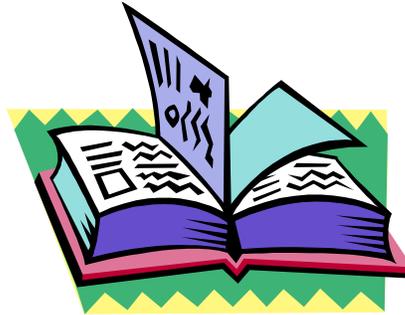


SANTA MONICA
RENT CONTROL BOARD

ANNUAL OPERATING BUDGET
FY 2006/2007

Adopted
June 8, 2006

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LABOR SUMMARY
FY 2006/2007 - ADOPTED

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 2003/04</i>	<i>AUTHORIZED POSITIONS 2004/05</i>	<i>AUTHORIZED POSITIONS 2005/2006</i>	<i>AUTHORIZED POSITIONS 2006/2007</i>	<i>AMOUNT OF CHANGE FY06-FY07</i>
Administration	3.00	3.00	3.00	3.00	0.00
Hearings	8.50	7.50	7.50	6.50	-1.00
Public Information	15.00	14.90	14.30	14.30	0.00
Legal	4.00	4.00	4.00	4.00	0.00
Total	30.50	29.40	28.80	27.80	-1.00

PERMANENT STAFF BY CLASSIFICATION
FY 2006/2007 - ADOPTED

<i>CLASSIFICATION</i>	<i>AUTHORIZED POSITIONS 2003/04</i>	<i>AUTHORIZED POSITIONS 2004/05</i>	<i>AUTHORIZED POSITIONS 2005/06</i>	<i>AUTHORIZED POSITIONS 2006/07</i>	<i>AMOUNT OF CHANGE FY05/FY06</i>
Administrator	1.00	1.00	1.00	1.00	0.00
Assist. Public Information Mgr.	0.90	0.90	0.90	0.90	0.00
Billing Coordinator	1.00	1.00	1.00	1.00	0.00
Budget/Office Coordinator	1.00	1.00	1.00	1.00	0.00
Database Coordinator	0.90	0.90	0.90	0.90	0.00
General Counsel	1.00	1.00	1.00	1.00	0.00
Hearings Department Mgr.	1.00	1.00	1.00	1.00	0.00
Hearings Investigator	1.00	1.00	1.00	1.00	0.00
Hearing Examiner	2.50	2.50	2.50	2.50	0.00
Information Analyst	0.00	0.00	2.00	2.00	0.00
Information Coordinator	6.30	6.30	3.60	2.60	-1.00
Legal Secretary II	1.00	1.00	1.00	1.00	0.00
Office Coordinator	2.00	2.00	2.00	2.00	0.00
Public Information Mgr.	1.00	1.00	1.00	1.00	0.00
Sr. Administrative Analyst	1.00	1.00	1.00	1.00	0.00
Sr. Information Coordinator	1.00	1.00	1.00	1.00	0.00
Sr. Litigation Staff Attorney	0.00	0.00	0.00	1.00	+1.00
Staff Assistant III	3.00	2.00	2.00	2.00	0.00
Staff Assistant IV	1.00	1.00	1.00	1.00	0.00
Staff Attorney	2.00	2.00	2.00	1.00	-1.00
Sys. Admin. / Prog. Analyst	1.90	1.80	1.90	1.90	0.00
TOTAL	30.50	29.40	28.80	27.80	-1.00

AGENCY BUDGET

OBJ	DESCRIPTION	FY 02-03 ACTUAL EXPENSES	FY 03-04 ACTUAL EXPENSES	FY 04-05 ACTUAL EXPENSES	FY 05-06 REVISED BUDGET	FY 05-06 PROJECTED EXPENSES	FY 06-07 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	2,132,900	2,210,831	2,601,979	2,667,085	2,644,587	2,750,370
1104	BOARD ALLOWANCE	6,300	7,200	6,150	9,000	6,075	7,875
1149	OVERTIME	15,722	12,480	4,885	5,000	4,387	5,000
1150	AS-NEEDED EMPLOYEES	33,287	24,786	11,157	1,150	29,680	0
1171	MEDICARE EMP CONT	24,149	22,380	25,401	26,279	26,985	27,736
1173	INS-COMPENSATION	20,300	16,400	27,200	21,500	21,500	22,800
1174	INS-EMPL HEALTH/DENT	174,829	196,789	217,231	232,812	279,231	314,183
11743	Health				203,040	245,842	280,102
11748	Dental				25,740	29,464	30,049
11749	Vision				4,032	3,923	4,032
1177	RETIREMENT CONTRIB	0	153224	327,037	424,473	451,527	442,445
1194	MEDICAL TRUST	53,250	50978	58,430	51,120	51,120	49,558
1197	OTHER FRINGE BENEFITS	48,245	13,324	11,614	22,142	10,022	13,308
TOTAL	SALARIES & WAGES	2,508,982	2,708,392	3,291,084	3,460,560	3,525,112	3,633,275
2221	UTIL-TELEPHONE	40,590	68,610	24,431	33,400	31,085	31,000
2231	OFFICE SUPPLIES	14,147	12,755	12,283	12,750	12,750	13,000
2232	POSTAGE	31,881	38,135	33,422	36,500	34,881	36,500
2233	INVENTORY ISSUES	4,299	4,132	3,734	5,200	5,007	5,200
2254	ADVERTISING	7,374	7,270	4,523	7,000	4,000	5,500
2261	EQUIPMENT RENTAL	252	120	120	120	120	120
2262	RENT	138,296	116,158	27,149	29,137	29,827	25,050
2271	AUTO REIMBURSEMENT	11,220	11,220	8,544	8,220	8,066	8,220
2272	MILEAGE	790	439	526	650	409	650
2282	CONF-MTGS-TRAVEL	6,001	6,113	4,650	6,000	3,484	6,000
2290	MEMBERSHIPS & DUES	3,240	3,210	3,868	4,043	3,742	3,914
2294	INS-VEHICLES	500	1,500	0	700	700	900
3302	INS-COMPREHENSIVE	21,980	28,459	35,331	37,293	33,627	39,850
4404	BOOKS & PERIODICALS	9,201	8,305	8,308	9,440	9,851	10,140
4411	PRINTING	21,805	20,582	24,251	25,956	25,956	26,000
4434	INDIRECT COSTS	187,551	219,179	195,789	247,866	247,866	268,156
4439	OTHER COSTS	9,047	38,489	36,834	8,250	7,700	33,250
5501	CONTRACTUAL SERVICES	101,700	60,078	33,436	39,344	35,120	34,770
5506	PROF SERVICES	77,057	56,907	69,112	95,333	87,429	62,803
5511	LEGAL EXPENSE	44,171	258,933	14,709	75,000	116,144	100,000
5521	TRAINING	4,341	35,855	5,058	8,500	3,400	9,000
7724	SERVICE AGREEMENTS	21,818	27,079	32,499	33,490	29,984	33,963
TOTAL	SUPPLIES & EXPENSES	757,261	1,023,524	578,575	724,192	731,147	753,986
8803	COMPUTER SYSTEMS	148,555	34,362	13,106	7,500	6,500	7,023
8808	OFFICE EQUIPMENT	16,267	17,247	13,130	13,257	8,332	13,600
8820	BLDG. RENOVATION	20,346	2,926	9,960	10,000	1,180	20,000
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0
TOTAL	CAPITAL OUTLAY	185,168	54,536	36,196	30,757	16,012	40,623
TOTAL	BUDGET	3,451,411	3,786,451	3,905,855	4,215,510	4,272,271	4,427,886

