

SANTA MONICA  
RENT CONTROL  
BOARD

OPERATING BUDGET  
FISCAL YEAR 1996/97

ADOPTED  
JUNE 6, 1996



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# SANTA MONICA



CITY OF  
CALIFORNIA

Rent Control Board  
(310) 458-8751

1685 Main Street  
P.O. Box 2200  
Santa Monica, CA 90407-2200

June 27, 1996

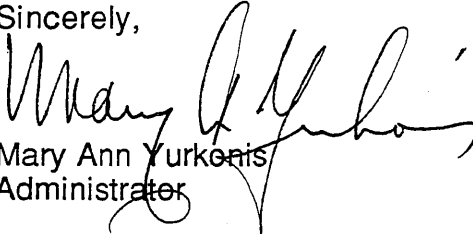
Dear Santa Monica Citizens,

The Santa Monica Rent Control Board is pleased to be able to fund the 1996/97 budget with a reduced annual registration fee of \$144, or \$12 per month. This is a reduction of \$1 per month, or \$12 for the year. Funded positions are down 2.42 without any staff layoffs. As a result, this budget is \$224,966 less than last year's budget.

Included in the 1996/97 budget are the funds for printing and mailing two newsletters to Santa Monica tenants and owners. The Rent Control Board is still processing the many petitions which resulted from damage suffered during the 1994 Northridge earthquake. Despite the new work resulting from passage of the Costa-Hawkins bill and the smaller staff, the Board and staff are committed to providing high quality services and programs flexible enough to meet the changing needs of the Agency.

The Rent Control Board and staff continue to look forward to serving the public with prompt responses, improved communications, and efficient services.

Sincerely,



Mary Ann Yurkonis  
Administrator

**LABOR SUMMARY**  
**FY 1996/97 ADOPTED**

<i>CLASSIFICATION</i>	<i>AUTHORIZED 1995/96</i>	<i>AUTHORIZED POSITIONS 1996/97</i>	<i>AMOUNT OF CHANGE</i>
Administration	8.00	7.90	-0.10
Hearings	15.75	14.55	-1.20
Public Information	18.00	16.88	-1.12
Legal	8.55	8.55	0.00
<b>TOTAL</b>	<b>50.30</b>	<b>47.88</b>	<b>-2.42</b>

**PERMANENT STAFF -- BY CLASSIFICATION**  
**FY 1996/97 ADOPTED**

<i>CLASSIFICATION</i>	<i>AUTHORIZED 1995/96</i>	<i>AUTHORIZED POSITIONS 1996/97</i>	<i>AMOUNT OF CHANGE</i>
Administrative Analyst	2.0	2.0	0.0
Administrator	1.0	1.0	0.0
Data Entry Operator	1.0	1.0	0.0
Data Processing Coordinator	1.0	1.0	0.0
EDP Programmer Analyst	2.0	1.9	-0.1
General Counsel	1.0	1.0	0.0
Hearing Examiner	4.75	4.75	0.0
Hearings Department Manager	1.0	1.0	0.0
Hearing Investigator	1.0	1.0	0.0
Hearings Department Office Manager	1.0	1.0	0.0
Information Coordinator	8.0	7.18	-0.82
Legal Secretary II	3.0	3.0	0.0
Office Coordinator	2.0	2.0	0.0
Public Information Dept. Manager	1.0	1.0	0.0
Receptionist	1.0	1.0	0.0
Senior Administrative Analyst	3.0	1.8	-1.2
Senior Information Coordinator	1.0	1.0	0.0
Senior Operations Analyst	1.0	1.0	0.0
Staff Assistant II	1.0	1.0	0.0
Staff Assistant III	7.0	6.7	-0.3
Staff Assistant IV	2.0	2.0	0.0
Staff Attorney	4.55	4.55	0.0
<b>TOTAL</b>	<b>50.30</b>	<b>47.88</b>	<b>-2.42</b>

# AGENCY BUDGET

OBJ	DESCRIPTION	FY 94/95 ACTUAL EXPENSES	FY 95/96 ADOPTED BUDGET	FY 95/96 REVISED BUDGET	FY 95/96 PROJECTED EXPENSES	FY 96/97 ADOPTED BUDGET
100	PERMANENT EMPLOYEES	2,676,068	2,896,253	2,865,253	2,695,030	2,846,206
104	BOARD ALLOWANCE	15,300	15,000	15,000	15,825	15,000
149	OVERTIME	7,491	9,962	9,962	6,045	2,650
150	AS-NEEDED EMPLOYEES	111,591	51,675	75,675	77,224	0
171	MEDICARE EMP CONT	31,895	30,854	30,854	34,540	28,818
172	INS-UNEMPLOYMENT	488	1,479	1,479	196	0
173	INS-COMPENSATION	16,705	17,078	17,078	17,078	20,405
174	INS-EMPL HEALTH/DENT	254,988	267,432	263,932	262,788	264,077
177	RETIREMENT CONTRIB	323,207	328,712	328,712	336,634	302,207
197	OTHER FRINGE BENEFITS	40,654	38,752	49,252	46,089	49,257
						(75,552)
	<b>TOTAL SALARIES &amp; WAGES</b>	<b>3,478,386</b>	<b>3,657,198</b>	<b>3,657,198</b>	<b>3,491,450</b>	<b>3,453,069</b>
221	UTIL-TELEPHONE/TELEG	38,373	37,139	37,139	40,887	38,067
231	OFFICE SUPPLIES	37,676	37,305	37,305	36,521	30,287
232	POSTAGE	33,371	33,650	42,350	39,507	47,147
254	ADVERTISING	2,882	3,000	3,000	2,226	1,500
261	EQUIPMENT RENTAL	3,440	3,915	3,915	4,795	3,944
262	RENT	84,953	96,123	96,123	96,873	98,504
271	AUTO REIMBURSEMENT	9,420	9,420	9,420	9,420	9,420
272	MILEAGE	676	897	897	613	639
282	CONF-MTGS-TRAVEL	6,653	5,000	5,000	7,369	5,000
290	MEMBERSHIPS & DUES	6,452	8,016	8,016	6,138	6,150
302	INS-COMPREHENSIVE	37,996	40,642	40,642	36,698	39,936
404	BOOKS & PERIODICALS	7,016	7,400	7,400	6,834	6,839
411	PRINTING	15,042	13,650	13,650	16,939	24,050
434	INDIRECT COSTS	278,278	190,281	190,281	190,281	198,476
439	OTHER COSTS	43,925	19,800	19,800	20,350	39,800
501	CONTRACTUAL SERVICES	60,832	43,361	44,961	24,989	29,686
506	PROF SERVICES	80,385	76,500	66,200	42,391	56,500
511	LEGAL EXPENSE	178,257	33,000	33,000	37,677	33,000
521	TRAINING	8,764	12,095	12,095	6,806	7,750
724	SERVICE AGREEMENTS	72,987	75,631	75,631	75,281	62,092
	<b>TOTAL SUPPLIES &amp; EXPENSES</b>	<b>1,007,377</b>	<b>746,824</b>	<b>746,824</b>	<b>702,596</b>	<b>738,787</b>
803	COMPUTER SYSTEMS	9,465	25,300	25,300	44,300	15,000
808	OFFICE EQUIPMENT	4,479	7,490	28,490	28,490	5,490
820	BLDG. RENOVATION	0	500	500	0	0
855	RESVE-SYSTEM UPGRADE	0	0	0	0	0
	<b>TOTAL CAPITAL OUTLAY</b>	<b>13,944</b>	<b>33,290</b>	<b>54,290</b>	<b>53,790</b>	<b>20,490</b>
	<b>TOTAL BUDGET</b>	<b>4,499,707</b>	<b>4,437,312</b>	<b>4,458,312</b>	<b>4,247,836</b>	<b>4,212,346</b>

**SALARIES AND WAGES**

**100 PERMANENT EMPLOYEE SALARIES**

**ALLOCATION: \$2,846,206 (Total Agency Positions 47.88; 50 employees)**

Administration	7.90 positions	\$525,420
Hearings	14.55 positions	844,644
Public Information	16.88 positions	844,530
Legal	8.55 positions	631,612
Agency Total	47.88 positions	\$2,846,206

The Employee Action Committee (EAC) memorandum of understanding expires December 31, 1996. A 2.0% cost-of-living increase is imputed for EAC salaries effective January, 1997. In keeping with the Society for Union Employment (SUE) and Hearing Examiner Representational Organization (HERO) Memoranda of Understanding, a cost-of-living increase of 2.0% is imputed for SUE and HERO salaries effective January, 1997. No cost-of-living increase is included for management salaries. The Board also provides a deferred compensation benefit for staff. Projections for deferred compensation are included in the salary figures above.

