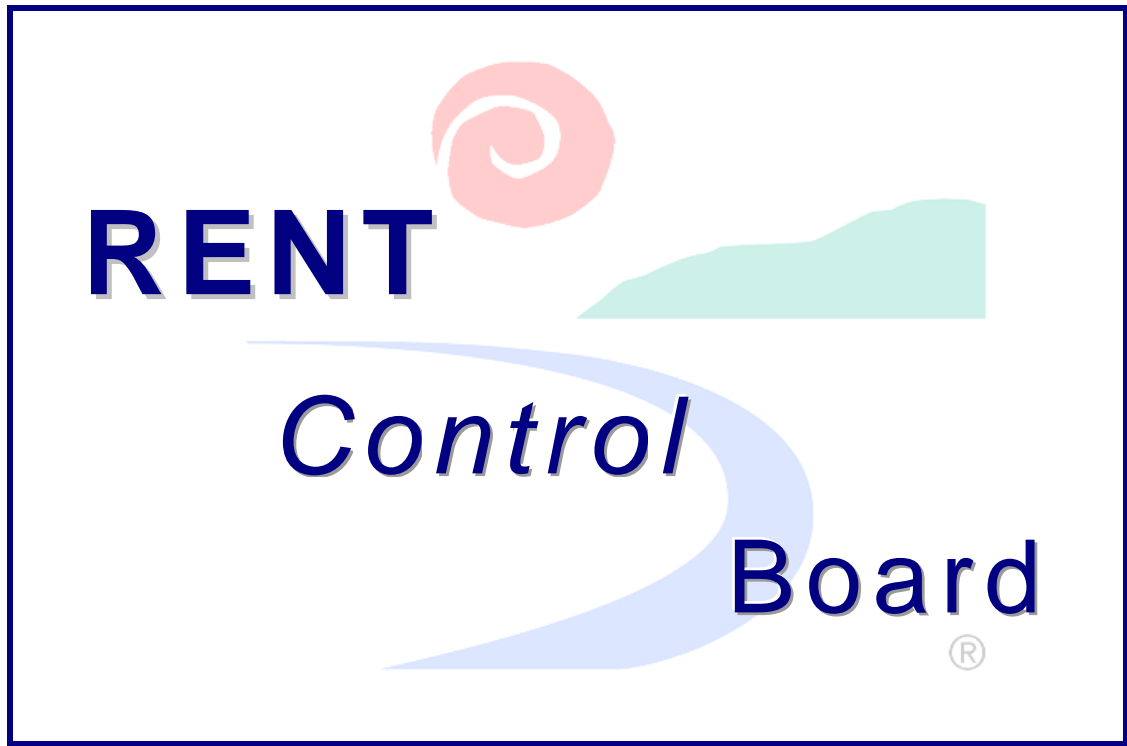


# SANTA MONICA



## ANNUAL OPERATING BUDGET

**FY 2010/2011**

**Adopted  
June 1, 2010**

# TABLE OF CONTENTS



## AGENCY ORGANIZATION AND GOALS

---

Agency Organization Chart.....	i
Labor Summary.....	ii
Agency Goals.....	iii

## 2010/2011 AGENCY BUDGET

---

Adopted Budget.....	1
Line Item Descriptions.....	2

## DEPARTMENTAL DESCRIPTIONS AND BUDGETS

---

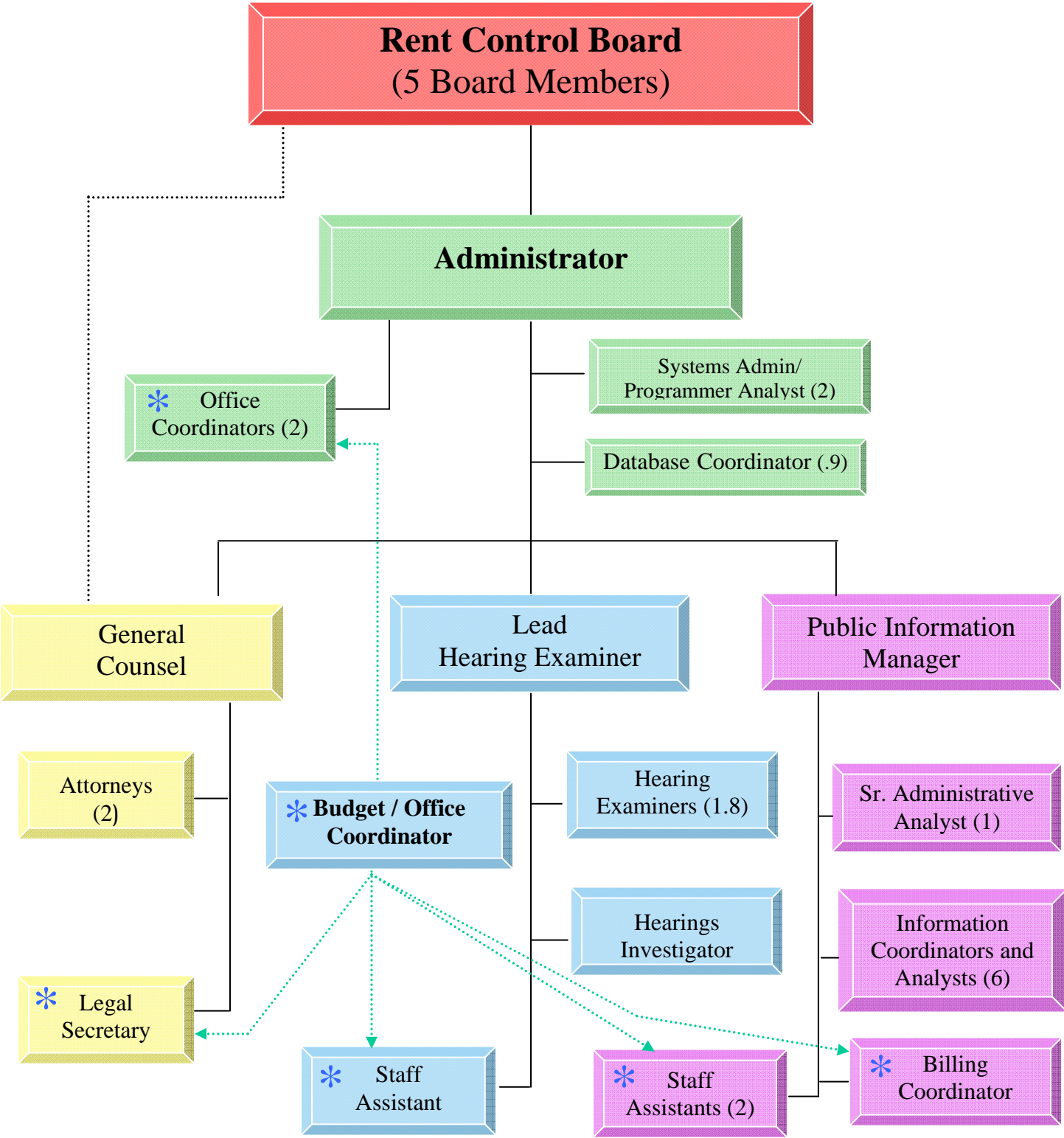
Descriptions.....	19
Adopted Budgets.....	27