SALARIES AND WAGES

1100	PERMANENT EMPLOYEES		ALLOCATION: \$2,750,370
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Total Agency Positions - 27.80

•Administration	3.00	positions	\$350,126
•Hearings	6.50	positions	711,229
•Public Information	14.30	positions	1,202,106
•Legal	4.00	positions	486,909
•Agency Total	27.80	positions	\$2,750,370

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

1104	BOARD ALLOWANCE		ALLOCATION: \$7,875
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Rent Control Board Commissioners each receive \$75 per meeting they attend. This allocation provides funds for twenty-one meetings.

1149	OVERTIME		ALLOCATION: \$5,000
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The allocation covers \$600 for Administration, \$1,650 for Hearings, \$2,500 for Public Information and \$250 for legal work which cannot be completed in regularly scheduled hours. Most overtime hours in the Public Information Department are incurred during the summer months and for attending community meetings. The overtime for the Hearings Department will be used primarily by the Budget/Office Coordinator and the Hearings Investigator when necessary to complete time-sensitive projects.

**1150 AS-NEEDED
EMPLOYEES**



**ALLOCATION:
\$0**

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

**1171 INSURANCE,
MEDICARE**



**ALLOCATION:
\$27,736**

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:
\$22,800**

The Rent Control Board participates in the City of Santa Monica Workers' Compensation Fund. The Agency's share is based on the total number of employees, with a factor for past and existing claims. The City's total Workers' Compensation budget is \$6.25 million. The Rent Control allocation of \$22,800 represents .36% of the total costs.

**1174 INSURANCE,
EMPLOYEE HEALTH AND DENTAL**



**ALLOCATION:
\$314,183**

The allocation is based on the 2006 premiums for the health, dental and vision plans and includes funding for health, dental and vision benefits for all permanent employees and their dependents. This budget uses actual amounts for each employee. Individual plan changes and/or rate changes during the fiscal year may affect the amount actually expended.

**1177 RETIREMENT
CONTRIBUTION**



**ALLOCATION:
\$442,445**

For fiscal year 06/07 the contribution rate of 16.92% of staff salaries reflects a reduction from the 17.47% rate used in fiscal year 05/06.

**1194 MEDICAL
TRUST**



**ALLOCATION:
\$49,558**

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

**1197 OTHER
FRINGE BENEFITS**



**ALLOCATION:
\$13,308**

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

SUPPLIES AND EXPENSES

2221 UTILITIES TELEPHONE  **ALLOCATION: \$31,000**

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

2231 OFFICE SUPPLIES  **ALLOCATION: \$13,000**

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: \$36,500**

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

- General Adjustment/Registration Fee Mailings 6,500
- Newsletter Mailings (2) 12,120
- Postcard Mailing (1) 7,800
- General Mailings 8,100
- Miscellaneous Postal Fees 1,980

**2233 INVENTORY
ISSUES**



**ALLOCATION:
\$5,200**

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

2254



ADVERTISING

**ALLOCATION:
\$5,500**

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

**2261 EQUIPMENT
RENTAL**



**ALLOCATION:
\$120**

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

2262



RENT

**ALLOCATION:
\$25,050**

There is insufficient space in City Hall to provide space for hearing rooms. In April 2003, the Agency signed a two-year lease with a 2 year option for new hearing rooms. In October 2004, the 2 year option was exercised. The lease will expire in April, 2007. This allocation includes funds to rent 1,086 square feet of space for the duration of the lease period. The lease provides for monthly payments of \$2,259.96 for the final ten months of the lease. The allocation also includes the cost of parking (\$75 per month) and operating expense increases (estimated at \$1,700 for the year).

2271 AUTO REIMBURSEMENT  **ALLOCATION:**
\$8,220

This line item represents monthly car allowances for staff.

2272 MILEAGE  **ALLOCATION:**
\$650

This allocation provides mileage reimbursements at 44.5 cents per mile.

2282 CONFERENCES, MEETINGS, TRAVEL  **ALLOCATION:**
\$6,000

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

2290 MEMBERSHIP AND DUES  **ALLOCATION:**
\$3,914

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

2294 INSURANCE, VEHICLES  **ALLOCATION:**
\$900

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

**3302 INSURANCE,
COMPREHENSIVE**



**ALLOCATION:
\$39,850**

- ❖ General Liability: \$39,192

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

- ❖ Multi-Peril Insurance for Property at City Hall and the Hearings Department hearing rooms: \$400

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

- ❖ Faithful Performance Bond: \$258

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

**4404 BOOKS AND
PERIODICALS**



**ALLOCATION:
\$10,140**

This allocation covers purchase of books and materials on rent control and housing issues, updates to the legal library, computer manuals, and subscriptions to newspapers and journals.

