<b>5.90</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>26.80</b>	<b>25.80</b>	<b>25.80</b>	<b>25.80</b>	<b>0.00</b>

## PERMANENT STAFF BY CLASSIFICATION

FY 2014/2015

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 2011/12</i>	<i>AUTHORIZED POSITIONS 2012/13</i>	<i>AUTHORIZED POSITIONS 2013/14</i>	<i>AUTHORIZED POSITIONS 2014/15</i>	<i>AMOUNT OF CHANGE 13/14 - 14/15</i>
Administrator (Exec. Director)	<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>1.00</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>2.90</b>	<b>1.90</b>	<b>1.90</b>	<b>1.90</b>	<b>0.00</b>
Information Analyst*	<b>4.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>
Information Coordinator	<b>2.00</b>	<b>0.00</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>1.00</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>26.80</b>	<b>25.80</b>	<b>25.80</b>	<b>25.80</b>	<b>0.00</b>

\*One Information Analyst position and the Sr. Analyst position are currently vacant.



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

- ✦ Verify continuing eligibility of owner-occupied exemptions; and fee waivers and use exemptions (non-rental, commercial and hotel/motel).
- ✦ Proactively enforce the rent control law through civil litigation when appropriate.
- ✦ Continue to identify properties withdrawn under the Ellis Act for periodic compliance inspections.

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

- ✦ Explore and implement work process improvements and efficiencies made possible with the improved capabilities of hardware and software purchased in fiscal year 13/14.
- ✦ Develop method for online filing, data capture, and database update of market-rate rental registrations.
- ✦ Identify Agency-wide staff training to ensure available software is used efficiently.
- ✦ Evaluate alternatives for updating and improving RENT database system and initiate planning and design. (Implementation to occur outside of FY14/15.)

**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 reflect current practices, ensure clarity, and promote efficiency.
- ✦ Update petition and complaint forms and instructions.
- ✦ Develop educational materials to aid citizens' understanding of the petition process (CITY-TV, public service announcements, web content, written materials).

**Seismic Safety**

- ✦ Study, recommend and implement program for consideration of seismic safety retrofitting costs.