## REVENUE PROJECTION

---

Revenue Analysis.....	31
Sources of Revenue.....	33
Designated Balance Sheet Reserves.....	33

# Santa Monica Rent Control Board Organization Chart



## LABOR SUMMARY

FY 2010/2011

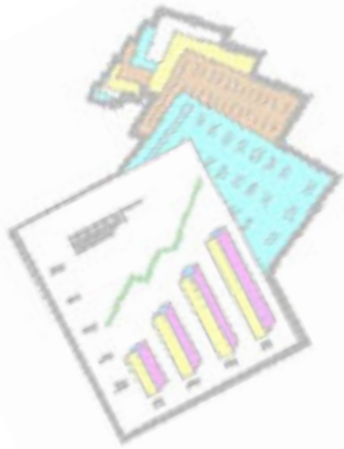
CLASSIFICATION	AUTHORIZED POSITIONS 2007/2008	AUTHORIZED POSITIONS 2008/2009	AUTHORIZED POSITIONS 2009/2010	AUTHORIZED POSITIONS 2010/2011	AMOUNT OF CHANGE 09/10 -- 10/11
Administration	<b>3.00</b>	<b>5.80</b>	<b>5.80</b>	<b>5.90</b>	<b>+0.10</b>
Hearings	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>5.80</b>	<b>-0.20</b>
Public Information	<b>16.40</b>	<b>12.60</b>	<b>10.60</b>	<b>11.00</b>	<b>+0.40</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>29.40</b>	<b>28.40</b>	<b>26.40</b>	<b>26.70</b>	<b>+0.30</b>

## PERMANENT STAFF BY CLASSIFICATION

FY 2010/2011

CLASSIFICATION	AUTHORIZED POSITIONS 2007/08	AUTHORIZED POSITIONS 2008/09	AUTHORIZED POSITIONS 2009/10	AUTHORIZED POSITIONS 2010/11	AMOUNT OF CHANGE 09/10 -- 10/11
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>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>-1.00</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>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.80</b>	<b>+0.80</b>
Information Analyst	<b>2.00</b>	<b>1.00</b>	<b>3.60</b>	<b>4.00</b>	<b>+0.40</b>
Information Coordinator	<b>4.60</b>	<b>4.60</b>	<b>2.00</b>	<b>2.00</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>2.00</b>	<b>2.00</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>2.00</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Sr. Information Coordinator	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</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>1.90</b>	<b>1.90</b>	<b>1.90</b>	<b>2.00</b>	<b>+0.10</b>
<b>TOTAL</b>	<b>29.40</b>	<b>28.40</b>	<b>26.40</b>	<b>26.70</b>	<b>+0.30</b>

The Assistant Public Information Manager and Staff Assistant IV positions are not reflected in the Labor Summary. These positions were last funded in the budget for fiscal year 2005/06. Staff does not anticipate filling these positions.

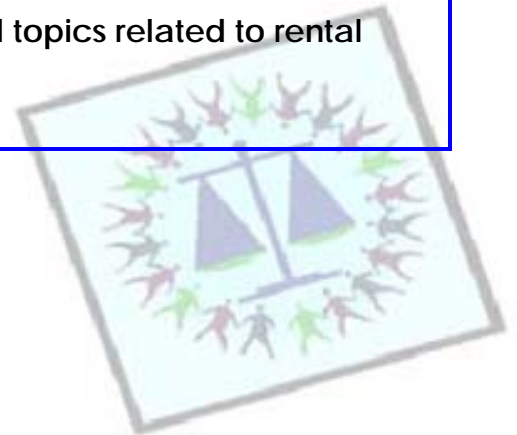


## AGENCY GOALS

2010/2011



1. Use social media to expand public outreach to all Rent Control users. Hold a Spanish-language seminar and update the Spanish-language web site to parallel the new English-language site.
2. Monitor continued validity of use exemptions including owner-occupancy (3 units or less) and non-rental exemptions.
3. Monitor compliance with restrictions on designated affordable units including removal permit deed restrictions and Incentive Housing Program dedicated units.
4. Continue to work with the Ellis Task Force to determine on-going compliance with City and Board-imposed restrictions on the use of properties withdrawn under the Ellis Act. Take affirmative legal action where indicated.
5. Develop continuing education opportunities for the Board members, including ethics and Brown Act training and topics related to rental housing.



