

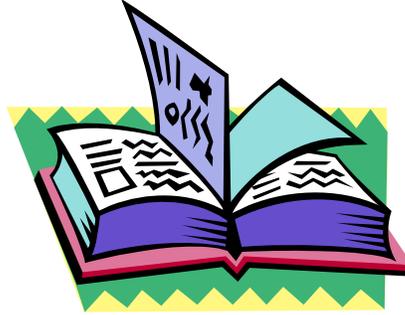


SANTA MONICA
RENT CONTROL BOARD

ANNUAL OPERATING BUDGET
FY 2007/2008

Adopted
June 7, 2007

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LABOR SUMMARY
FY 2007/2008 ADOPTED

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 2004/05</i>	<i>AUTHORIZED POSITIONS 2005/2006</i>	<i>AUTHORIZED POSITIONS 2006/2007</i>	<i>AUTHORIZED POSITIONS 2007/2008</i>	<i>AMOUNT OF CHANGE FY06-FY07</i>
Administration	3.00	3.00	3.00	3.00	0.00
Hearings	7.50	7.50	6.50	6.00	-0.50
Public Information	14.90	14.30	14.30	16.40	+2.10
Legal	4.00	4.00	4.00	4.00	0.00
Total	29.40	28.80	27.80	29.40	+1.60

PERMANENT STAFF BY CLASSIFICATION
FY 2007/2008 - ADOPTED

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 2004/05</i>	<i>AUTHORIZED POSITIONS 2005/06</i>	<i>AUTHORIZED POSITIONS 2006/07</i>	<i>AUTHORIZED POSITIONS 2007/08</i>	<i>AMOUNT OF CHANGE FY06/FY07</i>
Administrator	1.00	1.00	1.00	1.0	0.00
Assist. Public Information Mgr.	0.90	0.90	0.90	0.0	-0.90
Billing Coordinator	1.00	1.00	1.00	1.0	0.00
Budget/Office Coordinator	1.00	1.00	1.00	1.0	0.00
Database Coordinator	0.90	0.90	0.90	0.90	0.00
General Counsel	1.00	1.00	1.00	1.00	0.00
Hearings Department Mgr.	1.00	1.00	1.00	1.00	0.00
Hearings Investigator	1.00	1.00	1.00	1.00	0.00
Hearing Examiner	2.50	2.50	2.50	2.00	-0.50
Information Analyst	0.00	2.00	2.00	2.00	0.00
Information Coordinator	6.30	3.60	2.60	4.60	+2.00
Legal Secretary II	1.00	1.00	1.00	1.00	0.00
Office Coordinator	2.00	2.00	2.00	2.00	0.00
Public Information Mgr.	1.00	1.00	1.00	1.00	0.00
Sr. Administrative Analyst	1.00	1.00	1.00	2.00	+1.00
Sr. Information Coordinator	1.00	1.00	1.00	1.00	0.00
Sr. Litigation Staff Attorney	0.00	0.00	1.00	1.00	0.00
Staff Assistant III	2.00	2.00	2.00	3.00	+1.00
Staff Assistant IV	1.00	1.00	1.00	0.00	-1.00
Staff Attorney	2.00	2.00	1.00	1.00	0.00
Sys. Admin. / Prog. Analyst	1.80	1.90	1.90	1.90	0.00
TOTAL	29.40	28.80	27.80	29.40	+1.60

AGENCY BUDGET

OBJ	DESCRIPTION	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 07-08
		ACTUAL EXPENSES	ACTUAL EXPENSES	ACTUAL EXPENSES	ACTUAL BUDGET	PROJECTED EXPENSES	ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	2,210,831	2,601,979	2,630,168	2,750,370	2,622,530	2,752,921
1104	BOARD ALLOWANCE	7,200	6,150	6,000	7,875	6,075	7,875
1149	OVERTIME	12,480	4,885	3,956	5,000	4,117	5,000
1150	AS-NEEDED EMPLOYEES	24,786	11,157	33,989	0	57,549	0
1171	MEDICARE EMP CONT	22,380	25,401	27,541	27,736	26,242	31,171
1173	INS-COMPENSATION	16,400	27,200	21,500	22,800	22,800	19,100
1174	INS-EMPL HEALTH/DENT	196,789	217,231	0	314,183	309,941	350,068
11743	Health			242,625	280,101	278,964	316,019
11748	Dental			29,395	30,049	27,341	30,081
11749	Vision			3,906	4,032	3,634	3,967
1177	RETIREMENT CONTRIB	153224	327,037	430,821	442,446	324,235	441,949
1194	MEDICAL TRUST	50978	58,430	51,262	49,558	46,434	49,416
1197	OTHER FRINGE BENEFITS	13,324	11,614	8,641	13,308	11,030	12,873
	TOTAL SALARIES & WAGES	2,708,392	3,291,084	3,489,803	3,633,275	3,430,952	3,670,373
2221	UTIL-TELEPHONE	68,610	24,431	24,011	31,000	30,832	29,800
2231	OFFICE SUPPLIES	12,755	12,283	12,215	13,000	13,230	13,600
2232	POSTAGE	38,135	33,422	35,013	36,500	36,500	37,700
2233	INVENTORY ISSUES	4,132	3,734	3,915	5,200	5,200	5,200
2254	ADVERTISING	7,270	4,523	2,289	5,500	6,826	7,000
2261	EQUIPMENT RENTAL	120	120	110	120	81	120
2262	RENT	116,158	27,149	29,756	25,050	27,004	23,684
2271	AUTO REIMBURSEMENT	11,220	8,544	8,066	8,220	8,015	8,220
2272	MILEAGE	439	526	393	650	418	550
2282	CONF-MTGS-TRAVEL	6,113	4,650	2,705	6,000	6,000	6,000
2290	MEMBERSHIPS & DUES	3,210	3,868	3,643	3,914	3,500	4,490
2294	INS-VEHICLES	1,500	0	700	900	900	900
3302	INS-COMPREHENSIVE	28,459	35,331	33,627	39,850	38,315	41,921
4404	BOOKS & PERIODICALS	8,305	8,308	11,376	10,140	11,338	11,640
4411	PRINTING	20,582	24,251	21,895	26,000	24,661	26,800
4434	INDIRECT COSTS	219,179	195,789	247,866	268,156	268,156	237,545
4439	OTHER COSTS	38,489	36,834	7,700	33,250	33,250	34,900
5501	CONTRACTUAL SERVICES	60,078	33,436	33,393	34,770	32,121	32,400
5506	PROF SERVICES	56,907	69,112	77,189	62,803	68,521	110,030
5511	LEGAL EXPENSE	258,933	14,709	120,711	100,000	20,513	75,000
5521	TRAINING	35,855	5,058	1,130	9,000	5,157	10,100
7724	SERVICE AGREEMENTS	27,079	32,499	27,984	33,963	33,923	36,750
	TOTAL SUPPLIES & EXPENSES	1,023,524	578,575	705,686	753,986	674,461	754,350
8803	COMPUTER SYSTEMS	34,362	13,106	6,022	7,023	7,023	8,500
8808	OFFICE EQUIPMENT	17,247	13,130	10,107	13,600	12,677	21,000
8820	BLDG. RENOVATION	2,926	9,960	180	20,000	4,452	5,000
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	54,536	36,196	16,309	40,623	24,152	34,500
	TOTAL BUDGET	3,786,451	3,905,855	4,211,798	4,427,885	4,129,565	4,459,224