**AGENCY BUDGET**

OBJ	DESCRIPTION	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 13-14	FY 14-15
		ACTUAL EXPENSES	ACTUAL EXPENSES	ACTUAL EXPENSES	ACTUAL EXPENSES	ADOPTED BUDGET	PROJECTED EXPENSES	ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	2,769,054	2,964,086	2,946,474	2,794,503	2,883,397	2,811,088	2,868,939
1104	BOARD ALLOWANCE	6,000	6,075	6,600	5,850	6,375	5,100	6,375
1149	OVERTIME	5,678	6,573	9,589	2,570	2,250	1,810	2,250
1150	AS-NEEDED EMPLOYEES	27,836	14,164	0	51,413	40,000	54,977	43,000
1171	MEDICARE EMP CONT	34,407	38,279	39,926	39,280	39,325	39,474	39,063
1173	INS-WORKERS' COMP	19,900	20,800	17,798	17,798	13,706	13,706	14,734
1174	INS-EMPL HEALTH/DENT	336,885	336,422	319,258	371,127	397,871	376,012	438,993
	Retiree Ins	0	0	41,257	43,419	36,410	44,793	46,248
11743	Health	305,030	305,547	288,160	336,513	363,272	347,150	405,930
11748	Dental	28,195	27,178	27,466	31,051	30,901	25,488	29,361
11749	Vision	3,661	3,698	3,631	3,564	3,697	3,373	3,702
1177	RETIREMENT CONTRIB	394,700	610,849	517,376	493,232	528,801	512,650	540,504
1194	MEDICAL TRUST	44,446	46,008	45,034	43,887	44,765	42,974	43,832
1197	OTHER FRINGE BENEFITS	29,372	11,121	7,795	5,963	9,713	9,713	9,656
	<b>TOTAL SALARIES &amp; WAGES</b>	<b>3,668,278</b>	<b>4,054,378</b>	<b>3,909,850</b>	<b>3,825,622</b>	<b>3,966,202</b>	<b>3,867,504</b>	<b>4,007,345</b>
2221	UTIL-TELEPHONE	23,491	25,396	2,531	1,870	23,000	20,000	20,000
2231	OFFICE SUPPLIES	12,759	9,988	16,879	16,476	17,050	17,050	17,050
2232	POSTAGE	38,163	36,373	32,743	36,013	35,900	35,900	35,900
2233	INVENTORY ISSUES	4,597	3,507	3,082	0	0	0	0
2254	ADVERTISING	3,011	4,148	2,500	741	3,000	2,000	3,000
2261	EQUIPMENT RENTAL	48	42	24	24	24	24	24
2262	RENT	12,144	12,697	1,096	0	0	0	0
2271	AUTO REIMBURSEMENT	5,020	5,820	6,450	5,000	0	0	0
2272	MILEAGE	363	179	573	370	500	376	500
2282	CONF-MTGS-TRAVEL	6,813	6,675	8,380	5,266	7,200	6,600	7,200
2290	MEMBERSHIPS & DUES	2,825	2,775	2,790	3,300	3,525	2,910	3,703
2294	INS-PROPERTY	1,900	2,040	2,995	0	2,272	2,272	3,069
3302	INS-GENERAL LIABILITY	8,669	15,385	17,882	18,448	19,300	20,574	21,191
4404	BOOKS & PERIODICALS	13,611	15,683	15,410	14,166	13,250	13,249	13,633
4411	PRINTING	25,454	29,828	23,249	24,730	23,700	23,700	24,411
4434	INDIRECT COSTS	267,442	278,769	287,132	282,355	263,280	263,280	269,862
4439	OTHER COSTS	25,092	57,684	7,150	43,266	8,050	8,050	33,050
5501	CONTRACTUAL SERVICES	26,881	21,715	21,536	20,738	23,000	23,234	24,200
5506	PROF SERVICES	66,526	51,793	78,749	61,549	60,704	58,410	58,683
5511	LEGAL EXPENSE	37,720	43,010	93,342	624	100,000	5,120	50,000
5521	TRAINING	9,867	8,788	6,126	4,083	9,500	3,649	9,500
7724	SERVICE AGREEMENTS	38,852	24,041	39,004	38,941	44,000	56,000	43,000
	<b>TOTAL SUPPLIES &amp; EXPENSES</b>	<b>631,248</b>	<b>656,336</b>	<b>669,622</b>	<b>577,960</b>	<b>657,255</b>	<b>562,398</b>	<b>637,975</b>
8803	COMPUTER SYSTEMS	4,919	2,600	5,400	5,232	10,200	19,000	10,200
8808	OFFICE EQUIPMENT	9,205	8,533	7,633	9,708	10,000	10,000	10,000
8820	BLDG. RENOVATION	2,983	0	925	2,036	1,000	0	1,000
8855	RESVE-SYST. UPGRADE	0	0	0	0	0		0
	<b>TOTAL CAPITAL OUTLAY</b>	<b>17,107</b>	<b>11,133</b>	<b>13,958</b>	<b>16,976</b>	<b>21,200</b>	<b>29,000</b>	<b>21,200</b>
	<b>TOTAL BUDGET</b>	<b>4,316,633</b>	<b>4,721,848</b>	<b>4,593,431</b>	<b>4,420,559</b>	<b>4,644,657</b>	<b>4,458,902</b>	<b>4,666,521</b>

## SALARIES AND WAGES



**1100 PERMANENT EMPLOYEES**

**ALLOCATION:  
\$2,868,939**

### Total Agency Positions - 25.80

•Administration	4.90	positions	\$630,742
•Public Information	11.00	positions	837,366
•Hearings	5.90	positions	796,345
•Legal	4.00	positions	604,486
<b>•Agency Total</b>	<b>25.80</b>	<b>positions</b>	<b>\$2,868,939</b>

The total number of positions includes two vacant positions: an Information Analyst and a Senior Analyst. The allocations reflect salary-related costs for currently filled positions plus some additional funds for possible staffing changes during the year including possible reclassifications of one or more positions.



