

**SANTA MONICA
RENT CONTROL
BOARD**

**FY 1999/2000
OPERATING BUDGET**

ADOPTED JUNE 10, 1999

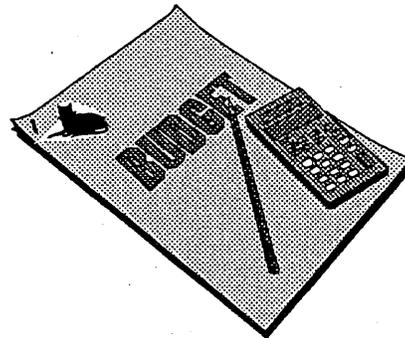
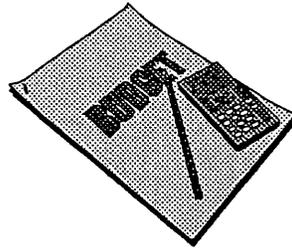


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LABOR SUMMARY
FY 1999/2000 ADOPTED

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 1996/97</i>	<i>AUTHORIZED POSITIONS 1997/98</i>	<i>AUTHORIZED POSITIONS 1998/99</i>	<i>ADOPTED POSITIONS FY99/FY00</i>	<i>AMOUNT OF CHANGE FY99/FY00</i>
Administration	7.90	4.00	4.00	3.90	-.10
Hearings	14.55	11.35	12.00	9.50	-2.50
Public Information	16.88	19.20	17.45	17.30	-.15
Legal	8.55	7.70	6.70	6.00	-.70
TOTAL	47.88	42.25	40.15	36.70	-3.45

PERMANENT STAFF -- BY CLASSIFICATION
FY 1999/2000 ADOPTED

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 1996/97</i>	<i>AUTHORIZED POSITIONS 1997/98</i>	<i>AUTHORIZED POSITIONS 1998/99</i>	<i>ADOPTED POSITIONS FY99/FY00</i>	<i>AMOUNT OF CHANGE FY99/FY00</i>
Admin. Analyst	2.0	1.0	1.0	.9	-.10
Administrator	1.0	1.0	1.0	1.0	0.00
Data Entry Operator	1.0	0.0	0.0	0.0	0.00
Data Process. Coord.	1.0	1.0	1.0	1.0	0.00
Database Coord.	0.0	1.0	1.0	1.0	0.00
EDP Prog./Analyst	1.9	1.8	1.8	1.8	0.00
General Counsel	1.0	1.0	1.0	1.0	0.00
Hearings Dept. Mgr.	1.0	1.0	1.0	1.0	0.00
Hearing Investigator	1.0	1.0	1.0	1.0	0.00
Hearings Office Coord.	1.0	1.0	1.0	1.0	0.00
Hearing Officer	4.75	3.75	3.75	2.75	-1.00
Information Coord.	7.18	6.6	5.85	5.80	-.05
Legal Secretary II	3.0	3.0	2.0	2.0	0.00
Office Coordinator	2.0	2.0	2.0	2.0	0.00
Public Inform. Mgr.	1.0	1.0	1.0	1.0	0.00
Receptionist	1.0	1.0	0.0	0.0	0.00
Senior Adm. Analyst	1.8	1.8	1.8	1.8	0.00
Sr. Information Coord.	1.0	1.0	1.0	1.0	0.00
Sr. Oper. Analyst	1.0	1.0	1.0	.9	-.10
Staff Assistant II	1.0	0.0	0.0	0.0	0.00
Staff Assistant III	6.7	5.6	6.25	4.75	-1.50
Staff Assistant IV	2.0	2.0	2.0	2.0	0.00
Staff Attorney	4.55	4.55	3.7	3.0	-.70
TOTAL	47.88	42.25	40.15	36.70	-3.45



Rent Control Board
1685 Main Street
PO Box 2200
Santa Monica, California 90407-2200

City of
Santa Monica[™]

June 30, 1999

Dear Santa Monica Citizens,

The Santa Monica Rent Control Board is pleased to be able to fund the 1999/2000 budget with an annual registration fee of \$132, or \$11 per month. The registration fee has remained the same for three years.

This is the sixth straight year in which the number of staff positions has been reduced. The 1999/2000 budget funds 3.45 fewer positions than last year. Since 1993/94, staff size has been reduced by 18.8 positions, more than 33%. By reassigning staff, the Agency has been able to reallocate the work among the existing personnel.

Reduced staff and expenses do not mean less service. This year's budget provides for three issues of the Rent Control Board's newsletter. It also will continue to provide more information on the Web site launched last year.

The Board authorized the implementation of two new filing fees -- a fee for processing a Vacant Unit Registration on a property which has an owner-occupied exemption and a fee to process an owner-occupied exemption application. These fees are expected to provide \$4,200 in revenue.

With the addition of the new fee revenue, the anticipated budget deficit is \$169,290.

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

Sincerely,

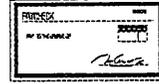
Mary Ann Yurkonis
Administrator

AGENCY BUDGET

OBJ	DESCRIPTION	FY 97/98	FY 98/99	FY 98/99	FY 2000
		ACTUAL EXPENSES	ADOPTED BUDGET	PROJECTED EXPENSES	ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	2,648,436	2,626,123	2,580,737	2,461,711
1104	BOARD ALLOWANCE	12,150	12,375	11,550	11,550
1149	OVERTIME	11,001	2,752	5,288	4,722
1150	AS-NEEDED EMPLOYEES	20,989	0	14,599	6,568
1171	MEDICARE EMP CONT	28,224	26,050	26,426	27,118
1173	INS-COMPENSATION	16,549	11,526	11,526	12,800
1174	INS-EMPL HEALTH/DENT	258,554	262,968	257,303	261,677
1177	RETIREMENT CONTRIB	253,089	256,000	181,375	169,918
1197	OTHER FRINGE BENEFITS	36,240	34,541	39,919	36,122
		(100)	0		
TOTAL SALARIES & WAGES		3,285,131	3,232,335	3,128,723	2,992,186
2221	UTIL-TELEPHONE	37,511	38,000	35,822	37,000
2231	OFFICE SUPPLIES	23,363	23,121	19,266	19,633
2232	POSTAGE	35,449	45,680	32,599	39,991
2254	ADVERTISING	2,863	3,000	22,500	25,000
2261	EQUIPMENT RENTAL	3,976	904	965	904
2262	RENT	105,396	113,232	123,711	133,049
2271	AUTO REIMBURSEMENT	12,039	11,820	9,395	11,820
2272	MILEAGE	774	780	745	875
2282	CONF-MTGS-TRAVEL	6,557	6,000	6,000	6,000
2290	MEMBERSHIPS & DUES	1,569	5,121	3,118	4,615
3302	INS-COMPREHENSIVE	26,732	27,599	25,584	25,803
4404	BOOKS & PERIODICALS	6,671	8,531	10,706	10,386
4411	PRINTING	24,487	24,250	17,118	21,850
4434	INDIRECT COSTS	222,659	191,701	191,701	170,820
4439	OTHER COSTS	10,469	59,817	32,170	15,400
5501	CONTRACTUAL SERVICES	36,454	36,205	29,715	36,924
5506	PROF SERVICES	48,392	60,100	59,539	57,100
5511	LEGAL EXPENSE	117,650	55,000	55,000	55,000
5521	TRAINING	6,780	7,570	5,316	8,570
5523	ADMIN. RECORDS	4,526	8,681	3,367	6,500
7724	SERVICE AGREEMENTS	57,904	56,718	59,506	61,175
TOTAL SUPPLIES & EXPENSES		792,220	783,830	743,840	748,415
8803	COMPUTER SYSTEMS	10,452	44,823	56,658	33,064
8808	OFFICE EQUIPMENT	6,921	4,490	6,932	6,868
8820	BLDG. RENOVATION	525	0	405	0
8855	RESVE-SYST. UPGRADE	0	0	0	8,000
TOTAL CAPITAL OUTLAY		17,898	49,313	63,994	47,932
TOTAL BUDGET		4,095,248	4,065,478	3,936,557	3,788,534