SALARIES AND WAGES

1100 PERMANENT EMPLOYEES  **ALLOCATION: \$2,752,921**

Total Agency Positions - 29.40

•Administration	3.00	positions	\$373,288
•Hearings	6.00	positions	669,151
•Public Information	16.40	positions	1,217,581
•Legal	4.00	positions	492,902
•Agency Total	29.40	positions	\$2,752,921

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

1104 BOARD ALLOWANCE  **ALLOCATION: \$7,875**

Rent Control Board Commissioners each receive \$75 per meeting they attend. This allocation provides funds for twenty-one 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 community meetings. The overtime for the Hearings Department will be used primarily by the Budget/Office Coordinator and the Hearings Investigator when necessary to complete time-sensitive projects.

**1150 AS-NEEDED
EMPLOYEES**



**ALLOCATION:
\$0**

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

**1171 INSURANCE,
MEDICARE**



**ALLOCATION:
\$31,171**

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

**1173 INSURANCE,
WORKERS' COMPENSATION**



**ALLOCATION:
\$19,100**

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 \$5.9 million. The Rent Control allocation of \$19,100 represents .32% of the total costs.

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



**ALLOCATION:
\$350,068**

The allocation is based on the 2007 premiums for the health, dental and vision plans and includes funding for health, dental and vision benefits for all permanent employees and their dependents. This budget uses actual amounts for each employee. Individual plan changes and/or rate changes during the fiscal year may affect the amount actually expended.

•Health	\$316,020
•Dental	30,081
•Vision	3,967

**1177 RETIREMENT
CONTRIBUTION**



**ALLOCATION:
\$441,949**

For fiscal year 07/08 the contribution rate of 16.966% of staff salaries reflects a slight increase from the 16.92% rate used in fiscal year 06/07.

**1194 MEDICAL
TRUST**



**ALLOCATION:
\$49,416**

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

**1197 OTHER
FRINGE BENEFITS**



**ALLOCATION:
\$12,873**

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: \$29,800**

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

2231 OFFICE SUPPLIES  **ALLOCATION: \$13,600**

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: \$37,700**

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

• General Adjustment/Registration Fee Mailings	\$ 6,695
• Newsletter Mailings (2)	12,605
• Postcard Mailing (1)	8,112
• General Mailings	8,100
• Miscellaneous Postal Fees	2,188

**2233 INVENTORY
ISSUES**



**ALLOCATION:
\$5,200**

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

2254



ADVERTISING

**ALLOCATION:
\$7,000**

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

**2261 EQUIPMENT
RENTAL**



**ALLOCATION:
\$120**

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

2262



RENT

**ALLOCATION:
\$23,684**

There is insufficient space in City Hall to provide space for hearing rooms. The Agency has been renting 1,086 square feet of office space at an off-site location since 2003. The lease was set to expire in April 2007 after exercising a 2-year option. However, in October 2006, the Agency terminated the existing lease and signed a new lease for a smaller suite in the same building. The new suite is 757 square feet and is set to expire in September 2008 with a 2 year option. The October 2006 lease provides for monthly payments of \$1665.40 through September 2007 and payments of \$1732.02 through the end of the lease, September 2008. The allocation also includes the cost of parking (\$75 per month) and operating expense increases (estimated at \$2,200 for the year).

2271

**AUTO
REIMBURSEMENT**



**ALLOCATION:
\$8,220**

This line item represents monthly car allowances for staff.

2272

MILEAGE

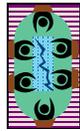


**ALLOCATION:
\$550**

This allocation provides mileage reimbursements at 48.5 cents per mile.

2282

**CONFERENCES,
MEETINGS, TRAVEL**



**ALLOCATION:
\$6,000**

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

2290

**MEMBERSHIP
AND DUES**



**ALLOCATION:
\$4,490**

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

2294

**INSURANCE,
VEHICLES**



**ALLOCATION:
\$900**

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

**3302 INSURANCE,
COMPREHENSIVE**



**ALLOCATION:
\$41,921**

❖ **General Liability: \$41,163**

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

❖ **Multi-Peril Insurance for Property at City Hall and the Hearings Department hearing rooms: \$500**

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

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

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

**4404 BOOKS AND
PERIODICALS**



**ALLOCATION:
\$11,640**

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:
\$26,800**

- Charter Amendment and Regulations, Instructions, Information sheets, and Miscellaneous \$6,817
- Newsletter (2 issues) and MAR Postcard (1) 9,475
- General Adjustment Letters 6,386
- Registration Fee Bills/Envelopes 2,627
- Owner and Tenant Vacancy Registration Forms 1,495

**4434 ADMINISTRATIVE
INDIRECT COSTS**



**ALLOCATION:
\$237,545**

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, Personnel, 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.