**104 BOARD ALLOWANCE**

**ALLOCATION: \$15,000**

Rent Control Board Commissioners each receive \$75 per meeting they attend. This allocation provides funds for three meetings per month plus four additional meetings.

**149 OVERTIME**

**ALLOCATION: \$2,650**

This allocation covers \$1,200 for Administration, \$700 for Hearings, and \$750 for Public Information work which cannot be completed in regularly scheduled hours.

**150 AS-NEEDED EMPLOYEES**

**ALLOCATION: \$0**

No as-needed staff are anticipated.

**171 INSURANCE/MEDICARE**

**ALLOCATION: \$28,818**

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.

**172 INSURANCE/UNEMPLOYMENT****ALLOCATION: \$0**

The City of Santa Monica now assesses departments by actual expenditures on Unemployment Compensation. As a result of the Agency's very low usage in the past, this allocation has dropped significantly. No payments are currently being made, therefore no allocation is included.

**173 INSURANCE/WORKERS COMPENSATION****ALLOCATION: \$20,405**

The Rent Control Board participates in the City of Santa Monica Workers' Compensation. The calculations of the Agency's share are based on the number of employees, with a factor for past and existing claims. The City projects its total Workers' Compensation costs to be \$2.98 million. The Rent Control Board's allocation of \$20,405 represents a .7% of the total costs, up from .6% last year.

**174 INSURANCE/EMPLOYEE HEALTH-DENTAL****ALLOCATION: \$264,077**

Premiums for the individual health and dental plans selected by employees vary. The flat rate used by the City in budgeting substantially exceeds the amount the agency reimburses the City for actual plans. The projection is based on the plans in which individual employees and their dependents are enrolled. This amount includes funding for health and dental benefits for permanent full and part-time employees.

**177 RETIREMENT CONTRIBUTION****ALLOCATION: \$302,207**

The retirement contribution for the Rent Control staff is calculated by applying a factor of 10.608 % to the total salaries of permanent staff. In accordance with terms of the Memoranda of Understanding (MOU) with the agency's bargaining units, this amount includes the 7% employee contribution. However, the City had been overpaying into the PERS system. As a result City departments will receive a credit back for PERS payments for approximately 4 pay periods in the coming fiscal year. That credit is reflected in parentheses above the Total Salaries and Wages line.

**197 OTHER FRINGE BENEFITS****ALLOCATION: \$49,257**

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

**SUPPLIES AND EXPENSES**

**221 UTILITIES/TELEPHONE**

**ALLOCATION: \$38,067**

This allocation covers telephone expenses for the agency including computer communication between agency offices. The amount is based on the City of Santa Monica projection of a 2.5% increase in expenditure over current levels and an anticipated reduction in usage as a result of fewer employees.

**231 OFFICE SUPPLIES**

**ALLOCATION: \$30,287**

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

**232 POSTAGE**

**ALLOCATION: \$47,147**

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

General Adjustment/Registration Fee Mailings	7,873
Unit Vacancy Registration Increase Mailings	3,456
General Mailings	16,208
Q Petition Noticing	2,128
Hearings Department Noticing	4,200
Newsletter Mailings (2)	13,282

**254 ADVERTISING**

**ALLOCATION: \$1,500**

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



**261 EQUIPMENT RENTAL**

**ALLOCATION: \$3,944**

Lexis 3,040

This allocation includes the monthly fee based on time used accessing a computerized legal research system which is used by the Legal Department.

Sparkletts 264

To lease the water coolers and refrigerator in the Rent Control Offices.

Postage Meter and Scale 640

To lease mailing system for Hearings Department which cannot use City Hall mailroom.

**262 RENT**

**ALLOCATION: \$98,504**

There is insufficient space in City Hall to house the Agency's Hearings Department which is located at 2121 Cloverfield. This allocation includes funds to rent 5,974 square feet of office space. The lease provides for monthly payments of \$7,468 (\$1.25 per sq. ft.) for ten months and \$7,766 (\$1.30 per sq. ft.) for two months. The allocation also includes an estimate of \$500 for an operating expense increase as provided in the lease as well as the cost of parking spaces.

**271 AUTO REIMBURSEMENT**

**ALLOCATION: \$9,420**

This line item was created by the Finance Department in 1993/94 and includes the portion of the "Mileage" line item which represents monthly car allowances for staff.

**272 MILEAGE**

**ALLOCATION: \$639**

This allocation provides reimbursements for 2,061 miles at 31 cents per mile.

**282 CONFERENCES, MEETINGS AND TRAVEL**

**ALLOCATION: \$5,000**

The Board and staff incur travel expenses for trips to Sacramento to advocate and testify on proposed state legislation that would affect Santa Monica Rent Control and to coordinate with other rent control agencies. At least four times a year the Board's lobbyist travels to Santa Monica to report to the Board. Nominal expenses related to conducting Board meetings are also charged to this account.

## 290 MEMBERSHIP AND DUES

**ALLOCATION: \$6,150**

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.

## 302 INSURANCE -- COMPREHENSIVE

**ALLOCATION: \$39,936**

*General Liability: \$39,051*

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 2121 Cloverfield: \$200*

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

*Non-owned Automobile: \$627*

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

*Faithful Performance Bond: \$258*

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

## 404 BOOKS AND PERIODICALS

**ALLOCATION: \$6,839**

This allocation covers purchase of books and materials on rent control and housing issues, updates to the Hearings Office and Legal Department libraries, computer manuals, and subscriptions to newspapers and journals.

**411 PRINTING**

**ALLOCATION: \$24,050**

Charter Amendment and Regulations	3,500
Instructions, Information, Forms	2,000
Operating Budget and Annual Report	700
General Adjustment/Registration Fee Letters/Envelopes	6,750
Miscellaneous Printing	2,100
Newsletter (2 issues)	9,000

**434 ADMINISTRATIVE INDIRECT COSTS**

**ALLOCATION: \$198,476**

Each year the City assesses the Agency for services it provides the Agency. This fee covers the maintenance costs of office space within City Hall and the various services provided by the departments of Finance, Purchasing, Personnel, General Services and Data Processing. These costs are distributed according to an allocation base, which approximates the Rent Control Board's share of overhead and service costs.

The following itemizes the sources of the charges, a description of services rendered, the allocation base used, and the percentage used to calculate the Rent Control assessment. A credit of \$576 for tuition reimbursement is included in the allocation.

**Audit Expenses: \$2,037**

Services Rendered - In accordance with generally accepted municipal accounting principles, the financial records of the agency are audited by professional outside auditors. The City Finance Director is responsible for overseeing that audit process.

Allocation Base - Modified total direct costs in 1994/95.

Allocation Percentage - 2.45% of total audit costs to the City.

**City Manager: \$9,984**

Services Rendered - Advice about administrative and policy matters.

Allocation Base - Detailed time records of City Manager staff time spent on Rent Control matters.

Allocation Percentage - 1.0%

**Data Processing Operations: \$13,795**

Services Rendered - Use of City's computer system, advice and assistance on hardware components.

Allocation Base - Detailed time records or quarterly time assignments.

Allocation Percentage - .39%

**Finance, Accounts Payable: \$6,176**

Services Rendered - Disbursing funds to vendors and conducting other necessary accounting activities.

Allocation Base - Number of warrants issued in 1994/95.

Allocation Percentage - 1.16%

**Finance, General Ledger: \$14,046**

Services Rendered - Disbursing funds to vendors and conducting other necessary accounting activities.