**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:  
\$43,000**

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



**1171 INSURANCE, MEDICARE**

**ALLOCATION:  
\$39,063**

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



**1173 INSURANCE, WORKERS' COMPENSATION**

**ALLOCATION:  
\$14,734**

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 an increase of 7.5% over last year's allocation.



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

**ALLOCATION:  
\$438,993**

The allocation is based on the 2014 and estimated 2015 premiums for the health, dental and vision plans provided for all permanent employees and their dependents. The City estimates healthcare premiums will increase by 13% for 2015. 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 they continue to do so.

- Health \$405,930
- Dental 29,361
- Vision 3,702



**1177 RETIREMENT  
CONTRIBUTION**

**ALLOCATION:  
\$540,504**

For FY 14/15 the retirement contribution rate is 19.688% of staff salaries, which is a 2.54% increase from the 19.2% rate applied to salaries in FY 13/14.



**1194 MEDICAL TRUST**

**ALLOCATION:  
\$43,832**

The Employee Medical Benefit Trust fund was established effective July 2001 to reimburse employees when they retire for a portion of their healthcare expenses. This allocation represents the contributions that will be made by the Agency for current employees for FY 14/15.



**1197 OTHER FRINGE  
BENEFITS**

**ALLOCATION:  
\$9,656**

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:  
\$20,000**

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, and 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**

This line item no longer requires an allocation due to the closure of the City's supply warehouse during FY 11/12. Costs 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.



**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**

The Board no longer rents office space outside of City Hall. Staff rearranged its current space in FY 12/13 and created a modest conference room to hold hearings on petitions filed by tenants and owners.



**2271 AUTO  
REIMBURSEMENT**

**ALLOCATION:  
\$0**

Car allowances for management staff were discontinued in FY 13/14.



**2272 MILEAGE**

**ALLOCATION:  
\$500**

This allocation provides mileage reimbursements at \$0.560 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:  
\$3,703**

The Board pays 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:  
\$3,069**

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:  
\$21,191**

- ❖ **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:  
\$13,633**

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:  
\$24,411**

- Newsletter (2 issues) 11,300
- General Adjustment Letters 8,250
- Registration Fee Bills/Envelopes 1,500
- Owner and Tenant Vacancy Registration Forms 700
- Regulations, information sheets, letterhead, envelopes, and miscellaneous printing 2,661



**4434 ADMINISTRATIVE INDIRECT COSTS**

**ALLOCATION:  
\$269,862**

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 City informed all departments the allocation for FY 14/15 will reflect a 2.5% increase over the allocation for FY 13/14. Last fiscal year, staff requested a number of modifications to the Board's proposed allocation and allocated funds based on the modified amount. The Finance Department agreed to the requested \$49,644 in reductions for a total allocation of \$263,280. The allocations for FY 14/15 reflect a 2.5% increase over the modified allocations for FY 13/14. 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. Note the allocation base shown for each of the categories reflects the same base used for the FY 13/14 allocation. The actual cost for each category reflects the 2.5% increase.

❖ **Community Information - \$3,744**

**City Hall Receptionist: \$3,744**

**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 - \$4,283**

**Civil Legal Services: \$4,283**

**Allocation Percentage – 0.070%**

Services Rendered – Provide legal advisory services for personnel matters.