Several years ago, the City hired a consultant to review the entire cost allocation program for indirect costs. Based on the consultant's recommendations, the City modified and updated the cost allocation plan for indirect costs. Modifications included changes to the allocation bases and percentages for various categories, the addition of new categories and removal of other categories and more detailed breakdowns of other categories. Since fiscal year 2004/2005, City staff has been preparing the Cost Allocation plan following the methodology in the consultant's recommended plan.

The Agency's share of the 2005-2006 indirect costs, which are allocated for payment in this fiscal year, reflects a decrease of \$30,611 over last fiscal year's allocation. A significant portion of the decrease (\$22,487) is due to the Agency's use of outside printing services rather than the City's print shop to complete the larger printing jobs (postcards, General Adjustment notification letters, etc.) Costs for a number of other departmental categories also had substantial decreases from the prior fiscal year's costs (Human Resources \$4,251, Revenue \$2,445 and Information Systems \$2,896). Most other categories had only slight increases or decreases as compared to last year's allocations. Changes in costs (decreases and increases) are related to cost changes for the City departments providing services and to changes in usage for those services by the Agency

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.

❖ **City Manager - City Hall Receptionist: \$2,411**

❖ **Allocation Percentage - 1.506**

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

Allocation Base – Authorized Full Time Positions in 2005/06.

❖ **Finance - \$38,228**

❖ **Finance Admin. & Budget**

Budget Prep./Support: \$17,331

Allocation Percentage - 1.573

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

Allocation Base – Adjusted actual expenditures in 2005/06.

❖ **Cash Management: \$1,481**

Allocation Percentage – 1.47%

Services Rendered - Manage the City's investment portfolio which includes Rent Control funds. For 2007/2008 the expected rate of return on invested Rent Control funds is 4.36%

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

❖ **Financial Operations**

Accounts Payable: \$4,783

Allocation Percentage – 0.934%

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

Allocation Base - Number of warrants issued in 2005/06.

❖ **Financial Operations**

Budget Prep. & Support: \$387

Allocation Percentage – 1.573

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

Allocation Base – Adjusted actual expenditures in 2005/06.

❖ **Financial Operations**

General Accounting: \$3,200

Allocation Percentage – 0.351%

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

Allocation Base – Actual supplies and expenses for 2005/06.

❖ **Financial Operations**

Payroll: \$7,933

Allocation Percentage – 1.1506%

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

Allocation Base - Authorized full-time positions in 2005/06.

❖ **Financial Operations**

Purchasing Services: \$3,113

Allocation Percentage – 0.510%

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

Allocation Base – Number of purchasing transactions for the Agency in 2005/06.

❖ **Revenue - \$10,735**

❖ **Cash Receipts: \$10,541**

Allocation Percentage – 1.198%

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

Allocation Base – Number of cash receipts processed in 2005/06.

❖ **Cash Management: \$194**

Allocation Percentage – 1.47%

Services Rendered - Manage the City's investment portfolio which includes Rent Control funds. For 2006/2007 the expected rate of return on invested Rent Control funds is 4.36%

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

❖ **Facilities Management - City Hall Maintenance: \$43,447**

❖ **Allocation Percentage – 9.392%**

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

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

❖ **Maintenance Management -City Hall Custodial Services: \$71,615**

❖ **Allocation Percentage – 9.392%**

Services Rendered – Provide custodial services at City Hall

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

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

❖ **Allocation Percentage – 9.392%**

Services Rendered – Provide general building improvements to City Hall.

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

❖ **Central Warehouse Services - \$1,741**

❖ **Allocation Percentage – 0.559**

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

Allocation Base – Actual expenditures in this category in 2005/06.

❖ **Support Services – \$8,248**

❖ **Printing Services: \$3,544**

Allocation Percentage – .831%

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

Allocation Base – Actual Print Shop Charges for 2005/06

❖ **Mail Services: \$4,704**

Allocation Percentage – 2.219%

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

Allocation Base – Actual Postage Charges for 2005/06.

❖ **Human Resources - \$12,487**

❖ **Benefit Administration: \$6,677**

Allocation Percentage - 1.688%

Services Rendered – Administer employee benefits for all permanent employees.

Allocation Base - Authorized permanent employees for 2005/06

❖ **Benefit Administration: \$127**

Allocation Percentage - 0.186%

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

Allocation Base - Authorized as-needed employees for 2005/06.

❖ **Class & Compensation Studies: \$3,263**

Allocation Percentage – 2.327%

Services Rendered – Prepare job classification and compensation studies.

Allocation Base – Number of permanent employees for 2005/06.

❖ **Employee Training: \$2,420** **Allocation Percentage – 1.960%**

Services Rendered – Provide employee development and training programs.

Allocation Base - Authorized full and part time positions for 2005/06.

❖ **Information Systems - Operations: \$34,556**

❖ **PC/Network Support: \$8,331** **Allocation Percentage – 0.548%**

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: \$8,507** **Allocation Percentage – 1.827%**

Services Rendered – Provide telecommunications support.

Allocation Base – Number of telecommunication lines.

❖ **Help Desk/Training Services: \$6,648** **Allocation Percentage – 1.467%**

Services Rendered – Provide computer help and training services.

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

❖ **Application Development/Support: \$1,639** **Allocation Percentage – 0.098%**

Services Rendered – Provide application development and database support services.

Allocation Base – Detailed time records of Information Systems Staff.