**AGENCY BUDGET**

OBJ	DESCRIPTION	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL EXPENSES	FY 07-08 ACTUAL EXPENSES	FY 08-09 ACTUAL EXPENSES	FY 09-10 ADOPTED BUDGET	FY 09-10 PROJECTED EXPENSES	FY 10-11 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	2,630,168	2,567,750	2,613,693	2,676,316	2,767,467	2,754,233	2,851,406
1104	BOARD ALLOWANCE	6,000	6,075	6,675	4,800	6,750	5,625	6,375
1149	OVERTIME	3,956	4,993	7,207	6,568	5,000	4,061	5,000
1150	AS-NEEDED EMPLOYEES	33,989	57,132	14,169	20,340	0	23,490	0
1171	MEDICARE EMP CONT	27,541	27,566	28,946	32,640	35,093	34,959	36,799
1173	INS-COMPENSATION	21,500	22,800	19,100	19,800	19,900	19,900	20,800
1174	INS-EMPL HEALTH/DENT	275,926	298,099	302,674	331,198	336,256	332,251	356,126
11743B	Health	242,625	267,352	270,186	298,706	304,214	302,334	323,473
11748	Dental	29,395	27,128	28,851	28,725	28,208	26,368	28,819
11749	Vision	3,906	3,619	3,638	3,768	3,834	3,547	3,834
1177	RETIREMENT CONTRIB	430,821	364,067	423,921	416,721	431,998	417,225	450,321
1194	MEDICAL TRUST	51,262	46,292	45,014	46,576	46,008	39,760	46,008
1197	OTHER FRINGE BENEFITS	8,641	8,285	27,215	18,769	16,164	26,886	13,190
<b>TOTAL SALARIES &amp; WAGES</b>		<b>3,489,803</b>	<b>3,403,058</b>	<b>3,488,616</b>	<b>3,573,728</b>	<b>3,664,636</b>	<b>3,658,390</b>	<b>3,786,026</b>
2221	UTIL-TELEPHONE	24,011	25,656	23,854	24,850	28,000	28,000	28,000
2231	OFFICE SUPPLIES	12,215	11,383	12,535	14,259	14,800	13,475	14,100
2232	POSTAGE	35,013	36,468	36,202	37,313	40,000	38,465	40,000
2233	INVENTORY ISSUES	3,915	4,535	3,424	3,822	4,800	4,338	4,400
2254	ADVERTISING	2,289	5,506	2,769	446	4,000	4,000	2,500
2261	EQUIPMENT RENTAL	110	76	48	48	120	44	120
2262	RENT	29,756	25,265	23,831	8,206	15,430	14,180	15,552
2271	AUTO REIMBURSEMENT	8,066	8,015	7,020	7,620	6,620	5,020	5,820
2272	MILEAGE	393	357	361	338	400	400	400
2282	CONF-MTGS-TRAVEL	2,705	6,707	7,642	5,911	6,000	7,044	7,200
2290	MEMBERSHIPS & DUES	3,643	3,695	3,509	2,935	4,339	2,900	3,470
2294	INS-VEHICLES	700	900	900	900	1,900	1,900	2,040
3302B	INS-COMPREHENSIVE	33,627	38,168	41,921	30,232	39,590	8,669	10,308
4404	BOOKS & PERIODICALS	11,376	12,295	11,279	12,340	12,500	12,012	12,900
4411	PRINTING	21,895	25,099	23,653	24,285	29,850	29,850	30,745
4434	INDIRECT COSTS	247,866	268,156	237,545	237,725	267,442	267,442	278,769
4439	OTHER COSTS	7,700	30,474	30,950	34,686	28,250	25,000	32,700
5501	CONTRACTUAL SERVICES	33,393	30,969	27,638	27,657	31,950	29,832	32,000
5506	PROF SERVICES	77,189	73,790	70,242	83,149	70,500	65,205	62,000
5511	LEGAL EXPENSE	120,711	12,062	44,700	8,597	50,000	42,220	25,000
5521	TRAINING	1,130	5,351	5,768	6,748	11,500	8,509	12,100
7724	SERVICE AGREEMENTS	27,984	32,851	35,043	35,928	39,500	39,500	39,500
<b>TOTAL SUPPLIES &amp; EXPENSES</b>		<b>705,686</b>	<b>657,779</b>	<b>650,833</b>	<b>600,355</b>	<b>707,490</b>	<b>648,006</b>	<b>659,624</b>
8803	COMPUTER SYSTEMS	6,022	7,219	7,436	8,389	5,500	5,500	5,200
8808	OFFICE EQUIPMENT	10,107	11,844	10,760	10,393	10,500	10,500	9,500
8820	BLDG. RENOVATION	180	952	4,170	813	3,000	3,000	1,000
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
<b>TOTAL CAPITAL OUTLAY</b>		<b>16,309</b>	<b>20,015</b>	<b>22,365</b>	<b>19,594</b>	<b>19,000</b>	<b>19,000</b>	<b>15,700</b>
<b>TOTAL BUDGET</b>		<b>4,211,798</b>	<b>4,080,851</b>	<b>4,161,815</b>	<b>4,193,679</b>	<b>4,391,127</b>	<b>4,325,396</b>	<b>4,461,350</b>

## SALARIES AND WAGES

---

**1100 PERMANENT EMPLOYEES**  **ALLOCATION: \$2,851,406**

### Total Agency Positions - 26.70

•Administration	5.90	positions	\$681,325
•Hearings	5.80	positions	704,942
•Public Information	11.00	positions	917,355
•Legal	4.00	positions	547,784
•Agency Total	26.70	positions	\$2,851,406

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

---

**1150 AS-NEEDED  
EMPLOYEES**



**ALLOCATION:  
\$0**

Staff does not anticipate the need for hiring as-needed employees to supplement the existing permanent staff during the fiscal year. However, if help is needed during the year to cover any absences by permanent staff 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:  
\$36,799**

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:  
\$20,800**

The Rent Control Board participates in the City of Santa Monica Workers' Compensation Fund. The Agency's share is based on the total number of employees, with a factor for past and existing claims. The City's total Workers' Compensation budget is \$8.3 million. The Rent Control allocation of \$20,800 represents 0.24% of the total costs.

---

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



**ALLOCATION:  
\$356,126**

The allocation is based on the 2010 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.

•Health	\$323,473
•Dental	28,819
•Vision	3,834



---

**1177 RETIREMENT  
CONTRIBUTION**



**ALLOCATION:  
\$450,321**

For fiscal year 10/11 the retirement contribution rate of 16.133% of staff salaries reflects an increase from the 15.944% rate used in fiscal year 09/10.

---

**1194 MEDICAL  
TRUST**



**ALLOCATION:  
\$46,008**

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

---

**1197 OTHER  
FRINGE BENEFITS**



**ALLOCATION:  
\$13,190**

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

# SUPPLIES AND EXPENSES

---

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

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

---

**2231 OFFICE SUPPLIES**  **ALLOCATION: \$14,100**

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

---

**2232 POSTAGE**  **ALLOCATION: \$40,000**

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

- General Adjustment/Registration Fee Mailings \$ 8,100
- Newsletter Mailings (2) 13,000
- Postcard Mailing (1) 9,200
- General Mailings 7,800
- Miscellaneous Postal Fees 1,900

---

**2233 INVENTORY  
ISSUES**



**ALLOCATION:  
\$4,400**

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

---

**2254**



**ADVERTISING**

**ALLOCATION:  
\$2,500**

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

---

**2261 EQUIPMENT  
RENTAL**



**ALLOCATION:  
\$120**

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

---

**2262**



**RENT**

**ALLOCATION:  
\$15,552**

There is insufficient space in City Hall to provide space for hearing rooms and the Agency rents space outside of City Hall to hold hearings. In October 2008, the Agency leased space (280 square feet) from the City's Housing and Economic Development Department, which is located at 1901 Main Street. The lease provides for monthly payments of \$1,045 through April 2011 and payments of \$1,098 for May through June 2011. The allocation includes payments for the Agency's portion of cleaning expenses and the Agency's portion of operating expenses (estimated at \$2,906 for the year).