4411 PRINTING



**ALLOCATION:
\$26,000**

- Charter Amendment and Regulations,
Instructions, Information sheets, and Miscellaneous 6,600
- Newsletter (2 issues) and MAR Postcard (1) 9,200
- General Adjustment Letters 6,200
- Registration Fee Bills/Envelopes 2,550
- Owner and Tenant Vacancy Registration Forms 1,450

**4434 ADMINISTRATIVE
INDIRECT COSTS**



**ALLOCATION:
\$268,156**

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

For fiscal year 2004/2005, the City hired a consultant to review the entire cost allocation program for indirect costs. Based on the consultant's recommendations, the City modified and updated the cost allocation plan for indirect costs. Modifications included changes to the allocation basis and percentages for various categories, the addition of new categories and removal of other categories and more detailed breakdowns of other categories. For this fiscal year, 2006-2007, City staff prepared the Cost Allocation plan. The current plan uses the same methodology established in the consultant's plan and reflects revisions and refinements of the allocation basis and percentages for some categories.

Overall, the Agency's share of the 2004-2005 indirect costs, which are allocated for payment in this fiscal year, reflects an increase of \$10,698 over last fiscal year's allocation. The increase is due in part to the inclusion of two categories for the Agency, Mail Services (\$3705) and Central Warehouse Services (\$1,585). (Allocations for these categories were established for other City departments in prior fiscal years.) Costs for a number of categories were lower than in the prior fiscal year, while costs for other categories increased. Increases are due to an increase in usage by the Agency for some categories and higher costs for the City departments providing services to the Agency.

The following itemizes the source of the charges, a description of services rendered, the allocation base used, and the percentage used to calculate the Rent Control assessment.

❖ City Manager - City Hall Receptionist: \$2,087

❖ Allocation Percentage - 1.595%

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

Allocation Base – Authorized Full Time Positions in 2004/05.

❖ Finance - \$38,695

❖ Finance Admin. & Budget

Budget Prep./Support: \$17,824

Allocation Percentage - 1.579%

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

Allocation Base – Adjusted actual expenditures in 2004/05.

❖ Cash Management: \$1,387

Allocation Percentage – 1.47%

Services Rendered - Manage the City's investment portfolio which includes Rent Control funds. For 2006/2007 the expected rate of return on invested Rent Control funds is 4.33%

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

❖ Financial Operations

Accounts Payable: \$4,837

Allocation Percentage – 0.986%

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

Allocation Base - Number of warrants issued in 2004/05.

❖ Financial Operations

Budget Prep. & Support: \$366

Allocation Percentage – 1.579%

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

Allocation Base – Adjusted actual expenditures in 2004/05.

❖ Financial Operations

General Accounting: \$3,577

Allocation Percentage – 0.351%

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

Allocation Base – Actual supplies and expenses for 2004/05.

❖ Financial Operations

Payroll: \$7,968

Allocation Percentage – 1.595%

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

Allocation Base - Authorized full-time positions in 2004/05.

❖ Financial Operations

Purchasing Services: \$2,736

Allocation Percentage – 0.616%

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

Allocation Base – Number of purchasing transactions for the Agency in 2004/05.

❖ Revenue - \$13,180

❖ Cash Receipts: \$12,792

Allocation Percentage – 1.491%

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

Allocation Base – Number of cash receipts processed in 2004/05.

❖ Cash Management: \$388

Allocation Percentage – 1.47%

Services Rendered - Manage the City's investment portfolio which includes Rent Control funds. For 2006/2007 the expected rate of return on invested Rent Control funds is 4.33%

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

❖ Facilities Management - City Hall Maintenance: \$43,652

❖ Allocation Percentage – 9.392%

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

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

❖ Maintenance Management -City Hall Custodial Services: \$70,172

❖ Allocation Percentage – 9.392%

Services Rendered – Provide custodial services at City Hall

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

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

❖ Allocation Percentage – 9.392%

Services Rendered – Provide general building improvements to City Hall.

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

❖ Records & Election Services Administration – \$782

❖ Printing Services: \$712

Allocation Percentage – 7.535%

Services Rendered – Administrative costs related to providing printing and copying services for the Agency.

Allocation Base – Actual Print Shop Charges for 2004/05.

❖ Mail Services: \$70

Allocation Percentage – .0248%

Services Rendered – Administrative costs related to providing mail services for the Agency.

Allocation Base – Actual Postage Charges for 2004/05.

❖ Support Services – \$29,736

❖ Printing Services: \$26,031

Allocation Percentage – 7.535%

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

Allocation Base – Actual Print Shop Charges for 2004/05

❖ Mail Services: \$3,705

Allocation Percentage – .0248%

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

Allocation Base – Actual Postage Charges for 2004/05.

❖ Human Resources - \$16,738

❖ Benefit Administration: \$6,785

Allocation Percentage - 1.808%

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

Allocation Base - Authorized permanent employees for 2004/05 and as-needed employees.

❖ Class & Compensation Studies: \$4,580

Allocation Percentage – 2.492%

Services Rendered – Prepare job classification and compensation studies.

Allocation Base – Number of permanent employees for 2004/05.

❖ Employee Training: \$1,896 Allocation Percentage – 2.080%

Services Rendered – Provide employee development and training programs.

Allocation Base - Authorized full and part time positions for 2004/05.

❖ Recruitment: \$3,477 Allocation Percentage – 0.294%

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

Allocation Base - Number of positions recruited based on three year average.

❖ Information Systems - Operations: \$37,452

❖ PC/Network Support: \$8,242 Allocation Percentage – 0.561%

Services Rendered – Provide computer and network support.

Allocation Base – Number of computers and printers (adjusted to .25% since the Agency's own computer staff maintains the department's computers and internal network services).

❖ Telecommunications Support: \$8,700 Allocation Percentage – 1.704%

Services Rendered – Provide telecommunications support.