SALARIES AND WAGES

1100 PERMANENT EMPLOYEE SALARIES



ALLOCATION: \$2,461,711
TOTAL AGENCY POSITIONS -- 36.7 EMPLOYEES

•Administration	3.90	positions	\$332,835
•Hearings	9.50	positions	653,647
•Public Information	17.30	positions	975,142
•Legal	6.00	positions	500,087
•Agency Total	36.70	positions	\$2,461,711

The Employee Action Committee (EAC), Society for Union Employment (SUE) and Hearing Examiner Representational Organization (HERO) Memoranda of Understanding expired December 31, 1998. Unlike prior years, no cost-of-living increase is imputed for any salaries. Projections for other staff benefits including deferred compensation, bonus for outstanding work and summer incentives are projected and represent approximately 9.5% of the salary figures above.

1104 BOARD ALLOWANCE



ALLOCATION: \$11,550

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

1149 OVERTIME



ALLOCATION: \$4,722

The allocation covers \$600 for Administration, \$600 for Hearings, and \$3,522 for Public Information work which cannot be completed in regularly scheduled hours. Most overtime hours in the Public Information Department are incurred during the summer months.

1150 AS-NEEDED EMPLOYEES



ALLOCATION: \$6,568

The allocation includes funds for a Staff Assistant III at the Hearings Department for two months during the summer.

1171 INSURANCE/MEDICARE



ALLOCATION: \$27,118

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: \$12,800

The Rent Control Board participates in the City of Santa Monica Workers' Compensation Fund. The Agency's share is based on the number of employees, with a factor for past and existing claims. The City's total Workers' Compensation budget is \$2.80 million. The Rent Control \$12,800 allocation represents .5% of the total costs, the same as last year.

1174 INSURANCE/EMPLOYEE HEALTH-DENTAL



ALLOCATION: \$261,677

Premiums for the individual health and dental plans selected by employees vary. The projection is based on the plans in which employees and their dependents are enrolled and includes funding for health and dental benefits for all permanent employees.

1177 RETIREMENT CONTRIBUTION



ALLOCATION: \$169,918

Because the City had excess payments into the retirement system in the past, the retirement contribution for the City, including Rent Control is temporarily reduced to 7% of permanent staff salaries.

1197 OTHER FRINGE BENEFITS



ALLOCATION: \$36,122

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). It also includes a \$3,547 contribution to the EAC lay-off fund.

The City of Santa Monica assesses departments for actual Unemployment Compensation expenditures. As a result of the Agency's very low usage in the past, no funds were budgeted last year. However, the Agency was required to reimburse the Unemployment Fund for payments made to one employee. No additional payments are anticipated.

SUPPLIES AND EXPENSES

2221 UTILITIES/TELEPHONE



ALLOCATION: \$37,000

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 3.9% increase in expenditure over current levels and an anticipated reduction in usage as a result of fewer employees.

2231 OFFICE SUPPLIES



ALLOCATION: \$19,633

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: \$39,991

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

•General Adjustment/Registration Fee Mailings	6,810
•Vacancy Increase Unit Registration Mailings	1,386
•Newsletter Mailings (3)	14,720
•Hearings Department Noticing	1,400
•General Mailings	15,675

2254 ADVERTISING

Announcements



ALLOCATION: \$25,000

This allocation covers the cost of publishing public notices and other announcements required by law. The projected allocation is significantly higher than prior years because the demise of the Santa Monica *Outlook* required the Board to publish announcements in newspapers with higher rates.

2261 EQUIPMENT RENTAL



ALLOCATION: \$904

•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.

2262 RENT



ALLOCATION: \$133,049

There is insufficient space in City Hall to house the Agency's Hearings Department which is located at 2121 Cloverfield. The lease was extended in April 1999. This allocation includes funds to rent 5,974 square feet of office space. The lease provides for monthly payments of \$10,155.80 (\$1.70 per sq. ft.) per month for 9 months and \$10,753.20 (\$1.80) for 3 months. The allocation also includes an estimate of \$3,387 for an operating expense increase as provided in the lease as well as the cost of parking spaces.

2271 AUTO REIMBURSEMENT



ALLOCATION: \$11,820

This line item represents monthly car allowances for staff.

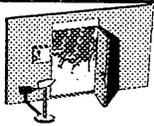
2272 MILEAGE



ALLOCATION: \$875

This allocation provides mileage reimbursements at 31 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 on proposed state legislation that would affect Santa Monica Rent Control and to coordinate with other rent control agencies. Expenses related to conducting Board meetings are also charged to this account.

2290 MEMBERSHIP AND DUES



ALLOCATION: \$4,615

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.

3302 INSURANCE/COMPREHENSIVE



ALLOCATION: \$25,803

GENERAL LIABILITY: \$24,805

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 [HEARINGS DEPARTMENT OFFICES]: \$200

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 building with a \$1,000 deductible.

NON-OWNED AUTOMOBILE: \$540

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.

4404 BOOKS AND PERIODICALS



ALLOCATION: \$10,386

In 1997/98, the Legal Department intended to switch its legal research service from Lexis to Westlaw. The Westlaw system consists of internet connections and CD ROM's. The switch was unsuccessful at the time because the software was unsatisfactory. The system has been upgraded and the software now works on a Legal Department computer. The entire cost of the legal research is listed in this line item rather than being divided between Equipment Rent and Books and Periodicals as in the past. This allocation also 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.

4411 PRINTING



ALLOCATION: \$21,850

•Charter Amendment and Regulations	1,000
•Instructions, Information, Forms	600
•Newsletter (3 issues)	10,500
•General Adjustment/Registration Fee Letters/Envelopes	6,750
•Vacancy Registration Forms	1,000
•Miscellaneous Printing	2,000

4434 ADMINISTRATIVE INDIRECT COSTS



ALLOCATION: \$170,820

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 \$693 for tuition reimbursement is included in the allocation.

AUDIT EXPENSES: \$1,475

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 1997/98.

Allocation Percentage - 2.16% of total audit costs to the City.

CITY MANAGER: \$1,154

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 - .10%

DATA PROCESSING OPERATIONS: \$7,284

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 - .15%

FINANCE, ACCOUNTS PAYABLE: \$4,718

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

Allocation Base - Number of warrants issued in 1997/98.

Allocation Percentage - .88%

FINANCE, COLLECTIONS: \$1,114

Services Rendered - Assisting City departments in the collection of overdue fees, such as registration fees.

Allocation Base - Weighted average based on number of accounts and amount collected.

Allocation Percentage - 1.01%

FINANCE, GENERAL LEDGER: \$15,660

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

Allocation Base - Total expenditures in 1997/98.

Allocation Percentage - 2.16%

FINANCE, PAYROLL: \$14,782

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

Allocation Base - Authorized full-time positions in 1997/98.