---

2271

**AUTO  
REIMBURSEMENT**



**ALLOCATION:  
\$5,820**

This line item represents monthly car allowances for staff.

---

2272

**MILEAGE**



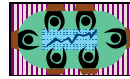
**ALLOCATION:  
\$400**

This allocation provides mileage reimbursements at \$0.50 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:  
\$3,470**

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

---

2294

**INSURANCE,  
VEHICLES**



**ALLOCATION:  
\$2,040**

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

---

---

**3302 INSURANCE,  
COMPREHENSIVE**



**ALLOCATION:  
\$10,308**

❖ **General Liability: \$9,250**

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

❖ **Multi-Peril Insurance for Property at City Hall and the Hearings Department hearing room: \$700**

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

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

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

---

---

**4404 BOOKS AND  
PERIODICALS**



**ALLOCATION:  
\$12,900**

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:  
\$30,745**

- Charter Amendment and Regulations, Instructions, Information sheets, and Miscellaneous Notices \$5,230
- Newsletter (2 issues) and MAR Postcard (1) 11,220
- General Adjustment Letters 11,300
- Registration Fee Bills/Envelopes 1,450
- Owner and Tenant Vacancy Registration Forms 1,545

---

**4434 ADMINISTRATIVE  
INDIRECT COSTS**



**ALLOCATION:  
\$278,769**

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

The Cost Allocation plan currently used is based on the plan which was modified and updated for fiscal year 2004/2005. The indirect costs to be paid in fiscal year 2010/2011 are based on activities during fiscal year 2008/2009.

The Finance Department has not yet issued the final detailed report outlining the assessed amounts for the various categories, the allocation percentages and allocation bases for the costs incurred during fiscal year 2008/2009. However, their projection for the Agency's share of indirect costs is \$298,769. Staff was provided with a preview of the final report and has identified a number of categories where downward adjustments may be warranted. Staff made adjustments to two of those categories; City Attorney-Civil Legal Services and Information Systems-Helpdesk/Training Services. The remaining questionable categories will be discussed with the Finance Department before any additional adjustments are made.

Staff's downward adjustments total \$20,000. The projection for the Agency's share of indirect costs has been reduced to \$278,769. The itemizations on the following four pages reflect the estimated costs based on the total cost of \$278,769.

Board staff will work with the Finance Department in the upcoming months to review all the indirect charges assessed for this fiscal year. If additional adjustments and corrections are necessary, staff will address the issues in the mid-year budget report for fiscal year 2010/2011. Any necessary revisions to the budget can be made at that time. The mid-year report is generally issued between April and May.

Any changes to the total amount of indirect costs will affect the amount of the deficit currently indicated in this budget.

The following itemizes the source of the charges, a description of services rendered, the allocation base used, and the percentage used to calculate the Rent Control assessment. All figures are based on the total projected assessment of \$278,769.

❖ **Community Information - \$2,023**

❖ **City Hall Receptionist: \$2,023**                      **Allocation Percentage - 1.297%**

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

Allocation Base – Authorized Full Time Positions in 2008/09.

❖ **City Attorney - \$818 (reduced from \$16,252)**

❖ **Civil Legal Services: \$818**                                      **Allocation Percentage – 0.010%**

Services Rendered – Provide legal advisory services for personnel matters.

Allocation Base – Estimate of time spent in 2008/09. (Under review.)

❖ **Revenue - \$21,024**

❖ **Cash Receipts: \$5,368**    **Allocation Percentage – 1.159%**

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

Allocation Base – Number of cash receipts processed in 2008/09.

❖ **Cash Management: \$15,656**                                      **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 not made, under review.)

❖ **Support Services – \$1,851**

❖ **Printing Services: \$2,211**    **Allocation Percentage – 0.507%**

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

Allocation Base – Actual Print Shop Charges for 2008/09

❖ **Mail Services: (\$360)**    **Allocation Percentage – N/A**

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

Allocation Base – Actual Postage Charges for 2008/09. All departments assessed a credit.

❖ **Facilities Management: \$49,626**

❖ **City Hall Maintenance: \$48,824**                      **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: \$802**                      **Allocation Percentage – 0.048%**

Services Rendered - Structural maintenance and utility expenses for other facilities.

Allocation Base – Actual hours used. (Under review.)

❖ **Maintenance Management - \$86,678**

❖ **City Hall Custodial Services: \$86,678**                      **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 - \$14,077**

❖ **City Hall Building Use: \$14,077**                      **Allocation Percentage – 9.392%**

Services Rendered – Provide general building improvements to City Hall.

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

❖ **Human Resources - \$16,131**

❖ **Benefit Administration: \$6,197**                      **Allocation Percentage - 1.414%**

Services Rendered – Administer employee benefits for all permanent employees.

Allocation Base - Authorized permanent employees for 2008/09

❖ **Labor Negotiations: \$3,487**                      **Allocation Percentage – 1.414%**

Services Rendered – Negotiate labor agreements with bargaining units.

Allocation Base - Authorized permanent employees for 2008/09. (Under review.)

❖ **Class & Compensation Studies: \$2,939**                      **Allocation Percentage – 1.414%**

Services Rendered – Prepare job classification and compensation studies.

Allocation Base – Number of permanent employees for 2008/09.

❖ **Employee Training: \$3,508**                      **Allocation Percentage – 1.297%**

Services Rendered – Provide employee development and training programs.

Allocation Base - Authorized full and part time positions for 2008/09.



❖ **Finance - \$44,317**

❖ **Finance Admin. & Budget**

**Budget Prep./Support: \$14,360**                      **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 in 2008/09.

❖ **Cash Management: \$3,563**                      **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, under review.)

❖ **Financial Operations**

**Accounts Payable: \$9,109**                      **Allocation Percentage – 1.250%**

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

Allocation Base - Number of warrants issued in 2008/09.

❖ **Financial Operations**

**Budget Prep. & Support: \$485**                      **Allocation Percentage – 1.342%**

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

Allocation Base – Adjusted actual expenditures in 2008/09.

❖ **Financial Operations**

**General Accounting: \$7,958**                      **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 for 2008/09.

❖ **Financial Operations**

**Payroll: \$5,991**                      **Allocation Percentage – 1.297%**

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

Allocation Base - Authorized full-time positions in 2008/09.

❖ **Financial Operations**

**Purchasing Services: \$2,852**                      **Allocation Percentage – 0.480%**

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

Allocation Base – Number of purchasing transactions for the Agency in 2008/09.