Allocation Base - Total expenditures in 1994/95.

Allocation Percentage - 2.45%

**Finance, Payroll: \$16,671**

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

Allocation Base - Authorized full-time positions in 1994/95.

Allocation Percentage - 3.75%

**Finance, Treasurer/Management: \$14,830**

Services Rendered - The management and investment of Rent Control funds. For 1996/97, the expected rate of return on invested Rent Control funds is 5.25%.

Allocation Base - These costs are divided equally among all interest earning funds.

Allocation Percentage - 3.7%

**Finance, Treasurer/Receipts: \$5,393**

Services Rendered - Processing the registration fees submitted by property owners and miscellaneous revenue collections.

Allocation Base - Cash receipts issued in 1994/95.

Allocation Percentage - 2.27%

**General Services, City Hall Maintenance: \$56,669**

Services Rendered - City Hall maintenance includes custodial work, window cleaning and utility expenses for City Hall.

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

Allocation Percentage - 5.59%

**Personnel, General: \$39,118**

Services Rendered - Information about contemporary municipal personnel practices, salary surveys, and career development for Rent Control staff.

Allocation Base - Authorized full-time positions.

Allocation Percentage - 3.1%

**Personnel, Recruitment: \$9,665**

Services Rendered - All administrative activities related to recruiting permanent and as-needed staff members, including advertising, testing, interviewing, ranking candidates.

Allocation Base - Weighted number of employees recruited in 1994/95.

Allocation Percentage - 2.47%

**Purchasing: \$8,686**

Services Rendered - Administration of the low bid centralized purchasing system, including identification of lowest bidder and issuance of purchase orders.

Allocation Base - Number of purchase orders placed by the Rent Control agency in 1994/95.

Allocation Percentage - 1.95%

**Warehouse: \$1,982**

Services Rendered - Storing office supplies which are purchased in large volume and disbursed upon request. Charges are not incurred until the disbursement is made.

Allocation Base - Dollar value of warehouse issues to the Rent Control agency in 1994/95.

Allocation Percentage - 1.11%

**439 OTHER COSTS**

**ALLOCATION: \$39,800**

The allocation includes costs for cable television coverage of three televised Rent Control Board meetings per month at \$550 per meeting. It also includes \$20,000 for the Board's share of costs in the November 1996 election in which two Board seats will be filled. Election costs vary widely depending on factors outside the Board's control. The \$20,000 provides an initial estimate of the potential cost.

## 501 CONTRACTUAL SERVICES

**ALLOCATION: \$29,686**

*Administration: \$8,500*

2,000 for mailhouse services for mass mailings.

1,400 for mailhouse services for the newsletter.

3,000 for design and layout services for the newsletter.

2,100 for access to the County Assessor's data base through DataQuick.

*Hearings: \$17,686*

3,075 for an attorney service to serve subpoenas and advance witness fees.

512 to monitor and service the burglar alarm system.

375 for messenger service.

4,260 for storage and retrieval of files.

9,464 for microfiching services.

*Legal: \$3,500*

500 for attorney service.

3,000 for messenger service.

## 506 PROFESSIONAL SERVICES

**ALLOCATION: \$56,500**

*Administration: \$43,000*

42,000 for lobbyist to represent the Board's interests in Sacramento and for statewide and national legislative advocacy.

500 for the cost of reimbursing the City for a police officer to serve as sergeant-at-arms at hearings when necessary.

500 for translation services at Board meetings.

*Hearings: \$3,500*

3,500 for interpreter services at hearings.

*Legal: \$10,000*

The Board has contracted with a real estate appraiser in connection with removal permits.

**511 LEGAL EXPENSE****ALLOCATION: \$33,000**

The allocation covers costs of a shorthand reporter and other direct costs of litigation (\$10,000), title searches for Ellis properties (\$150), and a reserve for potential legal liabilities (\$22,850).

**521 TRAINING****ALLOCATION: \$7,750**

The Agency encourages staff to acquire training and skills that will enhance their contribution to the Agency and further their promotional opportunities. This allocation is for courses, seminars and workshops conducted by universities, professional associations and other educational organizations. This amount includes funds for Continuing Legal Education that the State Bar requires for attorneys. The allocation does not include funding for the tuition reimbursement program or other in-house training provided by Rent Control staff or staff from other City departments.

**724 SERVICE AGREEMENTS****ALLOCATION: \$62,092**

This allocation covers the costs of purchasing service agreements for office equipment and computer hardware and software. In most cases, the agreement provides regular maintenance and repair of covered equipment at no additional cost.

*Administration: \$54,351*

Hewlett Packard Computer Hardware and Software	25,006
Macintosh System	16,995
Xerox copier	12,000
City Hall alarm	150
Typewriter repair	200

*Hearings: \$7,541*

Xerox copier	3,444
Postage Meter and Scale	647
Sony Recording Equipment	1,920
Bell & Howell Microfiche Equipment	830
Misc. repairs -- typewriter, dictaphone etc.	700

*Public Information: \$200*

Typewriter repair	200
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**CAPITAL OUTLAY**

**803 COMPUTER SYSTEMS**

**ALLOCATION: \$15,000**

*Administration: \$15,000*

Equipment and software reserve 15,000

**808 OFFICE EQUIPMENT**

**ALLOCATION: \$5,490**

*Administration: \$1,000*

Miscellaneous office equipment 1,000

*Hearings: \$4,490*

Xerox 5350 copier - 2nd year of 5 year lease 2,867

Xerox 5322 copier - 2nd year of 5 year lease 1,623

**820 BUILDING RENOVATION**

**ALLOCATION: \$0**

No expenditures are anticipated

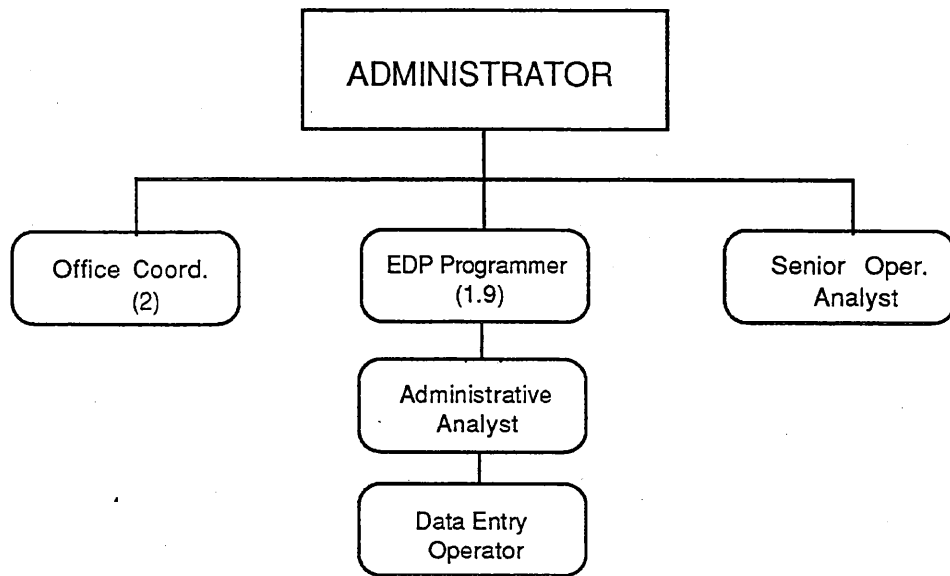
**855 RESERVE FOR COMPUTER SYSTEM  
UPGRADES**

**ALLOCATION: \$0**

In the past the board has approved an allocation of \$15,000 per year for computer system upgrades. No allocation is requested at this time.



# ADMINISTRATION DEPARTMENT



## ***Department Description***

The Administration Department conducts the fiscal, contract administration, personnel, 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.

Administration is responsible for maintenance of the database and word processing system, generating computer reports, and coordinating agency activities which rely on the computer. The computer staff develops and updates programs, designs and installs new systems to meet changing Board requirements, and maintains the operational capabilities of the computer and peripheral electronic equipment.

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 one Senior Operations Analyst who is responsible for budget preparation and monitoring, fiscal planning and evaluation of expenditures, and complex technical reports.