Allocation Base – Number of telecommunication lines.

❖ Help Desk/Training Services: \$6,419 Allocation Percentage – 1.356%

Services Rendered – Provide computer help and training services.

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

❖ Application Development/Support: \$5,969 Allocation Percentage – 0.365%

Services Rendered – Provide application development and database support services.

Allocation Base – Detailed time records of Information Systems Staff.

❖ Web Services: \$6,204 Allocation Percentage – 1.595%

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

Allocation Base – Number of full and part time employees

❖ GIS Services: \$1,918 Allocation Percentage – 0.500%

Services Rendered – Provide geographic information services support.

Allocation Base – Detailed time records of Information Systems Staff.

❖ Central Warehouse Services - \$1,585

❖ Allocation Percentage – 0.515%

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

Allocation Base – Actual expenditures in this category for in 2004/05.

4439 OTHER COSTS



**ALLOCATION:
\$33,250**

The allocation covers the cable television costs for coverage of 15 televised Rent Control Board meetings at \$550 per meeting. The allocation also includes \$25,000 to cover election costs for upcoming elections for Board Members.

5501 CONTRACTUAL SERVICES



**ALLOCATION:
\$34,770**

❖ Administration: \$18,570

- Conversion of Agency documents to scanned images \$3,000
- Mailhouse services for mass mailings 4,400
- Mailhouse services for the newsletter & postcard 4,150
- Design and layout services for the newsletter 6,520
- Access to the County Assessor's database through DataQuick 500

❖ Hearings: \$10,200

- Attorney service to serve subpoenas and advance witness fees \$1,200
- Storage and retrieval of files 9,000

❖ Legal: \$6,000

- Messenger service \$6,000

5506

**PROFESSIONAL
SERVICES**



**ALLOCATION:
\$62,803**

❖ Administration: \$47,950

\$46,250 is for the lobbyist to represent the Board's interests in Sacramento and for statewide and national legislative advocacy. The allocation includes funds for travel-related expenses. \$1,700 is allocated to provide translation services for the newsletter, information sheets and other mailings.

❖ Hearings: \$6,753

\$2,703 for contract hearing officer to hold hearings

\$2,600 for interpreters at hearings and Board meetings

\$1,450 for police/security services at hearings

❖ Legal: \$8,100

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

5511

**LEGAL
EXPENSE**



**ALLOCATION:
\$100,000**

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

5521

TRAINING



**ALLOCATION:
\$9,000**

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

7724 SERVICE AGREEMENTS



**ALLOCATION:
\$33,963**

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

❖ Administration: \$32,813

•Hewlett Packard Computer Hardware and Software	\$21,358
•Microsoft License Agreements	5,899
•Liberty Net Scanning System	3,506
•Miscellaneous office equipment	1,850
•City Hall alarm	200

❖ Hearings: \$1,150

•Sony Recording Equipment	1,150
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CAPITAL OUTLAY

8803 COMPUTER SYSTEMS



ALLOCATION:
\$7,023

The Agency began a computer equipment replacement program several years ago in order to keep pace with changing computer technology and to ensure that the Agency's computer systems remain compatible with the City's systems. By the end of fiscal year 02/03 the Agency had completed the purchase of new desktop computers for the entire Agency.

Since fiscal year 2004/2005, the replacement of computer equipment has been an on-going program, although currently, staff is only replacing computers when it is not feasible to repair them.

This budget provides funds to replace or repair several of the older computers or monitors, if necessary, during the upcoming fiscal year. Funds are also allocated to replace an older printer, if necessary.

It is likely that during the next fiscal year (2007/2008) the Agency will need to purchase a number of new computers to replace some of the oldest computers. This will be necessary to ensure that we are keeping pace with changing computer technology and, therefore, continue to be compatible with the City's systems.

❖ Computers and Printer: \$4,447

- desktop computers and monitors \$2,555
- printer and printer upgrades 1,892

❖ Software, hardware and misc. supplies: \$2,576

- Network port switch for copier 1,500
- Software and misc. supplies 1,076

8808

**OFFICE
EQUIPMENT**



**ALLOCATION:
\$13,600**

- Miscellaneous office furniture/equipment \$5,000
- Lease copier at City Hall 8,600

The allocation includes funds for office equipment and furniture for the Agency such as bookcases, desks and small cabinets.

The allocation also includes funds for monthly lease payments for a new copier machine. The lease payments include costs for maintenance and supplies.