❖ **Information Systems - Operations: \$41,544 (reduced from \$46,110)**

❖ **PC/Network Support: \$11,515**                      **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: \$5,687**                      **Allocation Percentage – 3.590%**

Services Rendered – Provide telecommunications support.

Allocation Base – Number of telecommunication lines.

❖ **Help Desk/Training Services: \$7,107**                      **Allocation Percentage – 0.565%**

Services Rendered – Provide computer help and training services.

Allocation Base – Number of computers, printers (adjusted to 25% since the Agency's own computer staff maintains the department's computers and internal network services). Only a partial downward adjustment was made. Figure does not reflect the full 25% adjustment; under review.

❖ **Application Dev./Support: \$11,558**                      **Allocation Percentage – 0.553%**

Services Rendered – Provide application development and database support services.

Allocation Base – Detailed time records of Information Systems Staff.

❖ **Web Services: \$5,677**                      **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 - \$679**

❖ **Central Warehouse Services - \$679**                      **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 in 2008/09.

---

**4439 OTHER COSTS**



**ALLOCATION:  
\$32,700**

The allocation covers the cable television costs for coverage of 14 televised Rent Control Board meetings at \$550 per meeting. The allocation also includes \$25,000 for the Agency's share of the November 2010 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 reserve fund designated for this purpose.

---

**5501 CONTRACTUAL SERVICES**



**ALLOCATION:  
\$32,000**

❖ **Administration: \$19,000**

- Mailhouse services for mass mailings \$6,120
- Mailhouse services for the newsletter & postcard 4,935
- Design and layout services for the newsletter 7,445
- Access to the County Assessor's database through DataQuick 500

❖ **Hearings: \$11,000**

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

❖ **Legal: \$2,000**

- Messenger service \$2,000

---

5506

**PROFESSIONAL  
SERVICES**



**ALLOCATION:  
\$62,000**

\$57,500 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.

\$4,500 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:  
\$25,000**

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 can be moved into the budget from the reserve fund designated for this purpose with the Board's authorization.

---

5521



**TRAINING**

**ALLOCATION:  
\$12,100**

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

---

7724

**SERVICE  
AGREEMENTS**



**ALLOCATION:  
\$39,500**

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 \$24,300
- Microsoft License Agreements 6,000
- Liberty Net and Ascent Scanning System 5,000
- Miscellaneous office equipment 4,200

# CAPITAL OUTLAY

---


**8803 COMPUTER SYSTEMS**  **ALLOCATION: \$5,200**

For several years, staff has implemented and followed a program to replace or upgrade existing computer equipment as needed. The Agency continues to follow this program in order to keep pace with changing computer technology and to ensure that the Agency's computer systems remain compatible with the City's systems.

This budget provides funds to replace or repair several computers, monitors, and printers, if needed, during the fiscal year. Funds have also been allocated to purchase miscellaneous software and computer supplies during the fiscal year.

- ❖ Desktop computers and monitors \$4,000
- ❖ Software, hardware and misc. supplies: \$1,200

---

**8808 OFFICE EQUIPMENT**  **ALLOCATION: \$9,500**

The allocation includes 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 1,500

---

**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.

# ADMINISTRATION DEPARTMENT



<b><u>CLASSIFICATION</u></b>	<b><u>AUTHORIZED POSITIONS FY 2009/2010</u></b>	<b><u>AUTHORIZED POSITIONS FY 2010/2011</u></b>
<b>Administrator</b>	<b>1.00</b>	<b>1.00</b>
<b>Office Coordinator</b>	<b>2.00</b>	<b>2.00</b>
<b>Systems Administrator/ Programmer Analyst</b>	<b>1.90</b>	<b>2.00</b>
<b>Database Coordinator</b>	<b>0.90</b>	<b>0.90</b>
<b>Total positions</b>	<b>5.80</b>	<b>5.90</b>

---

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

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

# HEARINGS DEPARTMENT



<b><u>CLASSIFICATION</u></b>	<b><u>AUTHORIZED POSITIONS FY 2009/2010</u></b>	<b><u>AUTHORIZED POSITIONS FY 2010/2011</u></b>
<b>Department Manager</b>	<b>1.00</b>	<b>0.00</b>
<b>Hearing Examiner</b>	<b>2.00</b>	<b>2.80</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>6.00</b>	<b>5.80</b>

## DEPARTMENT DESCRIPTION

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

Department in reviewing plan check applications involving rent controlled properties.

Since the retirement of the Hearings Department Manager in October 2009 a Lead Hearing Officer has been designated to perform a variety of duties formerly performed by the Hearings Department Manager, including 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. One Hearing Officer acts as a settlement facilitator of excess rent complaints and rent decrease petitions, often enabling the parties to come to an agreement without the necessity of a hearing. In addition, she mediates a variety of issues outside the petition process. She also coordinates periodic seminars for tenants and owners.

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

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

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

# PUBLIC INFORMATION DEPARTMENT



<b><u>CLASSIFICATION</u></b>	<b><u>AUTHORIZED POSITIONS FY 2009/10</u></b>	<b><u>AUTHORIZED POSITIONS FY 2010/2011</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>3.60</b>	<b>4.00</b>
<b>Information Coordinator</b>	<b>2.00</b>	<b>2.00</b>
<b>Sr. Information Coordinator</b>	<b>0.00</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>10.60</b>	<b>11.00</b>

## DEPARTMENT DESCRIPTION

The Public Information Department's primary focus is on 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; 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 in FY 2010/2011 in order 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.

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 2009/2010</u></b>	<b><u>AUTHORIZED POSITIONS FY 2010/2011</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

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 and the City Attorney's Office work together in recognizing trends in the real estate market that could result in the loss of residential rental housing.

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

The legal secretary supports the three attorneys in the department. Her duties include, formatting and word processing written materials, 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.