❖ **Web Services: \$7,328** **Allocation Percentage – 1.506%**

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

Allocation Base – Number of full and part time employees

❖ **GIS Services: \$2,103** **Allocation Percentage – 0.500%**

Services Rendered – Provide geographic information services support.

Allocation Base – Detailed time records of Information Systems Staff.

4439 OTHER COSTS



**ALLOCATION:
\$34,900**

The allocation covers the cable television costs for coverage of 18 televised Rent Control Board meetings at \$550 per meeting. The allocation also includes \$25,000 for services to recruit candidates for the Administrator's position.

5501 CONTRACTUAL SERVICES



**ALLOCATION:
\$32,400**

❖ **Administration: \$18,300**

- Mailhouse services for mass mailings \$4,505
- Mailhouse services for the newsletter & postcard 4,275
- Design and layout services for the newsletter 6,520
- Scanning consultant services to maintain and upgrade the Agency's scanning system 2,500
- Access to the County Assessor's database through DataQuick 500

❖ **Hearings: \$10,400**

- Attorney service to serve subpoenas and advance witness fees \$1,400
- Storage and retrieval of files 9,000

❖ **Legal: \$3,700**

- Messenger service \$3,700

5506 PROFESSIONAL SERVICES



**ALLOCATION:
\$110,030**

❖ **Administration: \$50,430**

\$47,930 is for the lobbyist to represent the Board's interests in Sacramento and for statewide and national legislative advocacy. The allocation includes funds for travel-related expenses. \$2,500 is allocated to provide translation services for the newsletter, information sheets and other mailings.

❖ **Hearings: \$47,000**

\$42,000 for contract hearing officer to hold hearings
\$4,130 for interpreters at hearings and Board meetings
\$870 for police/security services at hearings

❖ **Legal: \$12,600**

The Board has contracted with a real estate appraiser and contractor consultant in connection with removal permits and construction-related petitions.

5511 LEGAL EXPENSE



**ALLOCATION:
\$75,000**

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

5521 TRAINING



**ALLOCATION:
\$10,100**

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

**7724 SERVICE
AGREEMENTS**



**ALLOCATION:
\$36,750**

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

❖ **Administration: \$35,450**

• Hewlett Packard Computer Hardware and Software	\$22,404
• Microsoft License Agreements	5,899
• Liberty Net and Ascent Scanning System	4,806
• Miscellaneous office equipment	2,141
• City Hall alarm	200

❖ **Hearings: \$1,300**

• Sony Recording Equipment	1,300
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CAPITAL OUTLAY



8803 COMPUTER SYSTEMS

**ALLOCATION:
\$8,500**

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 and/or monitors, and printers if needed during the fiscal year. Funds have also been allocated to purchases miscellaneous software and computer supplies during the fiscal year.

❖ **Computers and Printer: \$7,405**

- desktop computers and monitors \$2,865
- printer and printer upgrades 4,540

❖ **Software, hardware and misc. supplies: \$1,095**

- Keyboards and mice \$275
- Software and misc. supplies 820



8808 OFFICE EQUIPMENT

**ALLOCATION:
\$21,000**

The allocation includes funds for monthly lease payments for a new 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. It is possible that during the fiscal year the recording, dictation and transcription equipment used by the Hearings Department may need to

be upgraded. Funds have been allocated for the purchase of this equipment if needed.

❖ **Administration: \$15,000**

- Lease copier at City Hall \$8,000
- Miscellaneous office furniture/equipment 7,000

❖ **Hearings: \$6,000**

- Digital Recording, dictation and transcription equipment 6,000



8820 BUILDING RENOVIATION  **ALLOCATION: \$5,000**

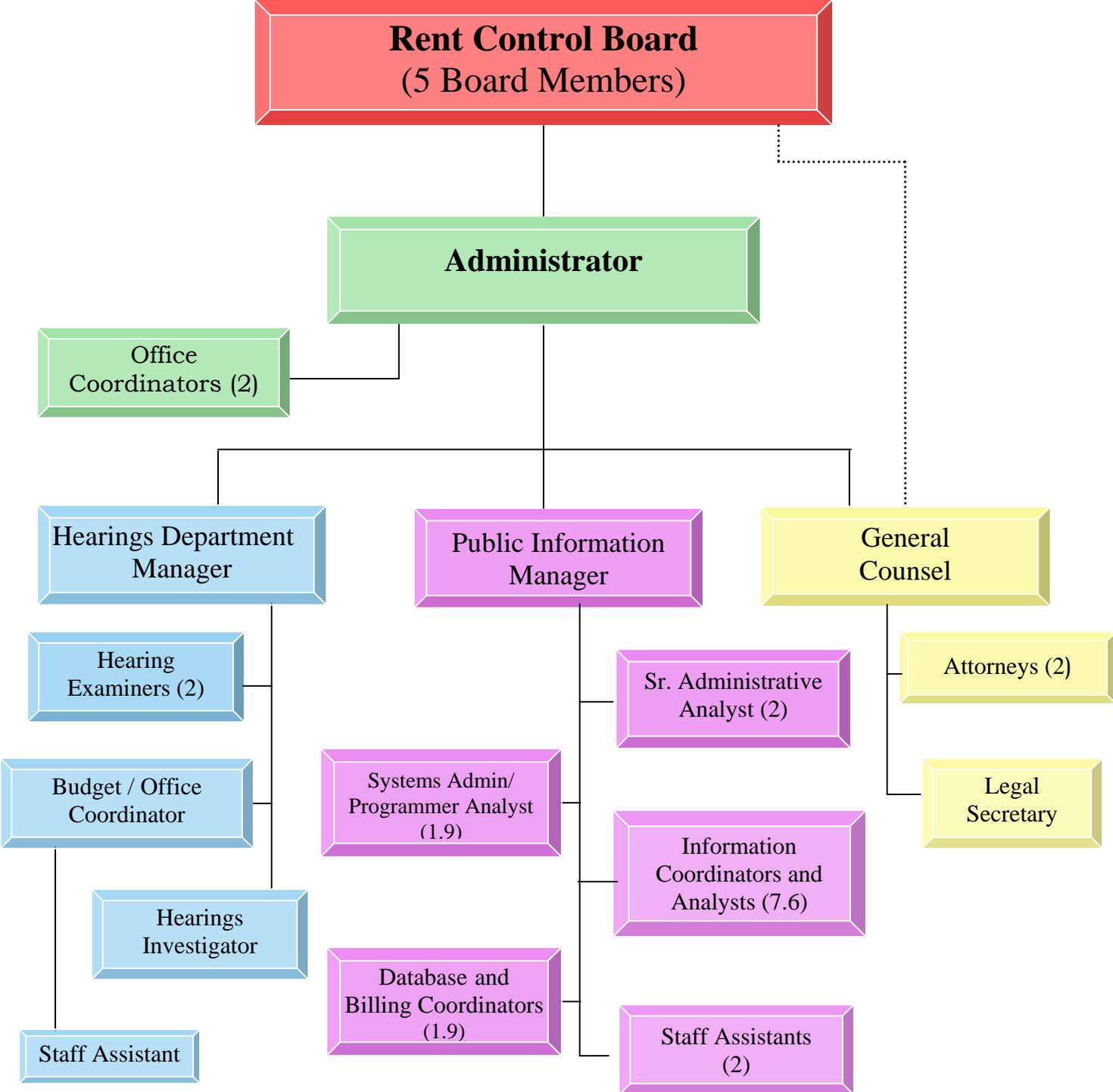
This allocation includes funds to cover costs to reconfigure various workspaces. Although funds were previously allocated for reconfiguring the front reception area, the project has not yet been done.