The computer section is made up of two EDP Programmer Analysts, one Administrative Analyst and one Data Entry Operator.

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

## ***1996/97 Goals***

1. Increase public outreach and education programs.
2. Coordinate with other rent control agencies to respond to legislative actions affecting rent control and landlord/tenant relationships.

3. Reassess agency priorities in light of changes in the rent control law, particularly as the changes involve staffing allocations.
4. Coordinate with other public and private groups to respond to long-term habitability issues such as lead paint abatement.

# ADMINISTRATION

OBJ	DESCRIPTION	FY 94/95 ACTUAL EXPENSES	FY 95/96 ADOPTED BUDGET	FY 95/96 REVISED BUDGET	FY 95/96 PROJECTED EXPENSES	FY 96/97 ADOPTED BUDGET
100	PERMANENT EMPLOYEES	597,243	536,411	536,411	535,459	525,420
104	BOARD ALLOWANCE	15,300	15,000	15,000	15,825	15,000
149	OVERTIME	2,519	1,200	1,200	3,210	1,200
150	AS-NEEDED EMPLOYEES	214	0	0	459	0
171	MEDICARE EMP CONT	5,908	6,178	6,178	6,061	6,019
172	INS-UNEMPLOYMENT	8	269	269	0	0
173	INS-COMPENSATION	16,705	17,078	17,078	17,078	20,405
174	INS-EMPL HEALTH/DENT	46,965	42,636	42,636	42,844	42,108
177	RETIREMENT CONTRIB	68,876	62,187	62,187	61,909	55,864
197	OTHER FRINGE BENEFITS	7,279	6,515	6,515	7,000	6,256
						(13,966)
	<b>TOTAL SALARIES &amp; WAGES</b>	<b>761,017</b>	<b>687,474</b>	<b>687,474</b>	<b>689,844</b>	<b>658,306</b>
221	UTIL-TELEPHONE/TELEG	37,342	37,139	37,139	40,887	38,067
231	OFFICE SUPPLIES	10,294	10,785	10,785	9,331	7,931
232	POSTAGE	28,896	29,250	33,750	31,107	41,883
254	ADVERTISING	2,882	3,000	3,000	2,226	1,500
261	EQUIPMENT RENTAL	249	264	264	229	264
262	RENT	0	0	0	0	0
271	AUTO REIMBURSEMENT	4,420	4,020	4,020	4,020	4,020
272	MILEAGE	10	74	74	18	74
282	CONF-MTGS-TRAVEL	6,653	5,000	5,000	7,369	5,000
290	MEMBERSHIPS & DUES	1,183	2,313	2,313	768	780
302	INS-COMPREHENSIVE	37,996	40,642	40,642	36,698	39,936
404	BOOKS & PERIODICALS	982	789	789	803	789
411	PRINTING	14,829	13,650	13,650	16,939	24,050
434	INDIRECT COSTS	278,278	190,281	190,281	190,281	198,476
439	OTHER COSTS	43,925	19,800	19,800	20,350	39,800
501	CONTRACTUAL SERVICES	3,256	3,000	4,600	4,735	8,500
506	PROF SERVICES	67,031	55,000	44,700	31,061	43,000
511	LEGAL EXPENSE	0	0	0	0	0
521	TRAINING	4,291	6,800	6,800	4,204	4,200
724	SERVICE AGREEMENTS	66,713	66,717	66,717	66,717	54,351
	<b>TOTAL SUPPLIES &amp; EXPENSES</b>	<b>609,230</b>	<b>488,523</b>	<b>484,323</b>	<b>467,744</b>	<b>512,621</b>
803	COMPUTER SYSTEMS	7,731	25,300	25,300	25,300	15,000
808	OFFICE EQUIPMENT	159	3,000	24,000	24,000	1,000
820	BLDG. RENOVATION	0	0	0	0	0
855	RESVE-SYSTEM UPGRADE	0	0	0	0	0
	<b>TOTAL CAPITAL OUTLAY</b>	<b>7,890</b>	<b>28,300</b>	<b>49,300</b>	<b>49,300</b>	<b>16,000</b>
	<b>TOTAL BUDGET</b>	<b>1,378,137</b>	<b>1,204,297</b>	<b>1,221,097</b>	<b>1,206,887</b>	<b>1,186,927</b>

## ADMINISTRATION DEPARTMENT

<i>SALARIES AND WAGES</i>
---------------------------

100 PERMANENT EMPLOYEE SALARIES -- **\$525,420**

<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 1995/96</u>	<u>AUTHORIZED POSITIONS FY 1996/97</u>
Administrator	1.0	1.0
Sr. Operations Analyst	1.0	1.0
EDP Programmer Analyst	2.0	1.9
Administrative Analyst	1.0	1.0
Office Coordinator	2.0	2.0
Data Entry Operator	1.0	1.0
Total positions	8.0	7.9

104 BOARD ALLOWANCE -- **\$15,000**

Rent Control Board Commissioners each receive \$75 per meeting they attend. This allocation provides funds for three meetings per month plus two additional meetings.

149 OVERTIME -- **\$1,200**

150 AS-NEEDED EMPLOYEES -- **\$0**

171 INSURANCE/MEDICARE -- **\$6,019**

172 INSURANCE/UNEMPLOYMENT -- **\$0**

173 INSURANCE/WORKERS COMPENSATION -- **\$20,405**

This allocation covers the Workers' Compensation costs for the Agency.

174 INSURANCE/EMPLOYEE HEALTH-DENTAL -- **\$42,108**

This amount includes funding for health and dental benefits for 8 permanent employees.

177 RETIREMENT CONTRIBUTION -- **\$55,864**

It is also anticipated that there will be a credit of \$13,966.

197 OTHER FRINGE BENEFITS -- **\$6,256**

**SUPPLIES AND EXPENSES**

**221 UTILITIES/TELEPHONE -- \$38,067**

This allocation covers telephone expenses for the agency including computer communication between agency offices. The amount is based on the City of Santa Monica projection of a 2.5% increase in expenditure over current levels and an anticipated reduction in usage as a result of fewer employees.

**231 OFFICE SUPPLIES -- \$7,931**

**232 POSTAGE -- \$41,883**

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

General Adjustment/Registration Fee Mailings	7,873
Unit Vacancy Registration Increase Mailings	3,456
General Mailings	16,208
Q Petition Noticing (one-half of projection)	1,064
Newsletter Mailings (2)	13,282

**254 ADVERTISING -- \$1,500**

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

**261 EQUIPMENT RENTAL -- \$264**

To lease the water coolers and refrigerator in the Rent Control Offices.

**271 AUTO REIMBURSEMENT -- \$4,020**

This line item was created by the Finance Department in 1993/94 and includes the portion of the "Mileage" line item which represents monthly car allowances for staff.

**272 MILEAGE -- \$74**

This allocation provides reimbursements for 239 miles at 31 cents per mile and mileage for travel to a computer conference for two days.

**282 CONFERENCES, MEETINGS AND TRAVEL -- \$5,000**

The Board and staff incur travel expenses for trips to Sacramento to advocate and testify on proposed state legislation that would affect Santa Monica Rent Control and to coordinate with other rent control agencies. At least four times a year the Board's lobbyist travels to Santa Monica to report to the Board. Nominal expenses related to conducting Board meetings are also charged to this account.

**290 MEMBERSHIP AND DUES -- \$780**

This allocation covers the bar dues of the Administrator and professional associations for the Administration department.

**302 INSURANCE -- \$39,936**

*General Liability: \$39,051*

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 2121 Cloverfield: \$200*

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

*Non-owned Automobile: \$627*

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

*Faithful Performance Bond: \$258*

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

**404 BOOKS AND PERIODICALS -- \$789**

This allocation covers purchase of books and materials on rent control and housing issues, and subscriptions of newspapers and journals.

411 PRINTING - **\$24,050**

Charter Amendment and Regulations	3,500
Instructions, Information, Forms	2,000
Operating Budget and Annual Report	700
General Adjustment/Registration Fee Letters/Envelopes	6,750
Miscellaneous Printing	2,100
Newsletter (2 issues)	9,000

434 ADMINISTRATIVE INDIRECT COSTS - **\$198,476**

Details listed in Agency Budget section beginning page 7.