Allocation Percentage - 2.68%

FINANCE, TREASURER/MANAGEMENT: \$16,485

Services Rendered - The management and investment of Rent Control funds. For 1999/2000 the expected rate of return on invested Rent Control funds is 6.0%.

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

Allocation Percentage - 3.57%

FINANCE, TREASURER/RECEIPTS: \$7,148

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

Allocation Base - Cash receipts issued in 1997/98.

Allocation Percentage - 2.55%

GENERAL SERVICES, CITY HALL MAINTENANCE: \$53,279

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 - 4.50%

GENERAL SERVICES, ELECTRICAL FACILITIES: \$1,206

Services Rendered - Repairs and replacements of electrical equipment and fixtures at City Hall offices.

Allocation Base - Actual labor hours less amount charged directly.

Allocation Percentage - .18%

GENERAL SERVICES, PUBLIC FACILITIES: \$887

Services Rendered - Repairs, replacements and renovations, such as carpentry and plumbing, relating to City Hall offices.

Allocation Base - Actual labor hours less amount charged directly.

Allocation Percentage - .08%

PERSONNEL, GENERAL: \$27,591

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 - 2.28%

PERSONNEL, RECRUITMENT: \$11,621

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 1997/98.

Allocation Percentage - 1.43%

PURCHASING: \$4,924

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

Allocation Base - Purchase orders placed by the Rent Control agency in 1997/98.

Allocation Percentage - 1.17%

WAREHOUSE: \$2,185

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 agency in 1997/98.

Allocation Percentage - 1.06%

4439 OTHER COSTS



ALLOCATION: \$15,400

ADMINISTRATION: \$15,400

The allocation includes costs for cable television coverage of 28 televised Rent Control Board meetings at \$550 per meeting.

5501 CONTRACTUAL SERVICES



ALLOCATION: \$36,924

ADMINISTRATION: \$15,850

- Mailhouse services for mass mailings \$2,000
- Mailhouse services for the newsletter 5,400
- Design and layout services for the newsletter 7,500
- Access to the County Assessor's data base through DataQuick 950

HEARINGS: \$18,074

- Attorney service to serve subpoenas and advance witness fees \$2,300
- Monitor and service the burglar alarm system 547
- Messenger service 150
- Storage and retrieval of files 4,853
- Microfiching services 10,224

LEGAL: \$3,000

- Attorney service \$400
 - Messenger service 2,600
-
-

5506 PROFESSIONAL SERVICES



ALLOCATION: \$57,100

ADMINISTRATION: \$39,100

37,700 for lobbyist to represent the Board's interests in Sacramento and for statewide and national legislative advocacy.

1,400 for translation services at Board meetings and newsletter editions.

HEARINGS: \$5,000

5,000 for interpreter services at hearings.

LEGAL: \$13,000

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

5511 LEGAL EXPENSE



ALLOCATION: \$55,000

The allocation covers costs of title searches, outside counsel and other direct costs of litigation (\$30,000) and a reserve for potential legal liabilities (\$25,000).

5521 TRAINING



ALLOCATION: \$8,570

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.

5523 ADMINISTRATIVE RECORDS



ALLOCATION: \$6,500

The allocation covers the reimbursement of administrative records costs paid by parties who challenge a Rent Board decision in court. If the party wins on any issue, the Board must reimburse the party for the cost of preparing the record. The amount of the allocation is based on the amount of administrative records fees collected during the prior year, which are set aside in a balance sheet reserve fund to be appropriated into the budget.

7724 SERVICE AGREEMENTS



ALLOCATION: \$61,175

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: \$55,000

•Hewlett Packard Computer Hardware and Software	29,048
•Macintosh System	15,602
•Xerox copier	9,600
•City Hall alarm	150
•Typewriter repair	600

HEARINGS: \$6,175

•Xerox copiers (2)	2,855
•Postage Meter and Scale	748
•Sony Recording Equipment	1,195
•Bell & Howell Microfiche Equipment	977
•Misc. repairs -- typewriter, dictaphone etc.	400

CAPITAL OUTLAY

8803 COMPUTER SYSTEMS



ALLOCATION: \$33,064

•Macintosh system software upgrades	10,255
•Printers	6132
•Hardware upgrades	16,677

8808 OFFICE EQUIPMENT



ALLOCATION: \$6,868

•Xerox 5350 copier - last 2 months of lease including \$1,300 end of lease purchase payment (Hearings)	2,098
•Xerox 5322 copier - last 2 months of lease (Hearings)	270
•Ergonomic adjustments to chairs and workstations	4,500

8820 BUILDING RENOVATION



ALLOCATION: \$0

No allocation is requested this year.

8855 RESERVE FOR CAPITAL EQUIPMENT

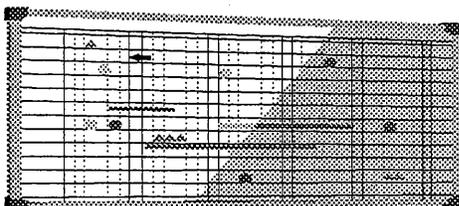


ALLOCATION: \$8,000

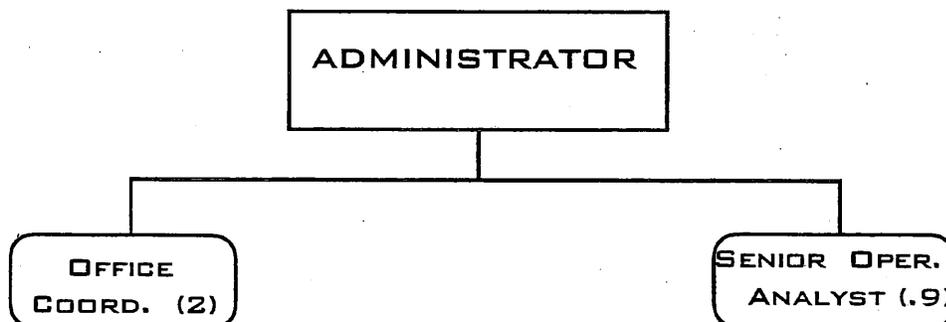
In the past the Board has approved an allocation of up to \$15,000 per year for computer system upgrades. No allocation has been requested for the last five years.

No major capital purchases have been made for several years. Some equipment such as the copier at City Hall and the fiche reader/printer have been successfully repaired for periods of time. This allocation is to cover the contingency of replacement of capital equipment once repairs are no longer sufficient.

ADMINISTRATION DEPARTMENT



DEPARTMENT DESCRIPTION



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

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

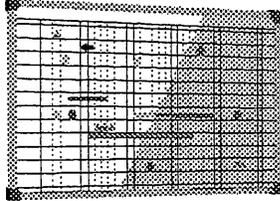
1999/2000 GOALS

1. Explore alternative programs to mitigate impact of market rate vacancy increases.
2. Develop and oversee the implementation of a monitoring system for deed-restricted units under the Agency's jurisdiction.
3. Develop and coordinate legislative positions with lobbyist and other rent control jurisdictions.
4. Work with City Council on housing and harassment issues.
5. Devise means for the Rent Control Board to work more closely with the Housing Commission, Planning Commission and City Council on housing issues.