8820

**BUILDING
RENOVATION**



**ALLOCATION:
\$20,000**

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

8855

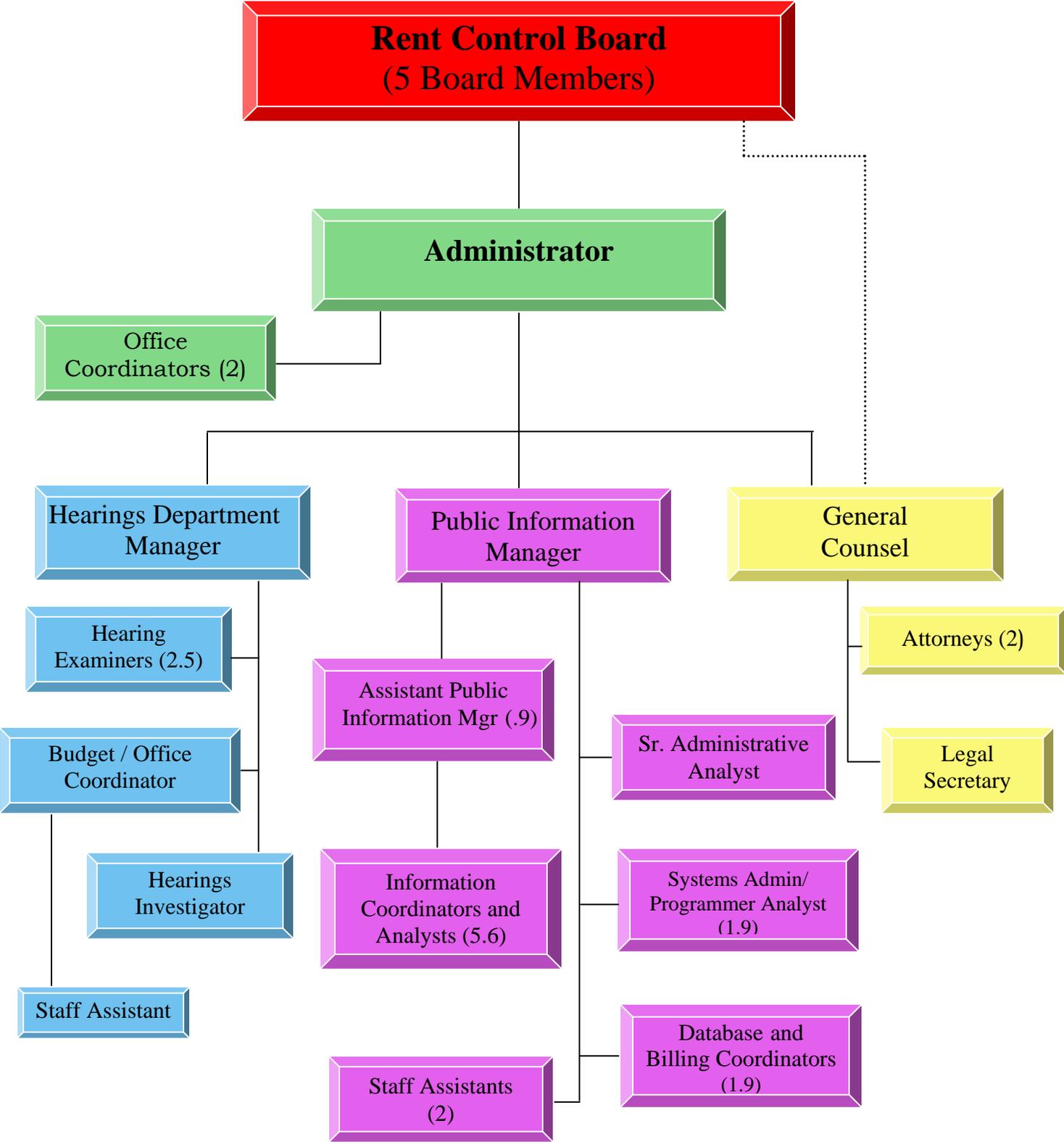
**RESERVE FOR
CAPITAL EQUIPMENT**

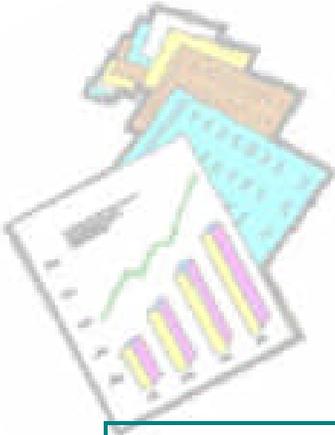


**ALLOCATION:
\$0**

No reserve allocations are requested at this time.

Santa Monica Rent Control Board Organization Chart





AGENCY GOALS

2006/2007



1. Conduct a series of neighborhood workshops for tenants to inform them of their rights and responsibilities under the Rent Control Law. This goal would supplement the workshops for new owners which are scheduled to begin in the summer of 2006.
2. Update the Rent Control Board's web site to make more forms available for downloading and to provide information sheets and forms in Spanish.
3. Monitor evictions for owner-occupancy to confirm owners comply with the Law's good faith requirements.
4. Monitor properties removed under the Ellis Act to determine their current use, including whether or not they are being re-rented.
5. Complete the transition to in-house scanning of all documents contained in the Agency's site files.
6. Continue the development of a program for the retention and timely destruction of Agency records including records held in long-term storage.



ADMINISTRATION DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2005/2006</u>	<u>AUTHORIZED POSITIONS FY 2006/2007</u>
Administrator	1.00	1.00
Office Coordinator	2.00	2.00
Total positions	3.00	3.00

DEPARTMENT DESCRIPTION

The Administration Department oversees the fiscal, personnel, contract administration, labor relations, public relations, research, planning and policy development activities of the Rent Control Agency. Along with general administrative activities, the department provides direct support to the elected Rent Control Board by preparing and distributing agenda packages, scheduling Board meetings, producing and archiving Board actions and processing correspondence for the Board.

The Administrator, who heads the Administration Department as well as the Agency, is responsible for directing the overall operations of the Agency on behalf of the Board.

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

HEARINGS DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2005/2006</u>	<u>AUTHORIZED POSITIONS FY 2006/2007</u>
Department Manager	1.00	1.00
Hearing Examiner	2.50	2.50
Hearings Investigator	1.00	1.00
Information Coordinator	1.00	0.00
Budget/Office Coordinator	1.00	1.00
Staff Assistant III	1.00	1.00
Total positions	7.50	6.50

DEPARTMENT DESCRIPTION

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

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

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

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

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

PUBLIC INFORMATION DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2005/2006</u>	<u>AUTHORIZED POSITIONS FY 2006/2007</u>
Public Information Manager	1.00	1.00
Assistant Public Info. Manager	.90	.90
Sr. Administrative Analyst	1.00	1.00
Systems Administrator/ Programmer Analyst	1.90	1.90
Database Coordinator	.90	.90
Information Analyst	2.00	2.00
Information Coordinator	2.60	2.60
Sr. Information Coordinator	1.00	1.00
Billing Coordinator	1.00	1.00
Staff Assistant IV	1.00	1.00
Staff Assistant III	1.00	1.00
Total positions	14.30	14.30

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 Assistant Department Manager oversees project work of Information Coordinators and Analysts and acts as liaison with City Departments on construction and development issues. The Senior Administrative Analyst investigates and writes staff reports on exemptions, supervises the

Vacancy Increase Program, produces the newsletter, and works on special projects including public information and community outreach.