439 OTHER COSTS --**\$39,800**

The allocation includes costs for cable television coverage of three televised Rent Control Board meetings per month at \$550 per meeting. It also includes \$20,000 for the Board's share of costs in the November 1996 election in which two Board seats will be filled. Election costs vary widely depending on factors outside the Board's control. The \$20,000 provides an initial estimate of the potential cost.

501 CONTRACTUAL SERVICES - **\$8,500**

\$2,000 for mailhouse services for mass mailings.

\$1,400 for mailhouse services for the newsletter.

\$3,000 for design and layout services for the newsletter.

\$2,100 for access to the County Assessor's data base through DataQuick.

506 PROFESSIONAL SERVICES -- **\$43,000**

\$42,000 for lobbyists to represent the Board's interests in Sacramento and for statewide and national legislative advocacy.

\$500 for the cost of reimbursing the City for a police officer to serve as sergeant-at-arms at hearings when necessary.

\$500 for translation services at Board meetings.

521 TRAINING -- **\$4,200**

This amount also includes funds for Continuing Legal Education that the State Bar requires for attorneys.

**724 SERVICE AGREEMENTS -- \$54,351**

This allocation covers the costs of purchasing service agreements for office equipment and computer hardware and software. In most cases, the service agreement provides for regular maintenance and repair of covered equipment at no additional cost.

Hewlett Packard Computer Hardware and Software	25,006
Macintosh System	16,995
Xerox copier	12,000
City Hall alarm	150
Typewriter repair	200

**CAPITAL OUTLAY**

**803 COMPUTER SYSTEMS -- \$15,000**

Equipment and software reserve	15,000
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**808 OFFICE EQUIPMENT -- \$1,000**

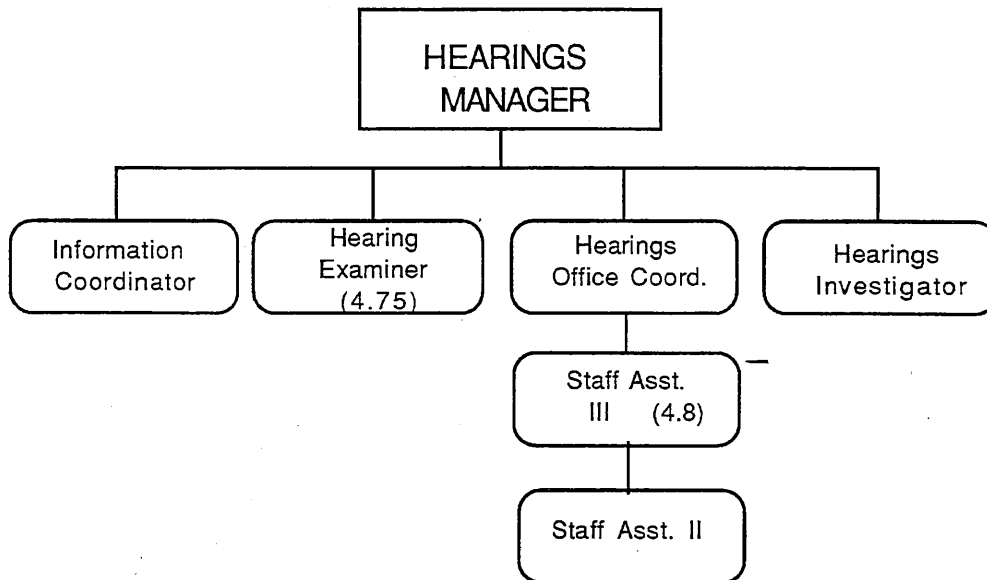
Miscellaneous office equipment	1,000
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**855 RESERVE FOR COMPUTER SYSTEM UPGRADES -- \$0**

In the past the board has approved an allocation of \$15,000 per year for computer system upgrades. No allocation is requested at this time.



## HEARINGS DEPARTMENT



### ***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 currently handles mediation of decrease cases, often enabling the parties to come to an agreement without the necessity of a hearing. Department support staff also maintain hearing files, microfiche files, and store and retrieve documents.

### ***1996/97 Goals***

1. To make a smooth transition in reassigning work and staff when the Q-petitions (earthquake) are completed.
2. To continue to analyze and incorporate the effects of the Costa-Hawkins legislation on increase and decrease petitions.
3. To assess the impact of Costa-Hawkins on owners and tenants with regard to such issues as unit amenities.

# HEARINGS

OBJ	DESCRIPTION	FY 94/95 ACTUAL EXPENSES	FY 95/96 ADOPTED BUDGET	FY 95/96 REVISED BUDGET	FY 95/96 PROJECTED EXPENSES	FY 96/97 ADOPTED BUDGET
100	PERMANENT EMPLOYEES	808,925	906,248	882,248	805,778	844,644
104	BOARD ALLOWANCE	0	0	0	0	0
149	OVERTIME	2,860	1,504	1,504	1,991	700
150	AS-NEEDED EMPLOYEES	38,539	51,675	75,675	72,679	0
171	MEDICARE EMP CONT	8,161	8,092	8,092	9,075	6,955
172	INS-UNEMPLOYMENT	0	480	480	0	0
173	INS-COMPENSATION	0	0	0	0	0
174	INS-EMPL HEALTH/DENT	71,115	72,132	72,132	73,009	64,087
177	RETIREMENT CONTRIB	105,205	101,921	101,921	102,080	89,674
197	OTHER FRINGE BENEFITS	12,031	12,835	12,835	13,035	14,173
						(22,419)
	<b>TOTAL SALARIES &amp; WAGES</b>	<b>1,046,836</b>	<b>1,154,886</b>	<b>1,154,886</b>	<b>1,077,648</b>	<b>997,815</b>
221	UTIL-TELEPHONE/TELEG	1,031	0	0	0	0
231	OFFICE SUPPLIES	10,055	10,200	10,200	11,592	8,856
232	POSTAGE	4,475	4,200	8,400	8,400	5,264
254	ADVERTISING	0	0	0	0	0
261	EQUIPMENT RENTAL	611	611	611	640	640
262	RENT	84,953	96,123	96,123	96,873	98,504
271	AUTO REIMBURSEMENT	2,000	2,400	2,400	2,400	2,400
272	MILEAGE	549	583	583	386	400
282	CONF-MTGS-TRAVEL	0	0	0	0	0
290	MEMBERSHIPS & DUES	1,992	2,012	2,012	2,112	2,012
302	INS-COMPREHENSIVE	0	0	0	0	0
404	BOOKS & PERIODICALS	1,844	2,111	2,111	1,888	1,900
411	PRINTING	0	0	0	0	0
434	INDIRECT COSTS	0	0	0	0	0
439	OTHER COSTS	0	0	0	0	0
501	CONTRACTUAL SERVICES	51,931	18,911	18,911	17,141	17,686
506	PROF SERVICES	3,550	3,500	3,500	5,330	3,500
511	LEGAL EXPENSE	0	0	0	0	0
521	TRAINING	1,149	1,400	1,400	500	1,000
724	SERVICE AGREEMENTS	6,074	8,414	8,414	8,414	7,541
	<b>TOTAL SUPPLIES &amp; EXPENSES</b>	<b>170,213</b>	<b>150,465</b>	<b>154,665</b>	<b>155,675</b>	<b>149,703</b>
803	COMPUTER SYSTEMS	1,734	0	0	0	0
808	OFFICE EQUIPMENT	4,320	4,490	4,490	4,490	4,490
820	BLDG. RENOVATION	0	500	500	0	0
855	RESVE-SYSTEM UPGRADE	0	0	0	0	0
	<b>TOTAL CAPITAL OUTLAY</b>	<b>6,054</b>	<b>4,990</b>	<b>4,990</b>	<b>4,490</b>	<b>4,490</b>
	<b>TOTAL BUDGET</b>	<b>1,223,103</b>	<b>1,310,341</b>	<b>1,314,541</b>	<b>1,237,813</b>	<b>1,152,009</b>

## HEARINGS DEPARTMENT

### SALARIES AND WAGES

100 PERMANENT EMPLOYEE SALARIES -- **\$844,644**

<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 1995/96</u>	<u>AUTHORIZED POSITIONS FY 1996/97</u>
Department Manager	1.00	1.00
Hearing Examiner	4.75	4.75
Hearings Investigator	1.00	1.00
Information Coordinator	1.00	1.00
Office Coordinator	1.00	1.00
Staff Assistant IV	1.00	0.00
Staff Assistant III	5.00	4.80
Staff Assistant II	1.00	1.00
Total positions	15.75	14.55

149 OVERTIME -- **\$700**

150 AS-NEEDED EMPLOYEES -- **\$0**

171 INSURANCE/MEDICARE -- **\$6,955**

172 INSURANCE/UNEMPLOYMENT -- **\$0**

174 INSURANCE/EMPLOYEE HEALTH-DENTAL -- **\$64,087**

This amount includes funding for health and dental benefits for 14 permanent employees for twelve months.