8855 RESERVE FOR CAPITAL EQUIPMENT  **ALLOCATION: \$0**

No reserve allocations are requested at this time.

Santa Monica Rent Control Board Organization Chart



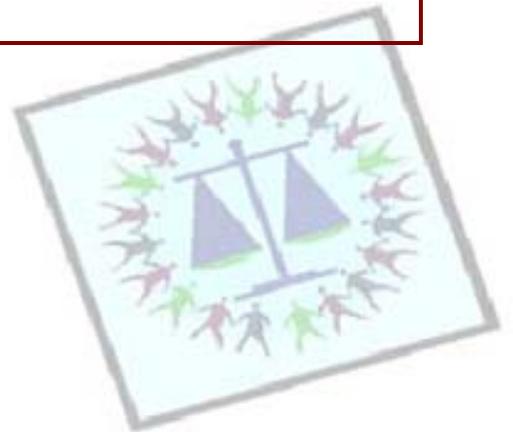


AGENCY GOALS

2007/2008



1. Continue to provide a high level of public service while the Agency undergoes transition necessitated by the departure of several key staff members.
2. Periodically monitor properties with owner occupied exemptions to ensure the owners are still living at the property.
3. Continue to monitor properties removed under the Ellis Act to determine their current use.
4. Modify the program for the retention and timely destruction of Agency records including records held in long-term storage.



ADMINISTRATION DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2006/2007</u>	<u>AUTHORIZED POSITIONS FY 2007/2008</u>
Administrator	1.00	1.00
Office Coordinator	2.00	2.00
Total positions	3.00	3.00

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

HEARINGS DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2006/2007</u>	<u>AUTHORIZED POSITIONS FY 2007/2008</u>
Department Manager	1.00	1.00
Hearing Examiner	2.50	2.00
Hearings Investigator	1.00	1.00
Budget/Office Coordinator	1.00	1.00
Staff Assistant III	1.00	1.00
Total positions	6.50	6.00

DEPARTMENT DESCRIPTION

The Hearings Department is responsible for completing the following tasks on petitions, complaints and applications filed by landlords and tenants: scheduling hearings, sending notices, conducting investigations, drafting and issuing subpoenas for parties and documents, conducting administrative hearings, and issuing recommendations, decisions and addenda. The department also handles mediation of decrease and excess rent cases and mediates disputes between landlords and tenants which are not part of on-going cases.

The Hearing Officers' major responsibility is conducting administrative hearings, gathering evidence and issuing written decisions based on the evidence. Administrative hearings are held on a variety of issues, including rent increases, rent decreases, excess rent complaints, tenants not in occupancy, exemptions, and base rent and amenities issues. One Hearing Officer acts as a settlement facilitator of excess rent complaints and rent decrease petitions, often enabling the parties to come to an agreement without the necessity of a hearing.

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 as well as budget-related duties for the Agency. The Office Coordinator screens petitions, supervises clerical staff, interacts with the public on a variety of matters and orders supplies for the department. The budget duties for the Agency include budget preparation and monitoring, fiscal planning and evaluation of expenditures, and complex technical reports.

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

PUBLIC INFORMATION DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2006/2007</u>	<u>AUTHORIZED POSITIONS FY 2007/2008</u>
Public Information Manager	1.00	1.00
Assistant Public Info. Manager	.90	0.00
Sr. Administrative Analyst	1.00	2.00
Systems Administrator/ Programmer Analyst	1.90	1.90
Database Coordinator	.90	0.90
Information Analyst	2.00	2.00
Information Coordinator	2.60	4.60
Sr. Information Coordinator	1.00	1.00
Billing Coordinator	1.00	1.00
Staff Assistant IV	1.00	0.00
Staff Assistant III	1.00	2.00
Total positions	14.30	16.40

DEPARTMENT DESCRIPTION

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

The Senior Administrative Analysts investigate and write staff reports on exemptions; investigate and lapse owner-occupied exemptions when appropriate; supervise the Vacancy Increase Program; produce the newsletter; and work on special projects including public information and community outreach. With the Public Information Manager and Hearings

Department Manager, the Senior Analysts also act as liaisons with City Departments on construction and development issues.