ADMINISTRATION

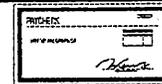
OBJ	DESCRIPTION	FY 97/98	FY 98/99	FY 98/99	FY 2000
		ACTUAL EXPENSES	ADOPTED BUDGET	PROJECTED EXPENSES	ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	328,285	317,892	349,581	332,835
1104	BOARD ALLOWANCE	12,150	12,375	11,550	11,550
1149	OVERTIME	2,355	600	976	600
1150	AS-NEEDED EMPLOYEES	0	0	0	0
1171	MEDICARE EMP CONT	2,949	2,968	2,902	3,076
1173	INS-COMPENSATION	16,549	11,526	11,526	12,800
1174	INS-EMPL HEALTH/DENT	23,251	23,712	25,075	26,548
1177	RETIREMENT CONTRIB	31,069	31,501	25,331	22,322
1197	OTHER FRINGE BENEFITS	4,925	7,190	7,247	8,737
		(100)			
TOTAL SALARIES & WAGES		421,432	407,764	434,188	418,468
2221	UTIL-TELEPHONE	37,511	38,000	35,822	37,000
2231	OFFICE SUPPLIES	5,227	5,000	4,292	4,300
2232	POSTAGE	35,213	43,180	30,099	38,591
2254	ADVERTISING	2,863	3,000	22,500	25,000
2261	EQUIPMENT RENTAL	249	264	250	264
2262	RENT	0	0	0	0
2271	AUTO REIMBURSEMENT	4,054	4,020	4,020	4,020
2272	MILEAGE	86	25	25	25
2282	CONF-MTGS-TRAVEL	6,557	6,000	6,000	6,000
2290	MEMBERSHIPS & DUES	439	780	459	780
3302	INS-COMPREHENSIVE	26,732	27,599	25,584	25,803
4404	BOOKS & PERIODICALS	652	900	1,628	1,600
4411	PRINTING	24,487	24,250	17,118	21,850
4434	INDIRECT COSTS	222,659	191,701	191,701	170,820
4439	OTHER COSTS	10,469	35,400	32,170	15,400
5501	CONTRACTUAL SERVICES	16,154	16,100	8,399	15,850
5506	PROF SERVICES	38,624	39,100	36,459	39,100
5511	LEGAL EXPENSE	0	0	0	0
5521	TRAINING	1,575	2,000	676	1,000
5523	ADMIN. RECORDS	0	0	0	0
7724	SERVICE AGREEMENTS	52,075	50,588	53,376	55,000
TOTAL SUPPLIES & EXPENSES		485,624	487,907	470,576	462,403
8803	COMPUTER SYSTEMS	10,452	44,823	56,658	33,064
8808	OFFICE EQUIPMENT	6,921	4,490	6,932	6,868
8820	BLDG. RENOVATION	525	0	405	0
8855	RESVE-SYST. UPGRADE	0	0	0	8,000
TOTAL CAPITAL OUTLAY		17,898	49,313	63,994	47,932
TOTAL BUDGET		924,955	944,984	968,758	928,804

ADMINISTRATION DEPARTMENT



SALARIES AND WAGES

1100 PERMANENT EMPLOYEE SALARIES



ALLOCATION: \$332,835

CLASSIFICATION	AUTHORIZED POSITIONS FY 1998/99	AUTHORIZED POSITIONS FY 1999/2000
Administrator	1.0	1.0
Sr. Operations Analyst	1.0	.9
Office Coordinator	2.0	2.0
Total positions	4.0	3.9

1104 BOARD ALLOWANCE



ALLOCATION: \$11,550

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

1149 OVERTIME



ALLOCATION: \$600

1171 INSURANCE/MEDICARE



ALLOCATION: \$3,076

1173 INSURANCE/WORKERS' COMPENSATION



ALLOCATION: \$12,800

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

1174 INSURANCE/EMPLOYEE HEALTH-DENTAL



ALLOCATION: \$26,548

This amount includes funding for health and dental benefits for four employees.

1177 RETIREMENT CONTRIBUTION



ALLOCATION: \$22,322

1197 OTHER FRINGE BENEFITS



ALLOCATION: \$8,737

SUPPLIES AND EXPENSES

2221 UTILITIES/TELEPHONE



ALLOCATION: \$37,000

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 3.9% increase in expenditure over current levels and an anticipated reduction in usage as a result of fewer employees.

2231 OFFICE SUPPLIES



ALLOCATION: \$4,300

2232 POSTAGE

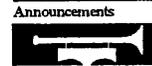


ALLOCATION: \$38,591

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

•General Adjustment/Registration Fee Mailings	6,810
•Vacancy Increase Unit Registration Mailings	1,386
•Newsletter Mailings (3)	14,720
•General Mailings	15,675

2254 ADVERTISING



ALLOCATION: \$25,000

This allocation covers the cost of publishing public notices and other announcements required by law. The projected allocation is significantly higher than prior years because the demise of the Santa Monica *Outlook* required the Board to publish announcements in newspapers with higher rates.

2261 EQUIPMENT RENTAL



ALLOCATION: \$264

•Sparkletts	264
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To lease the water coolers and refrigerator in the Rent Control Offices.

2271 AUTO REIMBURSEMENT



ALLOCATION: \$4,020

This line item represents monthly car allowances for staff.

2272 MILEAGE



ALLOCATION: \$25

This allocation provides mileage reimbursements at 31 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 on proposed state legislation that would affect Santa Monica Rent Control and to coordinate with other rent control agencies. Several times a year the Board's lobbyist travels to Santa Monica to report to the Board. Expenses related to conducting Board meetings are also charged to this account.

2290 MEMBERSHIP AND DUES



ALLOCATION: \$780

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

3302 INSURANCE/COMPREHENSIVE



ALLOCATION: \$25,803

GENERAL LIABILITY: \$24,805

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 [HEARINGS DEPARTMENT OFFICES]: \$200

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 building with a \$1,000 deductible.

NON-OWNED AUTOMOBILE: \$540

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.

4404 BOOKS AND PERIODICALS



ALLOCATION: \$1,600

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

4411 PRINTING



ALLOCATION: \$21,850

•Charter Amendment and Regulations	1,000
•Instructions, Information, Forms	600
•Newsletter (3 issues)	10,500
•General Adjustment/Registration Fee Letters/Envelopes	6,750
•Vacancy Registration Forms	1,000
•Miscellaneous Printing	2,000

4434 ADMINISTRATIVE INDIRECT COSTS



ALLOCATION: \$170,820

Details listed in Agency Budget section beginning page 7.

4439 OTHER COSTS



ALLOCATION: \$15,400

The allocation includes costs for cable television coverage of 28 televised Rent Control Board meetings at \$550 per meeting.

5501 CONTRACTUAL SERVICES



ALLOCATION: \$15,850

•Mailhouse services for mass mailings	\$2,000
•Mailhouse services for the newsletter	5,400
•Design and layout services for the newsletter	7,500
•Access to the County Assessor's data base through DataQuick	950

5506 PROFESSIONAL SERVICES



ALLOCATION: \$39,100

37,700 for lobbyist to represent the Board's interests in Sacramento and for statewide and national legislative advocacy.

1,400 for translation services at Board meetings and newsletter editions.