177 RETIREMENT CONTRIBUTION -- **\$89,674**

It is also anticipated that there will be a credit of \$22,419.

197 OTHER FRINGE BENEFITS -- **\$14,173**

### SUPPLIES AND EXPENSES

231 OFFICE SUPPLIES -- **\$8,856**

232 POSTAGE -- **\$5,264**

This allocation covers sending out notices of hearings and hearing examiner decisions as well as Q petition administrative decisions.

**261 EQUIPMENT RENTAL -- \$640**

To lease mailing system for Hearings Department which cannot use City Hall mailroom.

**262 RENT -- \$98,504**

There is insufficient space in City Hall to house the Agency's Hearings Department which is located at 2121 Cloverfield. This allocation includes funds to rent 5,974 square feet of office space. The lease provides for monthly payments of \$7,468 (\$1.25 per sq. ft.) for ten months and \$7,766 (\$1.30 per sq. ft.) for two months. The allocation also includes an estimate of \$500 for an operating expense increase as provided in the lease as well as the cost of parking spaces.

**271 AUTO REIMBURSEMENT -- \$2,400**

**272 MILEAGE -- \$400**

This allocation provides for reimbursements for staff, principally for the inter-office mail run, and secondarily for the Hearings Investigator at 31¢ per mile.

**290 MEMBERSHIP AND DUES -- \$2,012**

This allocation covers the bar dues of the Hearings Department Manager and the five permanent Hearing Examiners.

**404 BOOKS AND PERIODICALS -- \$1,900**

**501 CONTRACTUAL SERVICES -- \$17,686**

\$3,075 for an attorney service to serve subpoenas and advance witness fees.

\$512 to monitor and service the burglar alarm system.

\$375 for messenger service.

\$4,260 for storage and retrieval of files.

\$9,464 for microfiche services.

**506 PROFESSIONAL SERVICES -- \$3,500**

\$3,500 for interpreter services at hearings.

**521 TRAINING -- \$1,000**

This amount includes funds for Continuing Legal Education that the State Bar requires for attorneys as well as skills enhancement courses for other employees.

724 SERVICE AGREEMENTS -- \$7,541

Xerox copier	3,444
Postage Meter and Scale	647
Sony Recording Equipment	1,920
Bell & Howell Microfiche Equipment	830
Misc. repairs -- typewriter, dictaphone etc.	700

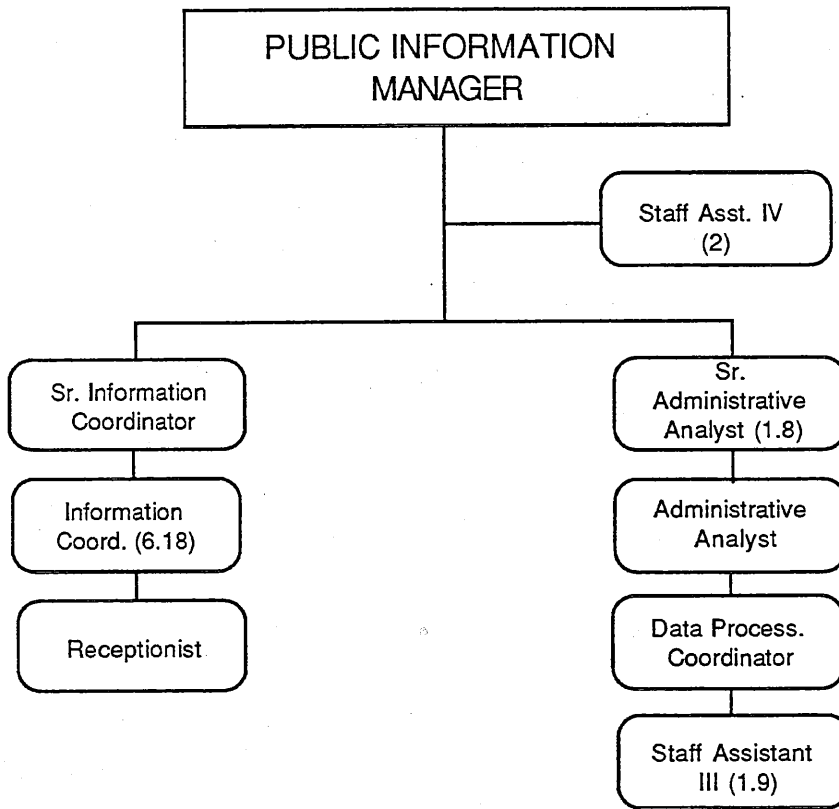
*CAPITAL OUTLAY*

808 OFFICE EQUIPMENT -- \$4,490

Xerox 5350 copier - 2nd year of 5 year lease	2,867
Xerox 5322 copier - 2nd year of 5 year lease	1,623

820 BUILDING RENOVATION -- \$0

## PUBLIC INFORMATION



### ***Department Description***

The Public Information Department responds to public inquiries regarding the Rent Control Law. The department is also responsible for maintaining manual and electronic files, researching and describing the current legal rent level and history of administrative and legal activity affecting each controlled rental unit in the City. The department also has the responsibility of processing Unit Vacancy Registration Increases.

The Senior Administrative Analysts and Administrative Analyst have responsibilities in the following major areas: investigating and preparing staff reports on exemptions, supervising the Unit Vacancy and Incentive Housing programs, staffing Nuisance Abatement Board meetings, acting as liaisons with the City Planning Department, and performing research and work on special projects including public information and community outreach.

The Senior Information Coordinator facilitates settlement of excess rent petition disputes.

Information Coordinators provide information to the public regarding the Rent Control law and regulations, and research and determine the Maximum Allowable Rent levels for controlled rental units. Additionally, they process Vacancy Increase Registrations, process new and amended registration forms provided by property owners, provide information to the public regarding new state laws and receive and process petitions for rent increases, decreases and complaints of excess rent.

Staff Assistants provide support to all activities in the department through maintenance of the files, memo and letter production, receiving and directing calls from the public and preparation of informational mailings.

Data processing personnel input changes into the data base, issue registration fee bills to owners of controlled rental properties, collect fees, maintain the electronic billing history and evaluate and process owner-occupied and low-income senior and disabled fee waiver applications.

### **1996/97 Goals**

1. Develop a series of easy-to-understand information sheets on aspects of the Rent Control Law. Continue to identify new methods for distributing rent control information to the public such as attending neighborhood meetings, meeting with interest groups, producing a newsletter and creating cable television public announcements.
2. Oversee installation of upgrades to the Macintosh computer network. Coordinate efforts to retain access to city computer systems.
3. Investigate the feasibility of resuming MAR mailings to supplement the processing of unit re-registrations.