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

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

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

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

LEGAL DEPARTMENT



<u>CLASSIFICATION</u>	<u>AUTHORIZED POSITIONS FY 2005/2006</u>	<u>AUTHORIZED POSITIONS FY 2006/2007</u>
General Counsel	1.00	1.00
Sr. Litigation Staff Attorney	0.00	1.00
Staff Attorney	2.00	1.00
Legal Secretary	1.00	1.00
Total positions	4.00	4.00

DEPARTMENT DESCRIPTION

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

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

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

ADMINISTRATION

OBJ	DESCRIPTION	FY 02-03 ACTUAL EXPENSES	FY 03-04 ACTUAL EXPENSES	FY 04-05 ACTUAL EXPENSES	FY 05-06 REVISED BUDGET	FY 05-06 PROJECTED EXPENSES	FY 06-07 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	275,738	282,457	325,874	328,184	332,433	350,126
1104	BOARD ALLOWANCE	6,300	7,200	6,150	9,000	6,075	7,875
1149	OVERTIME	864	306	456	600	600	600
1150	AS-NEEDED EMPLOYEES	0	0	0	0	0	0
1171	MEDICARE EMP CONT	2,360	2,148	2,404	2,364	2,442	2,584
1173	INS-COMPENSATION	20,300	16,400	27,200	21,500	21,500	22,800
1174	INS-EMPL HEALTH/DENT	17,642	20,465	23,181	23,281	26,670	29,554
11743	Health				20,304	23,159	26,022
11748	Dental				2,574	3,112	3,129
11749	Vision				403	399	403
1177	RETIREMENT CONTRIB	0	19603	43,102	53,639	59,486	58,158
1194	MEDICAL TRUST	5,112	5112	5,655	5,112	5,112	5,112
1197	OTHER FRINGE BENEFITS	33,765	2,019	1,743	3,222	1,634	2,267
	TOTAL SALARIES & WAGES	362,080	355,710	435,765	446,902	455,951	479,076
2221	UTIL-TELEPHONE	40,590	68,610	24,431	33,400	31,085	31,000
2231	OFFICE SUPPLIES	3,033	8,673	10,701	10,650	10,650	10,900
2232	POSTAGE	31,881	38,135	33,422	36,500	34,881	36,500
2233	INVENTORY ISSUES	214	4,132	3,734	5,200	5,007	5,200
2254	ADVERTISING	7,374	7,270	4,523	7,000	4,000	5,500
2261	EQUIPMENT RENTAL	252	120	120	120	120	120
2262	RENT	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	4,020	4,020	1,204	1,020	986	1,020
2272	MILEAGE	0	439	526	650	409	650
2282	CONF-MTGS-TRAVEL	6,001	6,113	4,650	6,000	3,484	6,000
2290	MEMBERSHIPS & DUES	660	590	600	650	645	650
2294	INS-VEHICLES	500	1,500	0	700	700	900
3302	INS-COMPREHENSIVE	21,980	28,459	35,331	37,293	33,627	39,850
4404	BOOKS & PERIODICALS	602	473	526	1,200	531	1,200
4411	PRINTING	21,805	20,582	24,251	25,956	25,956	26,000
4434	INDIRECT COSTS	187,551	219,179	195,789	247,866	247,866	268,156
4439	OTHER COSTS	7,994	38,489	36,834	8,250	7,700	33,250
5501	CONTRACTUAL SERVICES	79,534	47,320	19,749	22,244	22,244	18,570
5506	PROF SERVICES	65,766	46,001	51,530	71,250	73,481	47,950
5511	LEGAL EXPENSE	0	0	0	0	0	0
5521	TRAINING	1,806	27,327	706	1,000	500	1,000
7724	SERVICE AGREEMENTS	20,309	25,860	31,424	32,340	28,874	32,813
	TOTAL SUPPLIES & EXPENSES	501,873	593,289	480,050	549,289	532,746	567,229
8803	COMPUTER SYSTEMS	148,555	34,362	13,106	7,500	6,500	7,023
8808	OFFICE EQUIPMENT	16,267	17,247	13,130	13,257	8,332	13,600
8820	BLDG. RENOVATION	20,346	2,926	9,960	10,000	1,180	20,000
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	185,168	54,536	36,196	30,757	16,012	40,623
	TOTAL BUDGET	1,049,121	1,003,535	952,010	1,026,948	1,004,709	1,086,929

HEARINGS

OBJ	DESCRIPTION	FY 02-03 ACTUAL EXPENSES	FY 03-04 ACTUAL EXPENSES	FY 04-05 ACTUAL EXPENSES	FY 05-06 REVISED BUDGET	FY 05-06 PROJECTED EXPENSES	FY 06-07 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	568,432	650,462	736,303	734,395	705,598	711,229
1104	BOARD ALLOWANCE	0	0	0	0	0	0
1149	OVERTIME	11,844	9,792	1,729	1,650	1,650	1,650
1150	AS-NEEDED EMPLOYEES	33,090	24,786	0	0	12,623	0
1171	MEDICARE EMP CONT	5,135	4,972	4,894	4,791	5,020	5,178
1173	INS-COMPENSATION	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	47,893	48,910	54,869	62,083	65,589	76,807
11743	Health				54,144	57,328	68,009
11748	Dental				6,864	7,264	7,722
11749	Vision				1,075	997	1,075
1177	RETIREMENT CONTRIB	0	43799	92,344	116,440	121,131	113,739
1194	MEDICAL TRUST	14,058	13348	15,079	13,632	12,780	12,070
1197	OTHER FRINGE BENEFITS	4,619	3,907	3,684	6,778	3,090	3,963
	TOTAL SALARIES & WAGES	685,070	799,977	908,901	939,769	927,481	924,636
2221	UTIL-TELEPHONE	0	0	0	0	0	0
2231	OFFICE SUPPLIES	2,693	689	150	400	400	400
2232	POSTAGE	0	0	0	0	0	0
2233	INVENTORY ISSUES	191	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0
2262	RENT	138,296	116,157	27,149	29,137	29,827	25,050
2271	AUTO REIMBURSEMENT	2,400	2,400	2,420	2,400	2,320	2,400
2272	MILEAGE	695	0	0	0	0	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	1,250	1,250	1,670	1,764	1,475	1,614
2294	INS-VEHICLES	0	0	0	0	0	0
3302	INS-COMPREHENSIVE	0	0	0	0	0	0
4404	BOOKS & PERIODICALS	0	0	0	200	200	200
4411	PRINTING	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0
4439	OTHER COSTS	1,052	0	0	0	0	0
5501	CONTRACTUAL SERVICES	15,108	9,241	8,596	11,100	9,545	10,200
5506	PROF SERVICES	3,604	6,582	10,137	9,583	8,448	6,753
5511	LEGAL EXPENSE	0	0	0	0	0	0
5521	TRAINING	1,206	1,769	1,064	1,500	600	2,000
7724	SERVICE AGREEMENTS	1,509	1,219	1,075	1,150	1,110	1,150
	TOTAL SUPPLIES & EXPENSES	168,004	139,307	52,260	57,234	53,924	49,767
8803	COMPUTER SYSTEMS	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	0	0	0	0	0	0
	TOTAL BUDGET	853,074	939,284	961,161	997,003	981,406	974,403