5521 TRAINING



ALLOCATION: \$1,000

7724 SERVICE AGREEMENTS



ALLOCATION: \$55,000

•Hewlett Packard Computer Hardware and Software	29,048
•Macintosh System	15,602
•Xerox copier	9,600
•City Hall alarm	150
•Typewriter repair	600

CAPITAL OUTLAY

8803 COMPUTER SYSTEMS



ALLOCATION: \$33,064

•Macintosh system software upgrades	10,255
•Printers	6132
•Hardware upgrades	16,677

8808 OFFICE EQUIPMENT



ALLOCATION: \$6,868

•Xerox 5350 copier - last 2 months of lease including \$1,300 end of lease purchase payment (Hearings)	2,098
•Xerox 5322 copier - last 2 months of lease (Hearings)	270
•Ergonomic adjustments to chairs and workstations	4,500

8855 RESERVE FOR CAPITAL EQUIPMENT



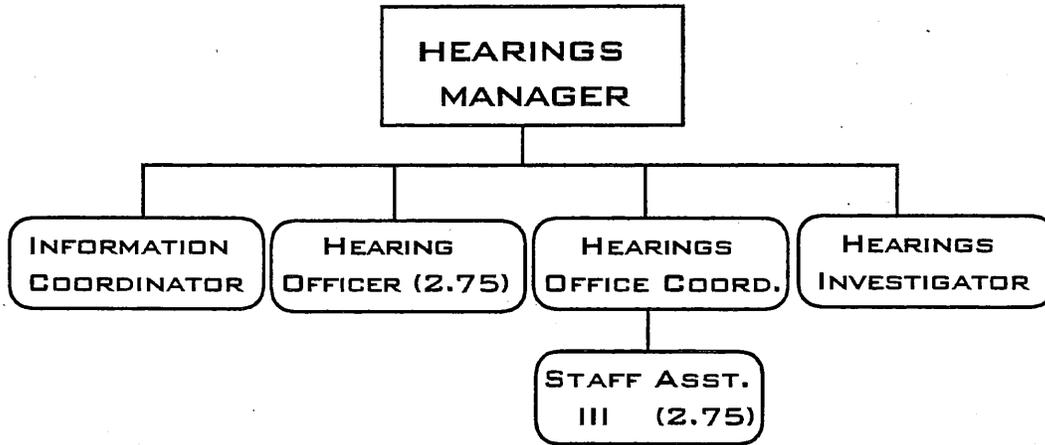
ALLOCATION: \$8,000

No major capital purchases have been made for several years. Some equipment such as the copier at City Hall and the fiche reader/printer have been successfully repaired for periods of time. This allocation is to cover the contingency of replacement of capital equipment once repairs are no longer sufficient.

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 and excess rent 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, base rent and amenities issues, and issues regarding registration after voluntary vacancy. One of the Hearing Officers acts as a settlement facilitator of 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 habitability, occupancy and unit identification.

The Information Coordinator assigned to the Hearings Department is responsible for verifying MARs from decisions and addenda for input into the database and researching complicated MAR histories.

The Office Coordinator screens petitions, supervises the clerical staff, interacts with the public on a variety of matters, is in charge of the computer system at the Hearings Department, assists in preparing the budget, and orders supplies for the Department.

The clerical staff provides support to the Department through sending out notices of hearings, typing decisions, answering phones, interacting with members of the public who come to the Hearings Department office, maintaining hearing files and processing documents for the fiche system.

1999/2000 GOALS

1. Review all department forms, procedures, petitions and standard texts to make them compatible with all aspects of the vacancy decontrol/recontrol law.
2. Develop a process for expedited decreases for impacted tenants living on properties undergoing major rehabilitation work.
3. Facilitate the update of agency records by reviewing all existing decrease cases to determine which decrease conditions continue to exist and which have been remedied.
4. Re-distribute work, cross-train, and adopt other procedures to adjust to a reduced work force while making the most efficient use of remaining staff members.

HEARINGS

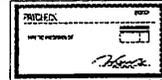
OBJ	DESCRIPTION	FY 97/98	FY 98/99	FY 98/99	FY 2000
		ACTUAL EXPENSES	ADOPTED BUDGET	PROJECTED EXPENSES	ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	768,322	778,712	739,551	653,647
1104	BOARD ALLOWANCE	0	0	0	0
1149	OVERTIME	2,818	652	2,121	600
1150	AS-NEEDED EMPLOYEES	0	0	0	6,568
1171	MEDICARE EMP CONT	6,254	5,901	5,955	5,523
1173	INS-COMPENSATION	0	0	0	0
1174	INS-EMPL HEALTH/DENT	73,964	77,724	76,485	74,284
1177	RETIREMENT CONTRIB	72,638	74,291	52,108	49,118
1197	OTHER FRINGE BENEFITS	10,045	10,787	9,843	10,405
TOTAL SALARIES & WAGES		934,040	948,067	886,064	800,145
2221	UTIL-TELEPHONE	0	0	0	0
2231	OFFICE SUPPLIES	6,666	6,621	4,352	5,633
2232	POSTAGE	236	2,500	2,500	1,400
2254	ADVERTISING	0	0	0	0
2261	EQUIPMENT RENTAL	640	640	640	640
2262	RENT	105,396	113,232	123,711	133,049
2271	AUTO REIMBURSEMENT	2,420	2,400	2,400	2,400
2272	MILEAGE	688	655	670	750
2282	CONF-MTGS-TRAVEL	0	0	0	0
2290	MEMBERSHIPS & DUES	431	1,746	1,239	1,730
3302	INS-COMPREHENSIVE	0	0	0	0
4404	BOOKS & PERIODICALS	2,042	2,331	2,577	2,586
4411	PRINTING	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0
4439	OTHER COSTS	0	24,417	0	0
5501	CONTRACTUAL SERVICES	17,492	17,705	16,594	18,074
5506	PROF SERVICES	3,030	3,500	5,580	5,000
5511	LEGAL EXPENSE	0	0	0	0
5521	TRAINING	830	1,300	370	1,300
5523	ADMIN. RECORDS	0	0	0	0
7724	SERVICE AGREEMENTS	5,829	6,130	6,130	6,175
TOTAL SUPPLIES & EXPENSES		145,700	183,177	166,763	178,737
8803	COMPUTER SYSTEMS	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0
TOTAL CAPITAL OUTLAY		0	0	0	0
TOTAL BUDGET		1,079,740	1,131,244	1,052,826	978,882

HEARINGS DEPARTMENT



SALARIES AND WAGES

1100 PERMANENT EMPLOYEE SALARIES



ALLOCATION: \$653,647

<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 1998/99</u>	<u>AUTHORIZED POSITIONS FY 1999/2000</u>
Department Manager	1.00	1.00
Hearing Officer	3.75	2.75
Hearings Investigator	1.00	1.00
Information Coordinator	1.00	1.00
Office Coordinator	1.00	1.00
Staff Assistant III	4.25	2.75
Total positions	12.00	9.50

1149 OVERTIME



ALLOCATION: \$600

1150 AS-NEEDED EMPLOYEES



ALLOCATION: \$6,568

The allocation includes funds for a Staff Assistant III at the Hearings Department for two months during the summer.

1171 INSURANCE/MEDICARE



ALLOCATION: \$5,523

1174 INSURANCE/EMPLOYEE HEALTH-DENTAL



ALLOCATION: \$74,284

This amount includes funding for health and dental benefits for ten employees.

1177 RETIREMENT CONTRIBUTION



ALLOCATION: \$49,118

1197 OTHER FRINGE BENEFITS



ALLOCATION: \$10,405

SUPPLIES AND EXPENSES

2231 OFFICE SUPPLIES



ALLOCATION: \$5,633

2232 POSTAGE



ALLOCATION: \$1,400

This allocation covers sending out notices of hearings and hearing officer decisions.

2261 EQUIPMENT RENTAL



ALLOCATION: \$640

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

2262 RENT



ALLOCATION: \$133,049

There is insufficient space in City Hall to house the Agency's Hearings Department which is located at 2121 Cloverfield. The lease was extended in April 1999. This allocation includes funds to rent 5,974 square feet of office space. The lease provides for monthly payments of \$10,155.80 (\$1.70 per sq. ft.) per month for 9 months and \$10,753.20 (\$1.80) for 3 months. The allocation also includes an estimate of \$3,659 for an operating expense increase as provided in the lease as well as the cost of parking spaces.