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

❖ **Support Services – \$15,509**

**Mail Services: \$11,150**

**Allocation Percentage –1.89%**

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

*Allocation Base – Actual Postage Charges FY 11/12.*

**Printing Services: \$4,359**

**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: \$169,249**

**Administration: \$167**

**Allocation Percentage – 0.196%**

Services Rendered – Administrative cost of facility maintenance.

*Allocation Base – Actual hours of facility maintenance.*

**City Hall Custodial Services: \$94,202**

**Allocation Percentage – 1.543%**

Services Rendered – Provide custodial services at City Hall

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

**City Hall Maintenance: \$26,86**

**Allocation Percentage – 7.768%**

Services Rendered - Structural maintenance for City Hall.

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

**Facilities Maintenance Mgmt: \$23,252**

**Allocation Percentage – 0.584%**

Services Rendered – Oversight and administration of maintenance management.

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

**City Hall Building Use: \$24,759**

**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.*

❖ **Human Resources - \$23,451**

**Benefit Administration: \$9,847**

**Allocation Percentage – 1.38% / 0.177%**

**Permanent Employees - \$9,768 / As-Needed Employees - \$79**

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: \$3,392**

**Allocation Percentage – 1.383%**

Services Rendered – Prepare job classification and compensation studies.

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

**Recruitment: \$9,844**

**Allocation Percentage – 1.297%**

Services Rendered – Provide recruitment services.

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

**Rideshare Program: \$368**

**Allocation Percentage – 0.455%**

Services Rendered – Administer Rideshare program for city employees.

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

❖ **Finance - \$35,991**

**Finance Admin. - \$4,255**

**Purchasing Services: \$3,384**

**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: \$871**

**Allocation Percentage – 0.444%**

Services Rendered – Process contracts and contract payments.

*Allocation Base – # of Contracts Processed FY 11/12.*

**Financial Operations - \$27,120**

**Accounts Payable: \$7,668**

**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: \$17,642**

**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: \$1,810**                      **Allocation Percentage – 1.21%**

Services rendered – Maintain financial accounting systems.

*Allocation Base – Actual supplies and expenses.*

**Finance Business and Revenue - \$838**

**Cash Management: \$838**                      **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 - \$3,778**

**Audit Service: \$3,778**                      **Allocation Percentage – 1.21%**

Services rendered – Provide audit services.

*Allocation Base – Adjusted adopted budget FY 12/13.*

❖ **Information Systems - Operations: \$17,635**

**PC/Network Support: \$7,715**                      **Allocation Percentage – 0.557%**

Services Rendered – Provide computer and network support.

*Allocation Base – 25% of number of computers and printers FY 11/12.*

**Telecommunications Support: \$5,302**                      **Allocation Percentage – 1.128%**

Services Rendered – Provide telecommunications support.

*Allocation Base – Number of telecommunication lines FY 11/12.*

**Help Desk/Training Services: \$4,618**                      **Allocation Percentage – 0.568%**

Services Rendered – Provide computer help and training services.

*Allocation Base – 25% of number of computers, printers FY 11/12.*



**4439 OTHER COSTS**

**ALLOCATION:  
\$33,050**

The allocation covers the cable television costs for coverage of 14 televised Rent Control Board meetings at \$575 per meeting. For FY 14/15, \$25,000 is included for election costs to fill three Rent Control Board seats.



**5501 CONTRACTUAL SERVICES**

**ALLOCATION:  
\$24,200**

❖ **Administration: \$9,900**

- Mailhouse services for two newsletters \$5,125
- Mailhouse services for mass mailings 4,275
- Access to the County Assessor's database through DataQuick 500

❖ **Hearings: \$12,700**

- Attorney service to serve subpoenas and advance witness fees \$1,200
- Storage, retrieval and destruction of files 11,500

❖ **Legal: \$1,600**

- Messenger service \$1,600



**5506 PROFESSIONAL SERVICES**

**ALLOCATION:  
\$58,683**

\$55,683 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:  
\$50,000**

The allocation covers the direct costs of litigation, document delivery costs to courts, outside counsel (if needed), title searches, depositions, and 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 \$18,500
- Microsoft License Agreements 6,000
- On Base and Ascent Scanning System 9,000
- Printer and desktop computers maintenance agreements 3,400
- Miscellaneous office equipment 1,800
- New software license fees and maintenance agreements 4,300

# 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 2014/15 is projected to be \$4,630,419. 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. For the first time in seven years, the registration fee was increased last year. It is recommended that the fee for fiscal year 2014/15 remain \$174.96 per unit.