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

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

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

The computer staff maintains the database and word processing systems, generates computer reports, and coordinates 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.

LEGAL DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2006/2007</u>	<u>AUTHORIZED POSITIONS FY 2007/2008</u>
General Counsel	1.00	1.00
Sr. Litigation Staff Attorney	0.00	1.00
Staff Attorney	2.00	1.00
Legal Secretary	1.00	1.00
Total positions	4.00	4.00

DEPARTMENT DESCRIPTION

The Legal Department prepares staff reports on appeal of hearing officer and administrative decisions and removal applications and presents these reports to the Board.

The Legal Department undertakes defense of Board decisions and the Rent Control Law and Board regulations in judicial proceedings. It is responsible for commencement of legal actions to enforce the Rent Control Law and Board regulations.

The Department provides legal advice to the Board, Administrator and departments of the Rent Control Agency. It also drafts regulations for Board consideration and adoption. Upon request from the Board or staff, the Legal Department analyzes and prepares written opinions on legal issues. Legal staff analyzes and comments on bills pending before the State Legislature.

ADMINISTRATION

OBJ	DESCRIPTION	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 07-08
		ACTUAL EXPENSES	ACTUAL EXPENSES	ACTUAL EXPENSES	ACTUAL BUDGET	PROJECTED EXPENSES	ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	282,457	325,874	334,218	350,126	351,637	373,288
1104	BOARD ALLOWANCE	7,200	6,150	6,000	7,875	6,075	7,875
1149	OVERTIME	306	456	393	600	300	600
1150	AS-NEEDED EMPLOYEES	0	0	0	0	0	0
1171	MEDICARE EMP CONT	2,148	2,404	2,515	2,584	2,518	4,135
1173	INS-COMPENSATION	16,400	27,200	21,500	22,800	22,800	19,100
1174	INS-EMPL HEALTH/DENT	20,465	23,181	0	29,554	30,381	34,983
11743	Health			23,509	26,022	26,868	31,461
11748	Dental			3,112	3,129	3,112	3,112
11749	Vision			400	403	401	410
1177	RETIREMENT CONTRIB	19603	43,102	57,035	58,158	46,833	58,060
1194	MEDICAL TRUST	5112	5,655	5,112	5,112	5,112	5,112
1197	OTHER FRINGE BENEFITS	2,019	1,743	1,385	2,267	1,893	2,319
	TOTAL SALARIES & WAGES	355,710	435,765	455,179	479,076	467,550	505,472
2221	UTIL-TELEPHONE	68,610	24,431	24,011	31,000	30,832	29,800
2231	OFFICE SUPPLIES	8,673	10,701	10,446	10,900	11,130	11,500
2232	POSTAGE	38,135	33,422	35,013	36,500	36,500	37,700
2233	INVENTORY ISSUES	4,132	3,734	3,915	5,200	5,200	5,200
2254	ADVERTISING	7,270	4,523	2,289	5,500	6,826	7,000
2261	EQUIPMENT RENTAL	120	120	110	120	81	120
2262	RENT	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	4,020	1,204	986	1,020	1,020	1,020
2272	MILEAGE	439	526	393	650	418	550
2282	CONF-MTGS-TRAVEL	6,113	4,650	2,705	6,000	6,000	6,000
2290	MEMBERSHIPS & DUES	590	600	645	650	620	1,140
2294	INS-VEHICLES	1,500	0	700	900	900	900
3302	INS-COMPREHENSIVE	28,459	35,331	33,627	39,850	38,315	41,921
4404	BOOKS & PERIODICALS	473	526	562	1,200	986	1,200
4411	PRINTING	20,582	24,251	21,895	26,000	24,661	26,800
4434	INDIRECT COSTS	219,179	195,789	247,866	268,156	268,156	237,545
4439	OTHER COSTS	38,489	36,834	7,700	33,250	33,250	34,900
5501	CONTRACTUAL SERVICES	47,320	19,749	21,251	18,570	18,443	18,300
5506	PROF SERVICES	46,001	51,530	69,976	47,950	47,950	50,430
5511	LEGAL EXPENSE	0	0	0	0	0	0
5521	TRAINING	27,327	706	184	1,000	665	1,000
7724	SERVICE AGREEMENTS	25,860	31,424	26,874	32,813	32,813	35,450
	TOTAL SUPPLIES & EXPENSES	593,289	480,050	511,148	567,229	564,765	548,476
8803	COMPUTER SYSTEMS	34,362	13,106	6,022	7,023	7,023	8,500
8808	OFFICE EQUIPMENT	17,247	13,130	10,107	13,600	12,677	15,000
8820	BLDG. RENOVATION	2,926	9,960	180	20,000	4,452	5,000
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	54,536	36,196	16,309	40,623	24,152	28,500
	TOTAL BUDGET	1,003,535	952,010	982,636	1,086,929	1,056,468	1,082,448