2271 AUTO REIMBURSEMENT



ALLOCATION: \$2,400

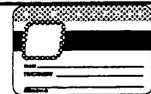
2272 MILEAGE



ALLOCATION: \$750

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

2290 MEMBERSHIP AND DUES



ALLOCATION: \$1,730

This allocation covers the bar dues of the Hearings Department Manager and two permanent Hearing Officers.

4404 BOOKS AND PERIODICALS



ALLOCATION: \$2,586

5501 CONTRACTUAL SERVICES



ALLOCATION: \$18,074

•Attorney service to serve subpoenas and advance witness fees	\$2,300
•Monitor and service the burglar alarm system	547
•Messenger service	150
•Storage and retrieval of files	4,853
•Microfiching services	10,224

5506 PROFESSIONAL SERVICES



ALLOCATION: \$5,000

• Interpreter services at hearings	\$5,000
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5521 TRAINING



ALLOCATION: \$1,300

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

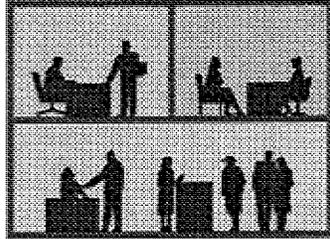
7724 SERVICE AGREEMENTS



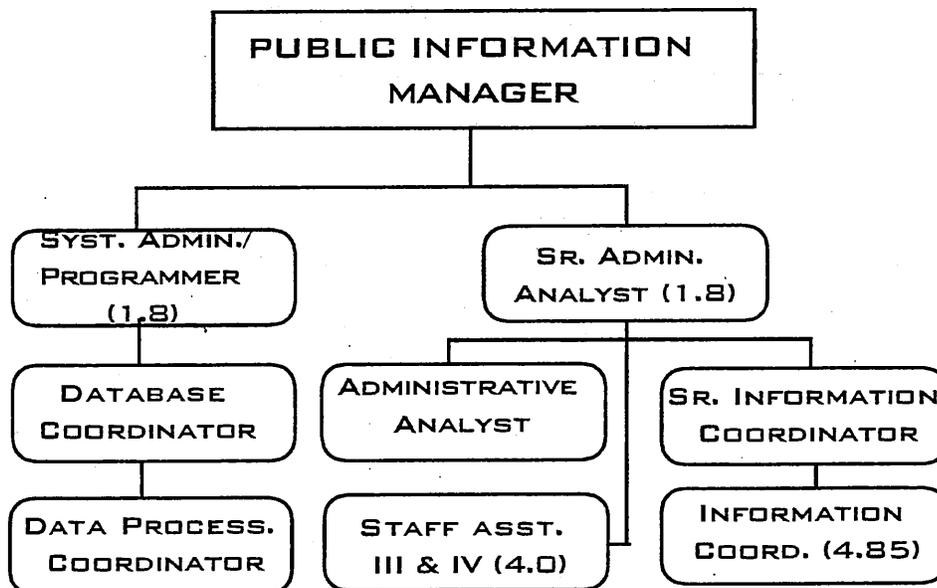
ALLOCATION: \$6,175

•Xerox copiers (2)	2,855
•Postage Meter and Scale	748
•Sony Recording Equipment	1,195
•Bell & Howell Microfiche Equipment	977
•Misc. repairs -- typewriter, dictaphone etc.	400

PUBLIC INFORMATION DEPARTMENT



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 and Administrative Analyst are responsible for: investigating and writing staff reports on exemptions, supervising the Vacancy and Incentive Housing programs, staffing Nuisance Abatement Board meetings, acting as liaisons with several City departments, producing the newsletter, and working on special projects including public information and community outreach.

Information Coordinators provide information to the public regarding the Rent Control law and regulations, state laws, and Maximum Allowable Rent levels for controlled rental units. They also: process Vacancy Increase Registrations including verifying vacancies through unlawful detainer research and review of complaints; process new and amended registration forms; process petitions for rent increases, decreases and complaints of excess rent; and pursue outstanding registration fees through small claims actions.

Staff Assistants provide support to 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 staff 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 and low-income senior and disabled fee waiver applications.

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

1999/2000 GOALS

1. Develop program to respond to tenant complaints of harassment including: coordinating with and supporting City Attorney's prosecution of harassment complaints and providing information to tenants on pursuing civil complaints.
2. Implement program for periodic and systematic investigation of use of properties withdrawn under the Ellis Act.
3. Implement "ombudsperson" program to assist tenants and owners in:
 - 1) mitigation of tenant hardships caused by building remodels and
 - 2) temporary relocation accommodations for tenants affected by major renovations.

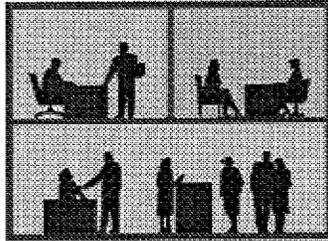
Coordinate this program with expedited decrease petition process for construction-related impacts.

4. Modify database to track demolition of formerly controlled units. Expand existing system to track all new housing development activity and, where appropriate, verify proper usage of deed-restricted units.
5. Resolve computer system issues related to year 2000 compliance and interaction with City computer systems.

PUBLIC INFORMATION

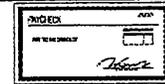
OBJ	DESCRIPTION	FY 97/98 ACTUAL EXPENSES	FY 98/99 ADOPTED BUDGET	FY 98/99 PROJECTED EXPENSES	FY 2000 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	997,028	986,522	995,163	975,142
1104	BOARD ALLOWANCE	0	0	0	0
1149	OVERTIME	4,435	1,500	2,497	3,522
1150	AS-NEEDED EMPLOYEES	20,989	0	531	0
1171	MEDICARE EMP CONT	11,839	11,377	11,113	11,267
1173	INS-COMPENSATION	0	0	0	0
1174	INS-EMPL HEALTH/DENT	111,995	115,428	116,669	123,108
1177	RETIREMENT CONTRIB	96,743	97,338	71,262	65,614
1197	OTHER FRINGE BENEFITS	9,946	7,699	15,912	9,763
		(1,439)			
TOTAL SALARIES & WAGES		1,251,536	1,219,865	1,213,147	1,188,416
2221	UTIL-TELEPHONE	0	0	0	0
2231	OFFICE SUPPLIES	10,019	10,000	9,003	8,000
2232	POSTAGE	0	0	0	0
2254	ADVERTISING	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0
2262	RENT	0	0	0	0
2271	AUTO REIMBURSEMENT	2,540	2,400	2,400	2,400
2272	MILEAGE	0	50	50	50
2282	CONF-MTGS-TRAVEL	0	0	0	0
2290	MEMBERSHIPS & DUES	0	225	225	225
3302	INS-COMPREHENSIVE	0	0	0	0
4404	BOOKS & PERIODICALS	0	100	100	100
4411	PRINTING	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0
4439	OTHER COSTS	0	0	0	0
5501	CONTRACTUAL SERVICES	0	0	0	0
5506	PROF SERVICES	0	0	0	0
5511	LEGAL EXPENSE	0	0	0	0
5521	TRAINING	2,418	2,770	2,770	4,770
5523	ADMIN. RECORDS	0	0	0	0
7724	SERVICE AGREEMENTS	0	0	0	0
TOTAL SUPPLIES & EXPENSES		14,977	15,545	14,548	15,545
8803	COMPUTER SYSTEMS	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0
TOTAL CAPITAL OUTLAY		0	0	0	0
TOTAL BUDGET		1,266,513	1,235,410	1,227,695	1,203,961