**ADMINISTRATION**

OBJ	DESCRIPTION	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL EXPENSES	FY 07-08 ACTUAL EXPENSES	FY 08-09 ACTUAL EXPENSES	FY 09-10 ADOPTED BUDGET	FY 09-10 PROJECTED EXPENSES	FY 10-11 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	334,218	348,426	393,070	641,437	655,571	661,218	681,325
1104	BOARD ALLOWANCE	6,000	6,075	6,675	4,800	6,750	5,625	6,375
1149	OVERTIME	393	601	549	653	600	560	600
1150	AS-NEEDED EMPLOYEES	0	0	0	0	0	0	0
1171	MEDICARE EMP CONT	2,515	2,671	3,971	9,382	9,514	9,852	9,888
1173	INS-COMPENSATION	21,500	22,800	19,100	19,800	19,900	19,900	20,800
1174	INS-EMPL HEALTH/DENT	27,021	31,544	30,040	79,771	78,902	80,057	82,726
11743B	Health	23,509	28,031	26,377	73,154	72,516	73,366	75,729
11748	Dental	3,112	3,112	3,265	5,790	5,564	5,870	6,175
11749	Vision	400	401	399	827	822	821	822
1177	RETIREMENT CONTRIB	57,035	50,647	59,420	98,365	100,898	100,624	105,542
1194	MEDICAL TRUST	5,112	5,112	5,538	10,224	10,224	10,224	10,224
1197	OTHER FRINGE BENEFITS	1,385	1,393	2,129	2,090	3,777	1,797	2,795
<b>TOTAL SALARIES &amp; WAGES</b>		455,179	469,270	520,491	866,521	886,136	889,858	920,276
2221	UTIL-TELEPHONE	24,011	25,656	23,854	24,850	28,000	28,000	28,000
2231	OFFICE SUPPLIES	10,446	10,845	10,691	12,230	12,700	12,700	12,700
2232	POSTAGE	35,013	36,468	36,202	37,313	40,000	38,465	40,000
2233	INVENTORY ISSUES	3,915	4,535	3,424	3,822	4,800	4,338	4,400
2254	ADVERTISING	2,289	5,506	2,769	446	4,000	4,000	2,500
2261	EQUIPMENT RENTAL	110	76	48	48	120	44	120
2262	RENT	0	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	986	1,020	1,020	1,020	1,020	1,020	1,020
2272	MILEAGE	393	323	345	338	400	400	400
2282	CONF-MTGS-TRAVEL	2,705	6,707	7,642	5,911	6,000	7,044	7,200
2290	MEMBERSHIPS & DUES	645	620	479	0	650	100	100
2294	INS-VEHICLES	700	900	900	900	1,900	1,900	2,040
3302B	INS-COMPREHENSIVE	33,627	38,168	41,921	30,232	39,590	8,669	10,308
4404	BOOKS & PERIODICALS	562	566	406	547	1,200	812	1,000
4411	PRINTING	21,895	25,099	23,653	24,285	29,850	29,850	30,745
4434	INDIRECT COSTS	247,866	268,156	237,545	237,725	267,442	267,442	278,769
4439	OTHER COSTS	7,700	30,474	30,950	34,686	28,250	25,000	32,700
5501	CONTRACTUAL SERVICES	21,251	18,554	15,894	15,963	18,450	18,450	19,000
5506	PROF SERVICES	69,976	45,699	46,310	83,149	70,500	65,205	62,000
5511	LEGAL EXPENSE	0	0	0	0	0	0	0
5521	TRAINING	184	975	1,223	2,285	3,000	3,000	3,000
7724	SERVICE AGREEMENTS	26,874	31,741	33,908	35,928	38,500	38,500	39,500
<b>TOTAL SUPPLIES &amp; EXPENSES</b>		511,148	552,087	519,185	544,038	596,371	554,939	575,502
8803	COMPUTER SYSTEMS	6,022	7,219	7,436	8,389	5,500	5,500	5,200
8808	OFFICE EQUIPMENT	10,107	11,844	10,605	10,393	10,500	10,500	9,500
8820	BLDG. RENOVATION	180	952	4,170	813	3,000	3,000	1,000
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
<b>TOTAL CAPITAL OUTLAY</b>		16,309	20,015	22,211	19,595	19,000	19,000	15,700
<b>TOTAL BUDGET</b>		982,636	1,041,372	1,061,888	1,430,154	1,501,508	1,463,797	1,511,478



**HEARINGS**

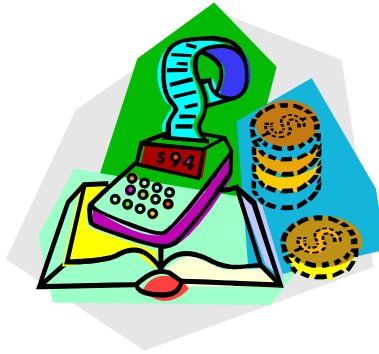
OBJ	DESCRIPTION	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL EXPENSES	FY 07-08 ACTUAL EXPENSES	FY 008-09 ACTUAL EXPENSES	FY 09-10 ADOPTED BUDGET	FY 09-10 PROJECTED EXPENSES	FY 10-11 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	702,472	657,542	663,008	697,000	746,216	753,946	704,942
1104	BOARD ALLOWANCE	0	0	0	0	0	0	0
1149	OVERTIME	1,729	1,850	2,297	2,918	1,650	2,281	1,650
1150	AS-NEEDED EMPLOYEES	12,768	33,034	13,110	0	0	13,808	0
1171	MEDICARE EMP CONT	4,904	5,131	4,611	4,671	6,808	6,539	6,719
1173	INS-COMPENSATION	0	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	66,266	73,731	74,346	75,337	73,203	77,015	84,640
11743B	Health	58,096	66,665	67,115	68,064	66,206	70,503	77,643
11748	Dental	7,194	6,224	6,418	6,446	6,175	5,746	6,175
11749	Vision	976	842	814	827	822	765	822
1177	RETIREMENT CONTRIB	115,767	93,292	110,000	108,912	117,434	111,646	112,577
1194	MEDICAL TRUST	12,922	10,224	9,656	10,224	10,224	9,798	10,224
1197	OTHER FRINGE BENEFITS	2,705	2,616	6,980	3,385	4,784	6,194	4,058
<b>TOTAL SALARIES &amp; WAGES</b>		919,534	877,420	884,008	902,446	960,320	981,226	924,810
2221	UTIL-TELEPHONE	0	0	0	0	0	0	0
2231	OFFICE SUPPLIES	412	111	55	359	400	0	400
2232	POSTAGE	0	0	0	0	0	0	0
2233	INVENTORY ISSUES	0	0	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0	0
2262	RENT	29,756	25,265	23,831	8,206	15,430	14,180	15,552
2271	AUTO REIMBURSEMENT	2,320	2,400	2,400	2,400	800	600	0
2272	MILEAGE		34	16	0	0	0	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	1,475	1,495	1,495	1,320	1,819	1,125	1,500
2294	INS-VEHICLES	0	0	0	0	0	0	0
3302B	INS-COMPREHENSIVE	0	0	0	0	0	0	0
4404	BOOKS & PERIODICALS	0	0	40	0	200	200	200
4411	PRINTING	0	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0	0
4439	OTHER COSTS	0	0	0	0	0	0	0
5501	CONTRACTUAL SERVICES	9,142	9,950	9,507	10,194	11,000	10,140	11,000
5506	PROF SERVICES	7,213	18,078	22,166	0	0	0	0
5511	LEGAL EXPENSE	0	0	0	0	0	0	0
5521	TRAINING	0	318	1,948	903	2,500	760	2,500
7724	SERVICE AGREEMENTS	1,110	1,110	1,135	0	1,000	1,000	0
<b>TOTAL SUPPLIES &amp; EXPENSES</b>		51,427	58,761	62,594	23,382	33,149	28,005	31,152
8803	COMPUTER SYSTEMS	0	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	155	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
<b>TOTAL CAPITAL OUTLAY</b>		0	0	155	0	0	0	0
<b>TOTAL BUDGET</b>		970,961	936,181	946,758	925,828	993,469	1,009,231	955,962