HEARINGS

OBJ	DESCRIPTION	FY 03-04 ACTUAL EXPENSES	FY 04-05 ACTUAL EXPENSES	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL BUDGET	FY 06-07 PROJECTED EXPENSES	FY 07-08 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	650,462	736,303	702,472	711,229	667,244	669,151
1104	BOARD ALLOWANCE	0	0	0	0	0	0
1149	OVERTIME	9,792	1,729	1,729	1,650	1,198	1,650
1150	AS-NEEDED EMPLOYEES	24,786	0	12,768		33,779	0
1171	MEDICARE EMP CONT	4,972	4,894	4,904	5,178	4,848	4,387
1173	INS-COMPENSATION	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	48,910	54,869	0	76,807	72,825	77,938
11743	Health			58,096	68,009	65,748	69,719
11748	Dental			7,194	7,722	6,224	7,261
11749	Vision			976	1,075	853	958
1177	RETIREMENT CONTRIB	43799	92,344	115,767	113,739	79,567	108,745
1194	MEDICAL TRUST	13348	15,079	12,922	12,070	10,224	11,928
1197	OTHER FRINGE BENEFITS	3,907	3,684	2,705	3,963	3,412	3,405
	TOTAL SALARIES & WAGES	799,977	908,901	919,534	924,636	873,095	877,204
2221	UTIL-TELEPHONE	0	0	0	0	0	0
2231	OFFICE SUPPLIES	689	150	412	400	400	400
2232	POSTAGE	0	0	0	0	0	0
2233	INVENTORY ISSUES	0	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0
2262	RENT	116,157	27,149	29,756	25,050	27,004	23,684
2271	AUTO REIMBURSEMENT	2,400	2,420	2,320	2,400	2,400	2,400
2272	MILEAGE	0	0	0	0	0	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	1,250	1,670	1,475	1,614	1,290	1,650
2294	INS-VEHICLES	0	0	0	0	0	0
3302	INS-COMPREHENSIVE	0	0	0	0	0	0
4404	BOOKS & PERIODICALS	0	0	0	200	200	200
4411	PRINTING	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0
4439	OTHER COSTS	0	0	0	0	0	0
5501	CONTRACTUAL SERVICES	9,241	8,596	9,142	10,200	10,200	10,400
5506	PROF SERVICES	6,582	10,137	7,213	6,753	10,559	47,000
5511	LEGAL EXPENSE	0	0	0	0	0	0
5521	TRAINING	1,769	1,064	0	2,000	693	2,000
7724	SERVICE AGREEMENTS	1,219	1,075	1,110	1,150	1,110	1,300
	TOTAL SUPPLIES & EXPENSES	139,307	52,260	51,427	49,767	53,855	89,034
8803	COMPUTER SYSTEMS	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0	0	6,000
8820	BLDG. RENOVATION	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	0	0	0	0	0	6,000
	TOTAL BUDGET	939,284	961,161	970,961	974,403	926,951	972,238

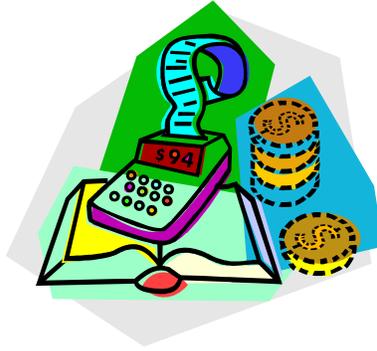
PUBLIC INFORMATION

OBJ	DESCRIPTION	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 07-08
		ACTUAL EXPENSES	ACTUAL EXPENSES	ACTUAL EXPENSES	ACTUAL BUDGET	PROJECTED EXPENSES	ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	923,261	1,078,189	1,076,709	1,202,106	1,135,145	1,217,581
1104	BOARD ALLOWANCE	0	0	0	0	0	0
1149	OVERTIME	2,381	2,679	1,834	2,500	2,166	2,500
1150	AS-NEEDED EMPLOYEES	0	11,157	21,221	0	23,770	0
1171	MEDICARE EMP CONT	10,168	11,510	12,416	12,910	12,512	15,498
1173	INS-COMPENSATION	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	105,733	116,986	0	161,164	160,879	185,850
11743	Health			124,465	144,123	145,103	168,239
11748	Dental			14,940	15,025	13,903	15,559
11749	Vision			1,998	2,016	1,873	2,052
1177	RETIREMENT CONTRIB	64936	134,223	180,195	192,111	142,041	194,660
1194	MEDICAL TRUST	25844	30,157	26,412	25,560	24,850	25,560
1197	OTHER FRINGE BENEFITS	4,926	3,777	2,628	4,248	3,532	4,196
	TOTAL SALARIES & WAGES	1,137,249	1,388,679	1,462,816	1,600,599	1,504,894	1,645,846
2221	UTIL-TELEPHONE	0	0	0	0	0	0
2231	OFFICE SUPPLIES	3,392	1,379	1,331	1,500	1,500	1,500
2232	POSTAGE	0	0	0	0	0	0
2233	INVENTORY ISSUES	0	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0
2262	RENT	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	2,400	2,420	2,320	2,400	2,400	2,400
2272	MILEAGE	0	0	0	0	0	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	0	0	0	100	100	100
2294	INS-VEHICLES	0	0	0	0	0	0
3302	INS-COMPREHENSIVE	0	0	0	0	0	0
4404	BOOKS & PERIODICALS	0	0	0	40	40	40
4411	PRINTING	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0
4439	OTHER COSTS	0	0	0	0	0	0
5501	CONTRACTUAL SERVICES	0	0	0	0	0	0
5506	PROF SERVICES	0	0	0	0	0	0
5511	LEGAL EXPENSE	0	0	0	0	0	0
5521	TRAINING	3,495	1,768	0	3,500	1,299	3,500
7724	SERVICE AGREEMENTS	0	0	0	0	0	0
	TOTAL SUPPLIES & EXPENSES	9,288	5,567	3,651	7,540	5,339	7,540
8803	COMPUTER SYSTEMS	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	0	0	0	0	0	0
	TOTAL BUDGET	1,146,536	1,394,246	1,466,467	1,608,139	1,510,233	1,653,386