PUBLIC INFORMATION DEPARTMENT



SALARIES AND WAGES

1100 PERMANENT EMPLOYEE SALARIES



ALLOCATION: \$975,142

<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 1998/99</u>	<u>AUTHORIZED POSITIONS FY 1999/2000</u>
Department Manager	1.00	1.00
Sr. Administrative Analyst	1.80	1.80
EDP Programmer Analyst	1.80	1.80
Administrative Analyst	1.00	.90
Database Coordinator	1.00	1.00
Information Coordinator	4.85	4.80
Sr. Information Coordinator	1.00	1.00
Data Processing Coordinator	1.00	1.00
Staff Assistant IV	2.00	2.00
Staff Assistant III	2.00	2.00
Total positions	17.45	17.30

1149 OVERTIME



ALLOCATION: \$3,522

1171 INSURANCE/MEDICARE



ALLOCATION: \$11,267

1174 INSURANCE/EMPLOYEE HEALTH-DENTAL



ALLOCATION: \$123,108

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

1177 RETIREMENT CONTRIBUTION



ALLOCATION: \$65,614

1197 OTHER FRINGE BENEFITS



ALLOCATION: \$9,763

SUPPLIES AND EXPENSES

2231 OFFICE SUPPLIES



ALLOCATION: \$8,000

2271 AUTO REIMBURSEMENT



ALLOCATION: \$2,400

2272 MILEAGE



ALLOCATION: \$50

2290 MEMBERSHIP AND DUES



ALLOCATION: \$255

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

4404 BOOKS AND PERIODICALS



ALLOCATION: \$100

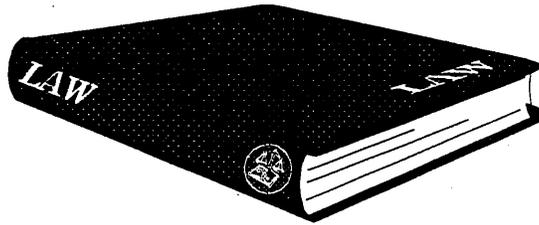
5521 TRAINING



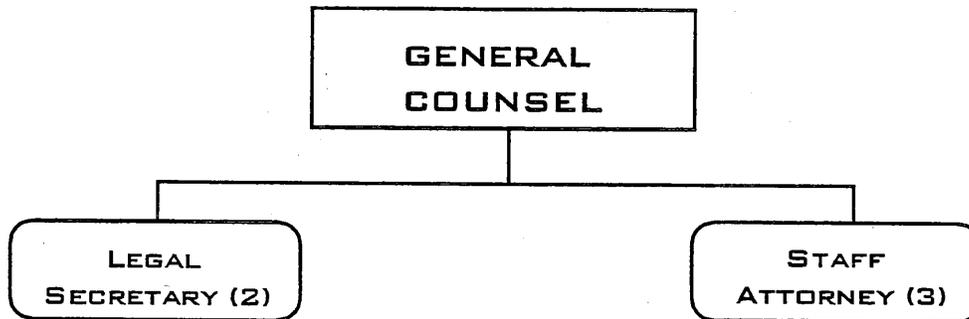
ALLOCATION: \$4,770

This allocation includes staff training as well as conferences for computer staff.

LEGAL DEPARTMENT



DEPARTMENT DESCRIPTION



The Legal Department prepares staff reports on appeal of hearing officer 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.

1999/2000 GOALS

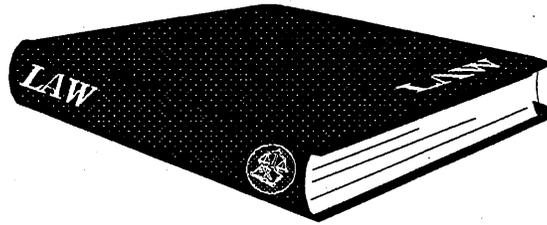
1. Review all Board regulations and the rent control law itself in light of state-mandated vacancy decontrol. Make recommendations to the Board for needed modifications to conform to the state law and to increase tenant protections.

2. Analyze the effect of vacancy decontrol on the Board's fair return formula and removal standards and recommend possible modifications.
3. Significantly reduce the time interval between the filing of an administrative appeal and consideration of the appeal at a Board meeting.

LEGAL

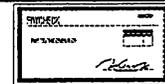
OBJ	DESCRIPTION	FY 97/98 ACTUAL EXPENSES	FY 98/99 ADOPTED BUDGET	FY 98/99 PROJECTED EXPENSES	FY 2000 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	554,800	542,997	496,442	500,087
1104	BOARD ALLOWANCE	0	0	0	0
1149	OVERTIME	1,393	0	(306)	0
1150	AS-NEEDED EMPLOYEES	0	0	14,067	0
1171	MEDICARE EMP CONT	7,182	5,804	6,456	7,251
1173	INS-COMPENSATION	0	0	0	0
1174	INS-EMPL HEALTH/DENT	49,345	46,104	39,075	37,737
1177	RETIREMENT CONTRIB	52,640	52,869	32,674	32,864
1197	OTHER FRINGE BENEFITS	11,324	8,864	6,917	7,217
		1,439		0	
TOTAL SALARIES & WAGES		678,123	656,638	595,325	585,156
2221	UTIL-TELEPHONE	0	0	0	0
2231	OFFICE SUPPLIES	1,451	1,500	1,618	1,700
2232	POSTAGE	0	0	0	0
2254	ADVERTISING	0	0	0	0
2261	EQUIPMENT RENTAL	3,087	0	75	0
2262	RENT	0	0	0	0
2271	AUTO REIMBURSEMENT	3,025	3,000	575	3,000
2272	MILEAGE	0	50	0	50
2282	CONF-MTGS-TRAVEL	0	0	0	0
2290	MEMBERSHIPS & DUES	699	2,370	1,195	1,880
3302	INS-COMPREHENSIVE	0	0	0	0
4404	BOOKS & PERIODICALS	3,977	5,200	6,401	6,100
4411	PRINTING	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0
4439	OTHER COSTS	0	0	0	0
5501	CONTRACTUAL SERVICES	2,808	2,400	4,722	3,000
5506	PROF SERVICES	6,738	17,500	17,500	13,000
5511	LEGAL EXPENSE	117,650	55,000	55,000	55,000
5521	TRAINING	1,958	1,500	1,500	1,500
5523	ADMIN. RECORDS	4,526	8,681	3,367	6,500
7724	SERVICE AGREEMENTS	0	0	0	0
TOTAL SUPPLIES & EXPENSES		145,918	97,201	91,953	91,730
8803	COMPUTER SYSTEMS	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0
TOTAL CAPITAL OUTLAY		0	0	0	0
TOTAL BUDGET		824,042	753,839	687,278	676,886

LEGAL DEPARTMENT



SALARIES AND WAGES

1100 PERMANENT EMPLOYEE SALARIES



ALLOCATION: \$500,087

<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 1998/99</u>	<u>AUTHORIZED POSITIONS FY 1999/2000</u>
General Counsel	1.0	1.0
Staff Attorney	3.7	3.0
Legal Secretary	2.0	2.0
Total positions	6.7	6.0

1149 OVERTIME



ALLOCATION: \$0

1171 INSURANCE/MEDICARE



ALLOCATION: \$7,251

1174 INSURANCE/EMPLOYEE HEALTH-DENTAL



ALLOCATION: \$37,737

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

1177 RETIREMENT CONTRIBUTION



ALLOCATION: \$32,864

1197 OTHER FRINGE BENEFITS



ALLOCATION: \$7,217

SUPPLIES AND EXPENSES

2231 OFFICE SUPPLIES



ALLOCATION: \$1,700

2271 AUTO REIMBURSEMENT



ALLOCATION: \$3,000

2272 MILEAGE



ALLOCATION: \$50

This allocation provides mileage reimbursements for approximately 160 miles at 31 cents per mile.