## PUBLIC INFORMATION

OBJ	DESCRIPTION	FY 94/95 ACTUAL EXPENSES	FY 95/96 ADOPTED BUDGET	FY 95/96 REVISED BUDGET	FY 95/96 PROJECTED EXPENSES	FY 96/97 ADOPTED BUDGET
100	PERMANENT EMPLOYEES	671,725	836,591	829,591	739,676	844,530
104	BOARD ALLOWANCE	0	0	0	0	0
149	OVERTIME	2,113	7,258	7,258	843	750
150	AS-NEEDED EMPLOYEES	14,087	0	0	3,909	0
171	MEDICARE EMP CONT	10,140	10,070	10,070	12,024	9,441
172	INS-UNEMPLOYMENT	0	422	422	41	0
173	INS-COMPENSATION	0	0	0	0	0
174	INS-EMPL HEALTH/DENT	82,736	88,128	88,128	86,322	94,702
177	RETIREMENT CONTRIB	83,432	96,453	96,453	102,653	89,667
197	OTHER FRINGE BENEFITS	11,232	8,759	15,759	12,372	12,263
						(22,417)
	<b>TOTAL SALARIES &amp; WAGES</b>	<b>875,465</b>	<b>1,047,681</b>	<b>1,047,681</b>	<b>957,840</b>	<b>1,028,936</b>
221	UTIL-TELEPHONE/TELEG	0	0	0	0	0
231	OFFICE SUPPLIES	15,021	14,020	14,020	14,020	12,000
232	POSTAGE	0	0	0	0	0
254	ADVERTISING	0	0	0	0	0
261	EQUIPMENT RENTAL	0	0	0	0	0
262	RENT	0	0	0	0	0
271	AUTO REIMBURSEMENT	0		0	0	
272	MILEAGE	0	100	100	32	25
282	CONF-MTGS-TRAVEL	0	0	0	0	0
290	MEMBERSHIPS & DUES	100	280	280	0	100
302	INS-COMPREHENSIVE	0	0	0	0	0
404	BOOKS & PERIODICALS	174	500	500	100	150
411	PRINTING	0	0	0	0	0
434	INDIRECT COSTS	0	0	0	0	0
439	OTHER COSTS	0	0	0	0	0
501	CONTRACTUAL SERVICES	0	0	0	0	0
506	PROF SERVICES	0	0	0	0	0
511	LEGAL EXPENSE	0	0	0	0	0
521	TRAINING	1,056	1,395	1,395	551	1,000
724	SERVICE AGREEMENTS	200	200	200	100	200
	<b>TOTAL SUPPLIES &amp; EXPENSES</b>	<b>16,550</b>	<b>16,495</b>	<b>16,495</b>	<b>14,803</b>	<b>13,475</b>
803	COMPUTER SYSTEMS	0	0	0	0	0
808	OFFICE EQUIPMENT	0	0	0	0	0
820	BLDG. RENOVATION	0	0	0	0	0
855	RESVE-SYSTEM UPGRADE	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>TOTAL BUDGET</b>	<b>892,016</b>	<b>1,064,176</b>	<b>1,064,176</b>	<b>972,642</b>	<b>1,042,411</b>



## PUBLIC INFORMATION DEPARTMENT

<i>SALARIES AND WAGES</i>
---------------------------

100 PERMANENT EMPLOYEE SALARIES -- **\$844,530**

<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 1995/96</u>	<u>AUTHORIZED POSITIONS FY 1996/97</u>
Department Manager	1.0	1.00
Sr. Administrative Analyst	3.0	1.80
Administrative Analyst	1.0	1.00
Information Coordinator	7.0	6.18
Sr. Information Coordinator	1.0	1.00
Data Processing Coord.	1.0	1.00
Receptionist	1.0	1.00
Staff Assistant IV	1.0	2.00
Staff Assistant III	2.0	1.90
Total positions	18.0	16.88

149 OVERTIME -- **\$750**

171 INSURANCE/MEDICARE -- **\$9,441**

172 INSURANCE/UNEMPLOYMENT -- **\$0**

174 INSURANCE/EMPLOYEE HEALTH-DENTAL -- **\$94,702**

This amount includes funding for health and dental benefits for 18 permanent employees for twelve months.

177 RETIREMENT CONTRIBUTION -- **\$89,667**

It is also anticipated that there will be a credit of \$22,417.

197 OTHER FRINGE BENEFITS -- **\$12,263**

**SUPPLIES AND EXPENSES**

231 OFFICE SUPPLIES -- **\$12,000**

272 MILEAGE -- **\$25**

290 MEMBERSHIP AND DUES -- **\$100**

This allocation includes funds for staff to participate in professional management organizations and associations.

404 BOOKS AND PERIODICALS -- **\$150**

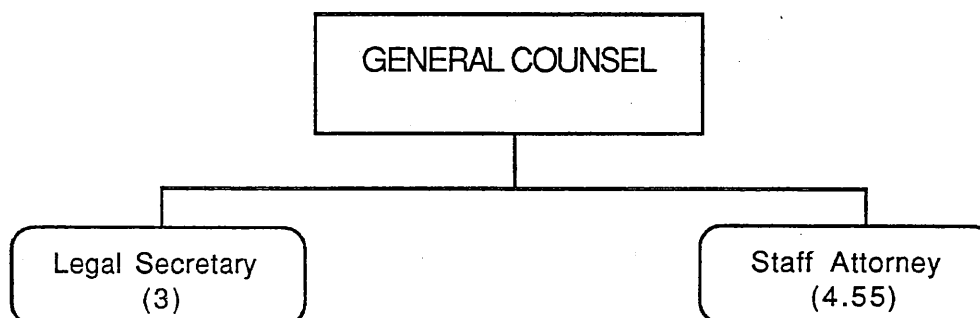
521 TRAINING -- **\$1,000**

724 SERVICE AGREEMENTS -- **\$200**

    Typewriter repair

200

## LEGAL DEPARTMENT



### ***Department Description***

The Legal Department prepares staff reports on appeal of hearing examiner and administrative decisions and removal applications, reviews reports on exemption applications which are prepared by administrative staff, 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.

### ***1996/97 Goals***

1. Expand the Board's role in landlord/tenant mediation.
2. Review and revise the Board's excess rent procedures to better respond to changes brought about by Costa-Hawkins.
3. Develop better coordination between the Legal department (and the Agency) and other City departments regarding the City's tenant harassment ordinance.
4. Develop outreach to the legal community regarding the Rent Control Law as it affects both landlords and tenants.

# LEGAL

OBJ	DESCRIPTION	FY 94/95 ACTUAL EXPENSES	FY 95/96 ADOPTED BUDGET	FY 95/96 REVISED BUDGET	FY 95/96 PROJECTED EXPENSES	FY 96/97 ADOPTED BUDGET
100	PERMANENT EMPLOYEES	598,174	617,003	617,003	614,117	631,612
104	BOARD ALLOWANCE	0	0	0	0	0
149	OVERTIME	0	0	0	2	0
150	AS-NEEDED EMPLOYEES	58,751	0	0	177	0
171	MEDICARE EMP CONT	7,686	6,515	6,515	7,380	6,403
172	INS-UNEMPLOYMENT	480	309	309	155	0
173	INS-COMPENSATION	0	0	0	0	0
174	INS-EMPL HEALTH/DENT	54,172	64,536	61,036	60,614	63,180
177	RETIREMENT CONTRIB	65,693	68,152	68,152	69,992	67,001
197	OTHER FRINGE BENEFITS	10,112	10,643	14,143	13,683	16,565
						(16,750)
	<b>TOTAL SALARIES &amp; WAGES</b>	<b>795,068</b>	<b>767,157</b>	<b>767,157</b>	<b>766,119</b>	<b>768,012</b>
221	UTIL-TELEPHONE/TELEG	0	0	0	0	0
231	OFFICE SUPPLIES	2,306	2,300	2,300	1,578	1,500
232	POSTAGE	0	200	200	0	0
254	ADVERTISING	0	0	0	0	0
261	EQUIPMENT RENTAL	2,580	3,040	3,040	3,927	3,040
262	RENT	0	0	0	0	0
271	AUTO REIMBURSEMENT	3,000	3,000	3,000	3,000	3,000
272	MILEAGE	117	140	140	177	140
282	CONF-MTGS-TRAVEL	0	0	0	0	0
290	MEMBERSHIPS & DUES	3,177	3,411	3,411	3,258	3,258
302	INS-COMPREHENSIVE	0	0	0	0	0
404	BOOKS & PERIODICALS	4,015	4,000	4,000	4,044	4,000
411	PRINTING	213	0	0	0	0
434	INDIRECT COSTS	0	0	0	0	0
439	OTHER COSTS	0	0	0	0	0
501	CONTRACTUAL SERVICES	5,646	21,450	21,450	3,114	3,500
506	PROF SERVICES	9,804	18,000	18,000	6,000	10,000
511	LEGAL EXPENSE	178,257	33,000	33,000	37,677	33,000
521	TRAINING	2,268	2,500	2,500	1,550	1,550
724	SERVICE AGREEMENTS	0	300	300	50	0
	<b>TOTAL SUPPLIES &amp; EXPENSES</b>	<b>211,384</b>	<b>91,341</b>	<b>91,341</b>	<b>64,375</b>	<b>62,988</b>
803	COMPUTER SYSTEMS	0	0	0	0	0
808	OFFICE EQUIPMENT	0	0	0	0	0
820	BLDG. RENOVATION	0	0	0	0	0
855	RESVE-SYSTEM UPGRADE	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>TOTAL BUDGET</b>	<b>1,006,452</b>	<b>858,498</b>	<b>858,498</b>	<b>830,493</b>	<b>831,000</b>