LEGAL

OBJ	DESCRIPTION	FY 03-04 ACTUAL EXPENSES	FY 04-05 ACTUAL EXPENSES	FY 05-06 ACTUAL EXPENSES	FY 06-07 ACTUAL BUDGET	FY 06-07 PROJECTED EXPENSES	FY 07-08 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	354,651	461,614	516,769	486,909	468,504	492,902
1104	BOARD ALLOWANCE	0	0	0	0	0	0
1149	OVERTIME	0	22	0	250	454	250
1150	AS-NEEDED EMPLOYEES	0	0	0	0	0	0
1171	MEDICARE EMP CONT	5,092	6,593	7,706	7,064	6,363	7,151
1173	INS-COMPENSATION	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	21,682	22,195	0	46,658	45,856	51,297
11743	Health			36,555	41,947	41,245	46,601
11748	Dental			4,149	4,173	4,103	4,149
11749	Vision			533	538	508	547
1177	RETIREMENT CONTRIB	24887	57,367	77,823	78,438	55,794	80,484
1194	MEDICAL TRUST	6674	7,539	6,816	6,816	6,248	6,816
1197	OTHER FRINGE BENEFITS	2,472	2,410	1,924	2,830	2,192	2,953
	TOTAL SALARIES & WAGES	415,457	557,739	652,274	628,964	585,412	641,853
2221	UTIL-TELEPHONE	0	0	0	0	0	0
2231	OFFICE SUPPLIES	0	53	26	200	200	200
2232	POSTAGE	0	0	0	0	0	0
2233	INVENTORY ISSUES	0	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0
2262	RENT	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	2,400	2,500	2,440	2,400	2,195	2,400
2272	MILEAGE	0	0	0	0	0	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	1,370	1,598	1,523	1,550	1,490	1,600
2294	INS-VEHICLES	0	0	0	0	0	0
3302	INS-COMPREHENSIVE	0	0	0	0	0	0
4404	BOOKS & PERIODICALS	7,832	7,781	10,814	8,700	10,112	10,200
4411	PRINTING	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0
4439	OTHER COSTS	0	0	0	0	0	0
5501	CONTRACTUAL SERVICES	3,517	5,092	3,000	6,000	3,478	3,700
5506	PROF SERVICES	4,324	7,446	0	8,100	10,013	12,600
5511	LEGAL EXPENSE	258,933	14,709	120,711	100,000	20,513	75,000
5521	TRAINING	3,264	1,520	946	2,500	2,500	3,600
7724	SERVICE AGREEMENTS	0	0	0	0	0	0
	TOTAL SUPPLIES & EXPENSES	281,639	40,699	139,460	129,450	50,501	109,300
8803	COMPUTER SYSTEMS	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	0	0	0	0	0	0
	TOTAL BUDGET	697,096	598,438	791,734	758,414	635,913	751,153

REVENUE PROJECTION



Revenue for fiscal year 2007/2008 is based on a \$13 per month registration fee and is projected to be \$4,247,280. The \$13 per month fee was established in fiscal year 2006/2007.

The sources of the Agency's revenue are registration fees, interest earnings on unexpended Rent Control funds, reimbursements 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 as some units become exempt or additional 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 2006/2007 staff projected 26,420 would be billed. For fiscal year 2007/2008 staff believes there will be a modest decrease in the number of billable units (a number of which are attributable to Ellis withdrawals) and is therefore, projecting 26,380 units will be billed.

Registration Fee Refunds Registration fee refunds occur when fees are paid at the beginning of the fiscal year for units which subsequently receive exemptions or fee waivers. Fee waivers are granted throughout the fiscal year for owner-occupied units, low income senior and disabled tenants and Section 8 tenants. Refunds are also given for overpayments of billed fees.

Refunds issued for Section 8 units have increased somewhat over the last several fiscal years, while the number of senior fee waivers decreased. Staff believes this pattern will continue.

Refunds for overpayments are very unpredictable and can vary widely from year to year. For instance, refunds for overpayments in fiscal year 2003/2004 were almost double the amount from the prior fiscal year.

For fiscal year 2006/2007, it appears that the total number of refunds issued will be approximately \$13,000, which is \$2,000 less than was projected.

Although current projections indicate that refunds for fiscal year 06/07 will be less than the \$15,000 projected, staff believes for fiscal year 2007/2008 it is prudent to again project \$15,000 will be refunded over the course of the year due to the unpredictability of overpayments.

Based on an estimate of 26,380 controlled billable rental units with a registration fee of \$13 per month, the revenue from registration fees would be \$4,115,280. Net registration fees after subtracting projected refunds (\$15,000) would be \$4,100,280.

Interest Earnings The second source of revenue is interest earnings on City-invested Rent Control funds, estimated to be \$137,000. The City Treasurer is estimating a rate of return on invested funds of 4.36%; 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 2007/2008, some of which may need to be reimbursed. All unexpended funds collected for these records will become unreserved funds for the Agency.

Filing Fees From time to time the Board has adopted filing fees for certain types of petitions. On June 10, 1999 the Board authorized the implementation of two new filing fees. The filing fee for processing a Vacant Unit Registration on a property which has an owner-occupied exemption was set at \$50. The filing fee to process an owner-occupied exemption application was set at \$100. The majority of filing fees collected during a 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, scanned copies and public records requests, are projected to be \$4,000.

SOURCES OF REVENUE

Registration Fees - 26,380 units	\$4,115,280	
Refunded Registration Fees	- <u>15,000</u>	
Registration Fees Subtotal		4,100,280
Interest Earnings @ 4.36%		137,000
Administrative Records Charges		3,000
Filing Fees		3,000
Miscellaneous Charges		<u>4,000</u>
Total Revenue		\$4,247,280

At the end of fiscal year 2006/2007, the Agency's undesignated fund balance, which is the Agency's "safety net" in case of emergency, is projected to be slightly less than \$1.4 million. The proposed budget has a deficit of \$211,944 with the expectation that the shortfall would be covered from the undesignated reserve fund.

Total Projected Revenue	\$4,247,280
Total Projected Expenditures	- 4,459,224
Revenue less Expenditures	\$ (211,944)

BALANCE SHEET RESERVES

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

<u>Reserve Name</u>	<u>Existing Reserves</u>	<u>Expected Additional Reserves</u>	<u>Total Projected Reserves</u>
General Emergency	\$24,770	\$0	\$24,770
Office Equipment	14,010	0	14,010
Legal/Administrative Records	<u>20,195</u>	<u>0</u>	<u>20,195</u>
Total	\$58,975	\$0	\$58,975