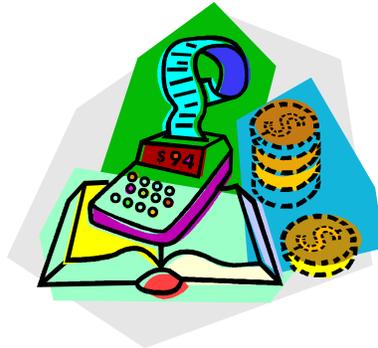
PUBLIC INFORMATION

OBJ	DESCRIPTION	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 05-06	FY 06-07
		ACTUAL EXPENSES	ACTUAL EXPENSES	ACTUAL EXPENSES	REVISED BUDGET	PROJECTED EXPENSES	ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	943,078	923,261	1,078,189	1,104,062	1,083,363	1,202,106
1104	BOARD ALLOWANCE	0	0	0	0	0	0
1149	OVERTIME	2,811	2,381	2,679	2,500	2,038	2,500
1150	AS-NEEDED EMPLOYEES	9	0	11,157	0	17,057	0
1171	MEDICARE EMP CONT	11,045	10,168	11,510	11,847	11,754	12,910
1173	INS-COMPENSATION	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	93,134	105,733	116,986	116,406	146,151	161,164
11743	Health				101,520	129,216	144,123
11748	Dental				12,870	14,940	15,025
11749	Vision				2,016	1,995	2,016
1177	RETIREMENT CONTRIB	0	64,936	134,223	178,079	188,965	192,111
1194	MEDICAL TRUST	27,264	25,844	30,157	25,560	26,412	25,560
1197	OTHER FRINGE BENEFITS	6,882	4,926	3,777	7,891	3,128	4,248
	TOTAL SALARIES & WAGES	1,084,222	1,137,249	1,388,679	1,446,345	1,478,867	1,600,599
2221	UTIL-TELEPHONE	0	0	0	0	0	0
2231	OFFICE SUPPLIES	7,532	3,392	1,379	1,500	1,500	1,500
2232	POSTAGE	0	0	0	0	0	0
2233	INVENTORY ISSUES	3,256	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0
2262	RENT	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	2,400	2,400	2,420	2,400	2,320	2,400
2272	MILEAGE	96	0	0	0	0	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	0	0	0	100	100	100
2294	INS-VEHICLES	0	0	0	0	0	0
3302	INS-COMPREHENSIVE	0	0	0	0	0	0
4404	BOOKS & PERIODICALS	0	0	0	40	40	40
4411	PRINTING	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0
4439	OTHER COSTS	0	0	0	0	0	0
5501	CONTRACTUAL SERVICES	0	0	0	0	0	0
5506	PROF SERVICES	0	0	0	0	0	0
5511	LEGAL EXPENSE	0	0	0	0	0	0
5521	TRAINING	1,124	3,495	1,768	3,500	800	3,500
7724	SERVICE AGREEMENTS	0	0	0	0	0	0
	TOTAL SUPPLIES & EXPENSES	14,407	9,288	5,567	7,540	4,760	7,540
8803	COMPUTER SYSTEMS	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	0	0	0	0	0	0
	TOTAL BUDGET	1,098,629	1,146,536	1,394,246	1,453,885	1,483,627	1,608,139

LEGAL

OBJ	DESCRIPTION	FY 02-03 ACTUAL EXPENSES	FY 03-04 ACTUAL EXPENSES	FY 04-05 ACTUAL EXPENSES	FY 05-06 REVISED BUDGET	FY 05-06 PROJECTED EXPENSES	FY 06-07 ADOPTED BUDGET
1100	PERMANENT EMPLOYEES	345,653	354,651	461,614	500,444	523,193	486,909
1104	BOARD ALLOWANCE	0	0	0	0	0	0
1149	OVERTIME	205	0	22	250	100	250
1150	AS-NEEDED EMPLOYEES	188	0	0	1,150	0	0
1171	MEDICARE EMP CONT	5,609	5,092	6,593	7,277	7,768	7,064
1173	INS-COMPENSATION	0	0	0	0	0	0
1174	INS-EMPL HEALTH/DENT	16,161	21,682	22,195	31,042	40,821	46,658
11743	Health				27,072	36,140	41,947
11748	Dental				3,432	4,149	4,173
11749	Vision				538	532	538
1177	RETIREMENT CONTRIB	0	24887	57,367	76,316	81,945	78,438
1194	MEDICAL TRUST	6,816	6674	7,539	6,816	6,816	6,816
1197	OTHER FRINGE BENEFITS	2,979	2,472	2,410	4,251	2,170	2,830
	TOTAL SALARIES & WAGES	377,610	415,457	557,739	627,545	662,813	628,964
2221	UTIL-TELEPHONE	0	0	0	0	0	0
2231	OFFICE SUPPLIES	889	0	53	200	200	200
2232	POSTAGE	0	0	0	0	0	0
2233	INVENTORY ISSUES	639	0	0	0	0	0
2254	ADVERTISING	0	0	0	0	0	0
2261	EQUIPMENT RENTAL	0	0	0	0	0	0
2262	RENT	0	0	0	0	0	0
2271	AUTO REIMBURSEMENT	2,400	2,400	2,500	2,400	2,440	2,400
2272	MILEAGE	0	0	0	0	0	0
2282	CONF-MTGS-TRAVEL	0	0	0	0	0	0
2290	MEMBERSHIPS & DUES	1,330	1,370	1,598	1,529	1,522	1,550
2294	INS-VEHICLES	0	0	0	0	0	0
3302	INS-COMPREHENSIVE	0	0	0	0	0	0
4404	BOOKS & PERIODICALS	8,598	7,832	7,781	8,000	9,080	8,700
4411	PRINTING	0	0	0	0	0	0
4434	INDIRECT COSTS	0	0	0	0	0	0
4439	OTHER COSTS	0	0	0	0	0	0
5501	CONTRACTUAL SERVICES	7,058	3,517	5,092	6,000	3,331	6,000
5506	PROF SERVICES	7,687	4,324	7,446	14,500	5,500	8,100
5511	LEGAL EXPENSE	44,171	258,933	14,709	75,000	116,144	100,000
5521	TRAINING	205	3,264	1,520	2,500	1,500	2,500
7724	SERVICE AGREEMENTS	0	0	0	0	0	0
	TOTAL SUPPLIES & EXPENSES	72,977	281,639	40,699	110,129	139,718	129,450
8803	COMPUTER SYSTEMS	0	0	0	0	0	0
8808	OFFICE EQUIPMENT	0	0	0	0	0	0
8820	BLDG. RENOVATION	0	0	0	0	0	0
8855	RESVE-SYST. UPGRADE	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	0	0	0	0	0	0
	TOTAL BUDGET	450,587	697,096	598,438	737,674	802,530	758,414