**PUBLIC INFORMATION**

OBJ	DESCRIPTION	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL EXPENSES	FY 07-08 ACTUAL EXPENSES	FY 08-09 ACTUAL EXPENSES	FY 09-10 ADOPTED BUDGET	FY 09-10 PROJECTED EXPENSES	FY 11-12 ADOPTED BUDGET
<b>1100</b>	PERMANENT EMPLOYEES	1,076,709	1,106,523	1,064,215	817,547	821,236	782,190	917,355
<b>1104</b>	BOARD ALLOWANCE	0	0	0	0	0	0	0
<b>1149</b>	OVERTIME	1,834	2,088	4,350	2,334	2,500	1,196	2,500
<b>1150</b>	AS-NEEDED EMPLOYEES	21,221	24,097	1,059	20,340	0	9,682	0
<b>1171</b>	MEDICARE EMP CONT	12,416	13,096	13,231	11,085	10,872	10,384	12,246
<b>1173</b>	INS-COMPENSATION	0	0	0	0	0	0	0
<b>1174</b>	INS-EMPL HEALTH/DENT	141,403	150,726	147,359	123,254	132,660	120,956	132,826
<b>11743B</b>	Health	124,465	134,755	130,785	109,501	118,666	108,908	118,832
<b>11748</b>	Dental	14,940	14,076	14,696	12,191	12,351	10,635	12,351
<b>11749</b>	Vision	1,998	1,896	1,879	1,562	1,643	1,413	1,643
<b>1177</b>	RETIREMENT CONTRIB	180,195	159,183	173,221	127,405	126,810	115,616	143,824
<b>1194</b>	MEDICAL TRUST	26,412	24,708	23,004	19,312	18,744	12,922	18,744
<b>1197</b>	OTHER FRINGE BENEFITS	2,628	2,548	14,846	10,641	4,040	17,154	3,348
<b>TOTAL SALARIES &amp; WAGES</b>		<b>1,462,816</b>	<b>1,482,970</b>	<b>1,441,285</b>	<b>1,131,917</b>	<b>1,116,863</b>	<b>1,070,100</b>	<b>1,230,843</b>
<b>2221</b>	UTIL-TELEPHONE	0	0	0	0	0	0	0
<b>2231</b>	OFFICE SUPPLIES	1,331	253	1,786	1,474	1,500	775	1,000
<b>2232</b>	POSTAGE	0	0	0	0	0	0	0
<b>2233</b>	INVENTORY ISSUES	0	0	0	0	0	0	0
<b>2254</b>	ADVERTISING	0	0	0	0	0	0	0
<b>2261</b>	EQUIPMENT RENTAL	0	0	0	0	0	0	0
<b>2262</b>	RENT	0	0	0	0	0	0	0
<b>2271</b>	AUTO REIMBURSEMENT	2,320	2,400	1,200	1,800	2,400	1,000	2,400
<b>2272</b>	MILEAGE	0	0	0	0	0	0	0
<b>2282</b>	CONF-MTGS-TRAVEL	0	0	0	0	0	0	0
<b>2290</b>	MEMBERSHIPS & DUES	0	0	0	0	100	100	100
<b>2294</b>	INS-VEHICLES	0	0	0	0	0	0	0
<b>3302B</b>	INS-COMPREHENSIVE	0	0	0	0	0	0	0
<b>4404</b>	BOOKS & PERIODICALS	0	0	0	0	100	0	0
<b>4411</b>	PRINTING	0	0	0	0	0	0	0
<b>4434</b>	INDIRECT COSTS	0	0	0	0	0	0	0
<b>4439</b>	OTHER COSTS	0	0	0	0	0	0	0
<b>5501</b>	CONTRACTUAL SERVICES	0	0	0	0	0	0	0
<b>5506</b>	PROF SERVICES	0	0	0	0	0	0	0
<b>5511</b>	LEGAL EXPENSE	0	0	0	0	0	0	0
<b>5521</b>	TRAINING	0	334	549	0	2,000	749	2,600
<b>7724</b>	SERVICE AGREEMENTS	0	0	0	0	0	0	0
<b>TOTAL SUPPLIES &amp; EXPENSES</b>		<b>3,651</b>	<b>2,987</b>	<b>3,535</b>	<b>3,274</b>	<b>6,100</b>	<b>2,624</b>	<b>6,100</b>
<b>8803</b>	COMPUTER SYSTEMS	0	0	0	0	0	0	0
<b>8808</b>	OFFICE EQUIPMENT	0	0	0	0	0	0	0
<b>8820</b>	BLDG. RENOVATION	0	0	0	0	0	0	0
<b>8855</b>	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
<b>TOTAL CAPITAL OUTLAY</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL BUDGET</b>		<b>1,466,467</b>	<b>1,485,957</b>	<b>1,444,820</b>	<b>1,135,191</b>	<b>1,122,963</b>	<b>1,072,724</b>	<b>1,236,943</b>