## LEGAL DEPARTMENT

### SALARIES AND WAGES

100 PERMANENT EMPLOYEE SALARIES -- **\$631,612**

<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 1995/96</u>	<u>AUTHORIZED POSITIONS FY 1996/97</u>
General Counsel	1.00	1.00
Staff Attorney	4.55	4.55
Legal Secretary	3.00	3.00
Total positions	8.55	8.55

171 INSURANCE/MEDICARE -- **\$6,403**

172 INSURANCE/UNEMPLOYMENT -- **\$0**

174 INSURANCE/EMPLOYEE HEALTH-DENTAL -- **\$63,180**

This amount includes funding for health and dental benefits for 9 permanent employees for twelve months.

177 RETIREMENT CONTRIBUTION -- **\$67,001**

It is also anticipated that there will be a credit of \$16,750.

197 OTHER FRINGE BENEFITS -- **\$16,565**

### SUPPLIES AND EXPENSES

231 OFFICE SUPPLIES -- **\$1,500**

232 POSTAGE -- **\$0**

261 EQUIPMENT RENTAL -- **\$3,040**

This allocation includes connect time for access to a computerized legal research system averaging \$253 per month.

271 AUTO REIMBURSEMENT -- **\$3,000**

272 MILEAGE -- **\$140**

This allocation provides mileage reimbursements for approximately 452 miles at 31 cents per mile.

290 MEMBERSHIP AND DUES -- **\$3,258**

This allocation covers bar dues for the General Counsel and five staff attorneys.

404 BOOKS AND PERIODICALS -- **\$4,000**

501 CONTRACTUAL SERVICES -- **\$3,500**

\$500 for attorney service.

\$3,000 for messenger service.

506 PROFESSIONAL SERVICES -- **\$10,000**

The Board has contracted with a real estate appraiser in connection with removal permits.

511 LEGAL EXPENSE -- **\$33,000**

The allocation covers costs of a shorthand reporter and other direct costs of litigation (\$10,000), title searches for Ellis properties (\$150), and a reserve for potential legal liabilities (\$22,850).

521 TRAINING -- **\$1,550**

## REVENUE PROJECTION

Revenue for fiscal year 1996/97 is projected to be \$4,022,419. This projection is based on a registration fee of \$12 per month or \$144 per year. This is a \$1 per month reduction from the \$13 per month registration fee which has been in effect for three years, since 1993/94.

The sources of this revenue are registration fees, interest earnings on unexpended Rent Control funds, reimbursements for administrative records, limited filing fees and miscellaneous receipts.

The Santa Monica Rent Control Board has always had as its primary source of income the registration fee paid on each rent controlled unit in the city. The number of billable units normally diminishes during the year as more units become exempt or additional fee waivers are granted. The major reason for the decline in billable units is increasing owner-occupied fee waivers for units in the TORCA (Tenant Ownership Rights Charter Amendment) program.

Based on analysis of the database and projections of current trends such as rates of TORCA conversion and fee waiver applications, the revenue projection begins with 26,909 units. This is a slight increase over the units projected in the last fiscal year and may be the result of some red- and yellow-tagged units becoming habitable again after earthquake-related repairs.

Current trends indicate that the loss of billable units in the coming year may be expected to include an additional 90 exemptions and removals and 325 new fee waivers. Projected registration fee refunds are based on an assumed loss of approximately 415 units over the course of the year, which translates into 2,490 non-billable unit months. Off-set against these lost billable units are an estimated 103 Incentive Housing Program surcharges.

With a registration fee of \$12 per month, based on an estimate of 26,909 controlled billable rental units, the revenue would be \$3,874,896. Net registration fees, after subtracting projected refunds and adding Incentive Housing surcharges would be \$3,859,848.

The second source of revenue is interest earnings on City-invested Rent Control funds. Staff estimates this revenue to be \$148,571. The City Treasurer is estimating a rate of return on invested funds of 5.25%; staff is using the same rate to estimate Board interest earnings.

The third revenue source is reimbursements for the production of administrative records. The agency provides administrative records as a reimbursable service to members of the public who request them. Staff estimates that the Agency will receive \$4,000 in net administrative records fee reimbursements.

The fourth source of revenue is miscellaneous charges such as those for xerox or fiche copies. Miscellaneous charges are projected to be \$4,000.

Also included as a source of revenue is \$6,000 in petition filing fees. Fiscal year 95/96 was the first year in which filing fees were charged for a limited number of programs. Filing fees were implemented to cover the costs of the Threshold Rent and Soft Story Retrofitting programs. After passage of the Costa-Hawkins bill, the Board eliminated the Threshold Rent program. The Board then implemented a \$100 fee for TORCA owners filing 2-year vacancy increases because these owner-occupied units do not pay registration fees.

### SOURCES OF REVENUE

Registration Fees - 26,909 units	\$3,874,896	
Refunded Registration Fees - 2,490 unit months	-29,880	
Incentive Housing Program Surcharges	<u>14,832</u>	
Registration Fees Subtotal		3,859,848
Interest Earnings @ 5.25%		148,571
Petition Filing Fees		6,000
Net Administrative Records Reimbursements (reimbursements less refunds)		4,000
Miscellaneous Charges		<u>4,000</u>
Total Revenue		\$4,022,419

### Potential Liabilities -- Earthquake-Related Expenses

Since the January 1994 earthquake, many of the costs for staff who were hired to work on Q petitions, and consultants for removals and Q petitions (and a few other earthquake-related costs) were paid by the City from the "13 Fund" in the expectation that these earthquake-related costs would be reimbursed by the federal government (FEMA). As legitimate as the costs have been, it is possible that the federal government will not reimburse the City, raising the possibility that it will fall to the Board to provide at least some of the reimbursement.

It is projected that the costs through June 30, 1996 may exceed \$900,000. After that time, only one case analyst paid through the "13 Fund" will continue to handle cases, and some issues will continue to be referred to the Board's consultant, probably through December.

At the end of fiscal year 1995/96, Agency undesignated reserves, which are the Agency's "safety net" in case of emergency, are projected to be over one million dollars. The proposed budget has a deficit of \$189,927 with the expectation that the shortfall would be covered from undesignated funds.



Balance Sheet Reserves

*In fiscal year 1988/89 the Board created balance sheet reserve accounts for the purpose of identifying funds which had been designated for particular purposes during the budget cycle, but which could not be spent by the end of the fiscal year. The reserves are a form of savings account for specialized purposes.*

BALANCE SHEET RESERVES

<u>Reserve Name</u>	<u>Existing Reserves</u>	<u>Expected Additional Reserves</u>	<u>Total Projected Reserves</u>
General Emergency	\$64,697	\$0	\$64,697
Office Equipment	14,010	0	14,010
Computer Upgrade	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Total	\$93,707	\$0	\$93,707