### **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.

The number of billable units for the upcoming fiscal year is projected based on analysis of the Agency's database and projections of current trends such as Ellis withdrawals, exemptions granted, fee waiver applications approved 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 2013/2014, it was projected 26,350 units would be billed. Registration fee revenue collected during fiscal year 13/14 reflected that figure. For fiscal year 2014/2015 it is anticipated the number of billable units will decline slightly and 26,335 units will be billed. In addition, it is projected that \$2,500 in previous years' fees will be collected. Due to staff's successful collection efforts in recent years, the amount of outstanding past due fees has been significantly reduced. Staff will continue to actively pursue property owners who owe past due registration fees.

### **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, pursuant to the regulations, 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 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 2014/2015, total refunds are projected to be \$15,000, remaining the same as fiscal year 2013/2014.

Based on an estimate of 26,335 controlled billable rental units with an annual registration fee of \$174.96, the revenue from registration fees (current and past due) should be \$4,610,072. Net registration fees after subtracting projected refunds (\$15,000) will be \$4,595,072.

### **Interest Earnings**

Another source of revenue is interest earnings on City-invested Rent Control funds. Staff estimates the interest earnings for fiscal year 2014/2015 will be \$26,347. The City Treasurer estimates 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 due to low interest rates and a reduction in the Board's reserves

### **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 2014/2015.

### Filing Fees

The Board has adopted two filing fees: a \$50 fee for processing a Vacancy Unit Registration on a property that 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 - 26,335 units <i>(including \$2,500 in past due fees)</i>	\$4,610,072	
Refunded Registration Fees	<u>-15,000</u>	
Registration Fees Subtotal		4,595,072
Interest Earnings @ 0.75%		26,347
Administrative Records Charges		3,000
Filing Fees		3,000
Miscellaneous Charges		<u>3,000</u>
Total Revenue		\$4,630,419

<b>Total Projected Revenue</b>	<b>\$4,630,419</b>
<b>Total Projected Expenditures</b>	<b>- 4,666,521</b>
<b>Revenue less Expenditures</b>	<b>-\$36,102</b>

The budget anticipates a deficit by the end of the fiscal year of less than 1% of total expenditures. In years in which the Board approves a deficit budget, the deficit is often reduced due to increased collections of fees or reduced expenditures during the course of the year. The deficit that remains at the end of the fiscal year will be covered by the Board's reserves.

## FUND BALANCE COMMITMENTS

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At the end of fiscal year 2013/2014, the Agency's fund balance, which is the Agency's "safety net" in case of emergency, is projected to be \$1,320,323. The budget has a small deficit of \$36,102.

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, \$1,164,555 in reserves through fiscal year 2014/2015.

## 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 2013/2014. Staff recommends maintaining this committed fund for fiscal year 2014/2015.

Committed Fund Name	2014/2015
Legal Expenses	\$41,975



## ADMINISTRATION DEPARTMENT

<b><u>CLASSIFICATION</u></b>	<b><u>AUTHORIZED POSITIONS FY 2013/2014</u></b>	<b><u>AUTHORIZED POSITIONS FY 2014/2015</u></b>
<b>Administrator (Executive Director)</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 also maintains 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, preparing 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 information technology 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.