LEGAL								
OBJ	DESCRIPTION	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL EXPENSES	FY 07-08 ACTUAL EXPENSES	FY 08-09 ACTUAL EXPENSES	FY 09-10 ADOPTED BUDGET	FY 09-10 PROJECTED EXPENSES	FY 10-11 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	516,769	455,259	493,404	520,332	544,444	556,880	547,784
1104	BOARD ALLOWANCE	0	0	0	0	0	0	0
1149	OVERTIME	0	454	12	663	250	24	250
1150	AS-NEEDED EMPLOYEES	0	0	0	0	0	0	0
1171	MEDICARE EMP CONT	7,706	6,668	7,134	7,503	7,898	8,184	7,946
1173	INS-COMPENSATION	0	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	41,237	42,097	50,929	52,836	51,491	54,224	55,934
11743B	Health	36,555	37,901	45,909	47,987	46,826	49,558	51,270
11748	Dental	4,149	3,717	4,473	4,297	4,117	4,117	4,117
11749	Vision	533	479	547	551	548	548	548
1177	RETIREMENT CONTRIB	77,823	60,944	81,279	82,040	86,856	89,339	88,378
1194	MEDICAL TRUST	6,816	6,248	6,816	6,816	6,816	6,816	6,816
1197	OTHER FRINGE BENEFITS	1,924	1,727	3,259	2,654	3,562	1,740	2,989
<b>TOTAL SALARIES &amp; WAGES</b>		<b>652,274</b>	<b>573,398</b>	<b>642,831</b>	<b>672,844</b>	<b>701,317</b>	<b>717,207</b>	<b>710,098</b>
2221	UTIL-TELEPHONE	0	0	0	0	0	0	0
2231	OFFICE SUPPLIES	26	174	3	194	200	0	0
2232	POSTAGE	0	0	0	0	0	0	0
2233	INVENTORY ISSUES	0	0	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0	0
2262	RENT	0	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	2,440	2,195	2,400	2,400	2,400	2,400	2,400
2272	MILEAGE	0	0	0	0	0	0	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	1,523	1,580	1,535	1,615	1,770	1,575	1,770
2294	INS-VEHICLES	0	0	0	0	0	0	0
3302B	INS-COMPREHENSIVE	0	0	0	0	0	0	0
4404	BOOKS & PERIODICALS	10,814	11,729	10,833	11,793	11,000	11,000	11,700
4411	PRINTING	0	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0	0
4439	OTHER COSTS	0	0	0	0	0	0	0
5501	CONTRACTUAL SERVICES	3,000	2,465	2,237	1,500	2,500	1,243	2,000
5506	PROF SERVICES	0	10,013	1,766	0	0	0	0
5511	LEGAL EXPENSE	120,711	12,062	44,700	8,597	50,000	42,220	25,000
5521	TRAINING	946	3,724	2,048	3,560	4,000	4,000	4,000
7724	SERVICE AGREEMENTS	0	0	0	0	0	0	0
<b>TOTAL SUPPLIES &amp; EXPENSES</b>		<b>139,460</b>	<b>43,943</b>	<b>65,520</b>	<b>29,661</b>	<b>71,870</b>	<b>62,438</b>	<b>46,870</b>
8803	COMPUTER SYSTEMS	0	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0	0
<b>TOTAL CAPITAL OUTLAY</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL BUDGET</b>		<b>791,734</b>	<b>617,341</b>	<b>708,351</b>	<b>702,505</b>	<b>773,187</b>	<b>779,645</b>	<b>756,968</b>

## REVENUE PROJECTION



Revenue for fiscal year 2010/2011 is projected to be \$4,195,532. The sources of the Agency's revenue are registration fees at \$156 per unit (\$13 per month per unit), interest earnings on unexpended Rent Control funds, fees for administrative records, limited filing fees and miscellaneous receipts.

### **Registration Fees**

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

Each year, staff projects the number of billable units for the upcoming fiscal year based on analysis of the Agency's database and projections of current trends such as Ellis withdrawals, exemptions, fee waiver applications and rates of TORCA unit sales. The number of billable units changes during the year. Units become exempt or fee waivers are granted making some units no longer billable, while other units previously exempt or otherwise not under Rent Control become billable units. For fiscal year 2009/2010, staff projected 26,390 units would be billed. For fiscal year 2010/2011 staff believes there will be a modest increase in the number of billable units and is projecting 26,450 units will be billed.

### **Registration Fee Refunds**

Sometimes after registration fees have been paid for a unit, that unit receives a fee waiver or an exemption. In those instances, refunds are issued. Fee waivers

are granted throughout the fiscal year for owner-occupied units and units occupied by low income senior and disabled tenants and tenants with Section 8 vouchers.

Refunds 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 2009/2010, it appears total refunds will be approximately \$14,000. Staff projects refunds for 2010/2011 will be approximately the same and is projecting \$14,000 to be disbursed for refunds.

Based on an estimate of 26,450 controlled billable rental units with a registration fee of \$13 per month, the revenue from registration fees would be \$4,126,200. Net registration fees after subtracting projected refunds (\$14,000) would be \$4,112,200.

### **Interest Earnings**

Another significant source of revenue is interest earnings on City-invested Rent Control funds. Staff estimates the interest earnings for fiscal year 2010/2011 will be \$74,332. The City Treasurer is estimating a rate of return on invested funds of 1.75%. Staff uses the same rate to estimate Board interest earnings on a declining balance.

### **Administrative Records**

The Agency provides administrative records as a service to members of the public who request them. Staff estimates that the Agency will receive \$3,000 in administrative records fees in 2010/2011.

### **Filing Fees**

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

### **Miscellaneous Charges**

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

## SOURCES OF REVENUE

Registration Fees - 26,450 units	\$4,126,200	
Refunded Registration Fees	- 14,000	
Registration Fees Subtotal		4,112,200
Interest Earnings @ 1.75%		74,332
Administrative Records Charges		3,000
Filing Fees		3,000
Miscellaneous Charges		<u>3,000</u>
<b>Total Revenue</b>		<b>\$4,195,532</b>

At the end of fiscal year 2009/2010, the Agency's undesignated fund balance, which is the Agency's "safety net" in case of emergency, is projected to be \$1.84 million. The proposed budget has a deficit of \$265,817. That shortfall will be covered from the undesignated reserve fund.

<b>Total Projected Revenue</b>	<b>\$4,195,532</b>
<b>Total Projected Expenditures</b>	<b>- 4,461,350</b>
<b>Revenue less Expenditures</b>	<b>\$ (265,817)</b>

## DESIGNATED BALANCE SHEET RESERVES

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

The Agency's Designated Balance Sheet Reserves will total \$58,975 at the end of fiscal year 2009/2010; \$33,975 reserved for general emergency purposes and \$25,000 reserved for Office Equipment/Building Renovation. Staff recommends the reserves be re-designated and the funds be redistributed as follows; Legal Expenses - \$41,975; Election Costs - \$17,000.

Reserve Name	2010/2011 Reserves
Legal Expenses	\$41,975
Election Costs	\$17,000
<b>Totals</b>	<b>\$58,975</b>