REVENUE PROJECTION



Revenue for fiscal year 2006/2007 is based on a \$13 per month registration fee and is projected to be \$4,252,520. The \$13 per month fee (\$156 per year) reflects a \$2 increase over the \$11 per month fee (\$132 per year) that has been in effect since 1997. This is the first increase in the registration fee since that time.

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

Registration Fees The Santa Monica Rent Control Board's primary source of income has always been the registration fee paid on each rent controlled unit in the city. Although the total number of billable units has been decreasing over the years, during fiscal year 2001/2002, the number of billable units increased. This was due to a change in state law and Rent Control Regulations which placed unsold TORCA units back under Rent Control. However, once TORCA units are sold separately, their rent levels are permanently decontrolled as single family dwellings, and the units are no longer billable. The decontrol of TORCA units has been a gradual process over the years and has contributed to a loss of billable units since fiscal year 2001/2002. The decrease in billable units can also be attributed to the loss of units through Ellis withdrawals, which have been on the increase in recent years.

Each year, staff projects the number of billable units for the upcoming fiscal year based on analysis of the Agency's database and projections of current trends such as Ellis withdrawals, exemptions, fee waiver applications and rates of TORCA unit sales. The number of billable units changes during the year as some units become exempt or additional fee waivers are granted making some units no longer billable, while other units previously exempt or otherwise not under

Rent Control become billable units. For fiscal year 2005/2006 staff projected 26,450 would be billed. For fiscal year 2006/2007 staff believes there will be a slight decrease in the number of billable units and is therefore, projecting 26,420 units will be billed.

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

Refunds for overpayments are very unpredictable and can vary widely from year to year. For instance, refunds for overpayments in fiscal year 2003/2004 were almost double the amount from the prior fiscal year. For fiscal year 2005/2006, it appears that the total number of refunds issued will be approximately \$14,000, which is \$3,500 less than was projected.

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

Staff is projecting that \$15,000 will be refunded over the course of fiscal year 2006/2007 based on the decrease in refunds for overpayments projected for fiscal year 2005/2006.

Based on an estimate of 26,420 controlled billable rental units with a registration fee of \$13 per month, the revenue from registration fees would be \$4,121,520. Net registration fees after subtracting projected refunds (\$15,000) would be \$4,106,520.

Interest Earnings The second source of revenue is interest earnings on City-invested Rent Control funds, estimated to be \$136,000. The City Treasurer is estimating a rate of return on invested funds of 4.33%; staff uses the same rate to estimate Board interest earnings on a declining balance.

Administrative Records The Agency provides administrative records as a service to members of the public who request them. Staff estimates that the Agency will receive \$3,000 in new administrative records fees in 2006/2007, some of which may need to be reimbursed. All unexpended funds collected for these records will become unreserved funds for the Agency.

Filing Fees From time to time the Board has adopted filing fees for certain types of petitions. On June 10, 1999 the Board authorized the implementation of two new filing fees. The filing fee for processing a Vacant Unit Registration on a property which has an owner-occupied exemption was set at \$50. The filing fee to process

an owner-occupied exemption application was set at \$100. The majority of filing fees collected during a fiscal year are attributed to owner-occupied exemption applications. Total projected filing fees are \$3,000.

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

SOURCES OF REVENUE

Registration Fees - 26,420 units	\$4,121,520	
Refunded Registration Fees	- <u>15,000</u>	
Registration Fees Subtotal		4,106,520
Interest Earnings @ 4.33%		136,000
Administrative Records Charges		3,000
Filing Fees		3,000
Miscellaneous Charges		<u>4,000</u>
Total Revenue		\$4,252,520

At the end of fiscal year 2005/2006, the Agency's undesignated fund balance, which is the Agency's "safety net" in case of emergency, is projected to be slightly less than \$1.29 million. The proposed budget has a deficit of \$175,366 with the expectation that the shortfall would be covered from the undesignated reserve fund.

BALANCE SHEET RESERVES

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

<u>Reserve Name</u>	<u>Existing¹ Reserves</u>	<u>Expected Additional Reserves</u>	<u>Total Projected Reserves</u>
General Emergency	\$24,770	\$0	\$24,770
Office Equipment	14,010	0	14,010
Legal/Administrative Records	<u>20,195</u>	<u>0</u>	<u>20,195</u>
Total	\$58,975	\$0	\$58,975

¹ As of May 5, 2005.