2290 MEMBERSHIP AND DUES



ALLOCATION: \$1,880

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

4404 BOOKS AND PERIODICALS



ALLOCATION: \$6,100

This allocation covers not only books and updates, but also the computerized legal research system.

5501 CONTRACTUAL SERVICES



ALLOCATION: \$3,000

- Attorney service \$400
- Messenger service 2,600

5506 PROFESSIONAL SERVICES



ALLOCATION: \$13,000

The Board has contracted with a real estate appraiser and building contractor consultant in connection with removal permits.

5511 LEGAL EXPENSE



ALLOCATION: \$55,000

The allocation covers costs of title searches, outside counsel and other direct costs of litigation (\$30,000) and a reserve for potential legal liabilities (\$25,000).

5521 TRAINING



ALLOCATION: \$1,500

5523 ADMINISTRATIVE RECORDS



ALLOCATION: \$6,500

The allocation covers the reimbursement of administrative records costs paid by parties who challenge a Rent Board decision in court. If the party ultimately wins, the Board must generally reimburse the party for the cost of preparing the record. The amount of the allocation is based on the amount of administrative records fees collected during the prior year, which are set aside in a balance sheet reserve fund to be appropriated into the budget.

REVENUE PROJECTION



Revenue for fiscal year 1999/2000 is projected to be \$3,619,244. The projection anticipates a significant decrease in revenue as a result of the permanent decontrol of rents on single family dwellings. This projection is based on the same registration fee that has been in effect for two years, \$11 per month or \$132 per year.

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.

Registration Fees. The Santa Monica Rent Control Board's primary source of income has always been the registration fee paid on each rent controlled unit in the city. The number of billable units normally diminishes during the year as units become exempt or additional fee waivers are granted. Prior to last year, the major reason for the decline in billable units was an increasing number of owner-occupied fee waivers for units in the TORCA (Tenant Ownership Rights Charter Amendment) program.

As a result of vacancy decontrol legislation, on January 1, 1999, except for units occupied by tenants who resided in the unit on September 30, 1995, the rents on all single family dwellings are no longer controlled. Though eviction protections remain in place, the units are no longer billed for registration fees.

Based on analysis of the database and projections of current trends such as rates of TORCA unit sales and fee waiver applications, the revenue projection begins with 26,642 units. This is an anticipated decrease of nearly 400 units between July 1, 1998 and July 1, 1999.

An additional 90 billable units are expected to be lost in the coming year through exemptions and removals. No net loss of income is expected from low income fee waivers because the number of low income fee waivers is declining. This is occurring because tenants with low income fee waivers who vacate units are not replaced with other tenants who apply or may qualify for a fee waiver.

On the other hand, 1221 Ocean, which has been uninhabitable since the earthquake, is expected to be repaired and available for tenancies in January 2000, returning 119 units to the rental housing market.

Projected registration fee refunds are based on an assumed loss of approximately 220 units over the course of the year, which translates into 1,320 non-billable unit months. Off-set against these lost billable units are an estimated 113 Incentive Housing Program surcharges for the year and 119 units at 1221 Ocean for six months.

With a registration fee of \$11 per month, based on an estimate of 26,642 controlled billable rental units, the revenue would be \$3,516,744. Net registration fees -- after subtracting projected refunds and adding Incentive Housing surcharges and returning unit registration fees -- would be \$3,517,866.

Interest Earnings. The second source of revenue is interest earnings on City-invested Rent Control funds, estimated to be \$89,178. The City Treasurer is estimating a rate of return on invested funds of 5.07%; staff uses the same rate to estimate Board interest earnings on a declining balance.

Administrative Records. The agency provides administrative records as a reimbursable service to members of the public who request them. It is projected that \$5,314 will remain unexpended at the end of FY 98/99 and an additional \$8,343 will be collected in new administrative records fees in FY 98/99. The entire \$13,657 will be transferred to the balance sheet reserves. It is then anticipated that \$6,500 in Administrative Records funds in the Legal Expenses Balance Sheet Reserves will be transferred into the 1999/2000 budget to cover projected Administrative Records expenditures.

In addition, Staff estimates that the Agency will receive \$4,000 in new administrative records fees.

Filing Fees. From time to time the Board has adopted filing fees for certain types of petitions. In the past, these have included fees for processing increases for TORCA owners who had lived in their units for two years, and for processing soft story retrofitting increase petitions. These procedures are no longer available.

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. It is projected that 12 will be filed, generating \$600. The filing fee to process an owner-occupied exemption application was set at \$100. It is projected that 36 will be filed, generating \$3,600.

Total projected filing fees are \$4,200.

Miscellaneous Charges. Miscellaneous charges, such as those for Xerox or fiche copies, are projected to be \$4,000.

SOURCES OF REVENUE

Registration Fees - 26,642 units	\$3,516,744	
Refunded Registration Fees -- Exemptions/ Removals -- 540 unit months	-5,940	
Refunded Registration Fees -- SFD/TORCA -- 1,320 unit months	-14,520	
Units returning in 1/1/00 - 714 unit months	7,854	
Incentive Housing Program Surcharges	14,916	
Registration Fees Subtotal		3,517,866
Interest Earnings @ 5.07%		89,178
Administrative Records Charges		4,000
Filing Fees		4,200
Miscellaneous Charges		<u>4,000</u>
Total Revenue		\$3,619,244

At the end of fiscal year 1998/99, the Agency's unreserved, undesignated fund balance, which is the Agency's "safety net" in case of emergency, is projected to be about \$750,000. The proposed budget has a deficit of \$169,290 with the expectation that the shortfall would be covered from undesignated funds.

In 1993 the City credited the Agency \$203,844 for excess PERS contributions that had been collected over the years. These funds, along with interest that has accrued, were set aside by the City in a PERS reserve and were not immediately available for expenditure. In 1996 and 1997, the City credited the Agency for an additional \$173,022 and \$118,412, respectively, and set the funds aside in a second PERS reimbursement reserve. These funds also have accrued interest

During the same period, the City paid some of the payroll costs for Rent Control staff who worked directly on projects relating to earthquake recovery. The Rent Control Agency anticipated that some of the PERS reserve funds could be needed to reimburse the City for those costs not covered by FEMA.

In late April 1999 the City agreed to absorb the earthquake costs not reimbursed by FEMA. Therefore, it is anticipated that approximately \$581,070 in the PERS reserves is available to provide an operating reserve and to fund budget deficits in addition to the \$750,000 unreserved, undesignated fund balance.

BALANCE SHEET RESERVES

Balance sheet reserve accounts identify 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.

<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	0	0	0
Legal/Administrative Records	20,195	0	20,195
EAC Layoff Fund	20,280	2,000	22,280
Total	\$119,182	\$2,000	\$121,182