## PUBLIC INFORMATION DEPARTMENT

<b>CLASSIFICATION</b>	<b>AUTHORIZED POSITIONS FY 2013/2014</b>	<b>AUTHORIZED POSITIONS FY 2014/2015</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>6.00</b>	<b>6.00*</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>

\*The Sr. Analyst position and one Information Analyst position are currently vacant.

### DEPARTMENT DESCRIPTION

The Public Information Department's primary purpose is responding to questions and informing 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: a twice-yearly newsletter is published and distributed; an annual report is prepared regarding controlled rental housing and Agency activity; the Agency's website and social media presence are well-maintained; seminars are presented for tenants, landlords, and realtors several times a year; and staff participates in public meetings throughout the city.

The Department does much of the initial processing of the thousands of forms filed by landlords and tenants with the Agency each year. 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 and monitors the Department's work, supervises implementation of the debt collection program and owner-occupied exemption lapses, oversees the monitoring of deed restriction compliance and conducts staff training. The Public Information Manager also participates on the management team that oversees the Agency's operation.

The Information Analysts are the primary contacts with the public. They provide 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; process owner-occupied exemption applications; and respond to public inquiries in person at the public counter, by telephone and by email. They also participate in community outreach through writing newsletter articles and by acting as presenters 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 fee waiver applications for owner-occupied units, single family dwellings, and units occupied by Section 8 tenants, low-income seniors and disabled tenants. 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.



## HEARINGS DEPARTMENT

<b><u>CLASSIFICATION</u></b>	<b><u>AUTHORIZED POSITIONS FY 2013/2014</u></b>	<b><u>AUTHORIZED POSITIONS FY 2014/2015</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>

### DEPARTMENT DESCRIPTION

The Hearings Department is responsible for completing the following tasks on petitions, complaints and applications filed by tenants and landlords: 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 to presiding at hearings, Hearing Officers also mediate excess rent complaints and rent decrease petitions as needed.

The mediator works with the parties involved in excess rent complaints and rent decrease petitions, often enabling the parties to come to an agreement without the necessity of a hearing, or limiting the issues that must be addressed at a hearing.

The work of the Hearings Department ebbs and flows, depending on the rate of petition filings. The department manages the fluctuating workload by using the services of former employees to assist with mediations and hearings on an as-needed basis.

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 tenant not in occupancy petitions, petitions to register a unit, exemption applications and 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, scheduling mediations, typing decisions, receiving and directing calls from the public, and processing documents for the document imaging system.



## LEGAL DEPARTMENT

<b><u>CLASSIFICATION</u></b>	<b><u>AUTHORIZED POSITIONS FY 2013/2014</u></b>	<b><u>AUTHORIZED POSITIONS FY 2014/2015</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>

### DEPARTMENT DESCRIPTION

Under the direction of the General Counsel, the Legal Department serves two principal functions: it advises the Board and the Agency on all legal matters, and it represents the Board in litigation.

Though much of the department's advisory work occurs outside the public view in order to preserve attorney-client confidentiality, there are important exceptions. As a legislative and quasi-adjudicatory body, the Board must operate openly, publicly and transparently. Thus, when the Board decides whether to enact or amend a law, or when it hears an appeal of a hearing officer's decision, its deliberative process must be fully public. As part of that public process, the Legal Department often prepares and publishes a written report that analyzes the issues presented and advises the Board about legally appropriate outcomes. Board attorneys also appear at the Board's public meetings and may publicly offer advice or provide information to the Board as a body.

In addition to its public and confidential advisory role, the Legal Department also serves as the Board's trial and appellate counsel, defending the Board's actions if they are challenged in court, defending the Board (and Board members if sued in their official capacity), litigating

the legitimacy of the Rent Control Law, and representing the Board as a plaintiff in civil actions.

The Legal Department also represents the Board's interest in the State Legislature (frequently in conjunction with the Board's lobbyist and the City Manager's office) and works with other city departments as necessary to ensure the lawful implementation of the rent control law.

Legal staff also advises the Public Information Department 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.