



RENT STABILIZATION BOARD
SPECIAL BUDGET & PERSONNEL COMMITTEE MEETING

Friday, June 5, 2020

8:00 a.m.

PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH VIDEOCONFERENCE AND TELECONFERENCE

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this meeting of the Rent Stabilization Board's **Budget & Personnel Committee** (Committee) will be conducted exclusively through teleconference and Zoom videoconference. Please be advised that pursuant to the Executive Order and the Shelter-in-Place Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, **there will not be a physical meeting location available.**

To access this meeting remotely: Join from a PC, Mac, iPad, iPhone, or Android device by clicking on this URL: <https://us02web.zoom.us/j/81997786662>. If you do not wish for your name to appear on the screen, then use the drop-down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon by rolling over the bottom of the screen.

To join by phone: Dial 1-669-900-6833 and enter Webinar ID: 819 9778 6662. If you wish to comment during the public comment portion of the agenda, Press *9 and wait to be recognized by the Committee Chair.

To submit an e-mail comment to be read aloud during public comment, email mbrown@cityofberkeley.info with the Subject Line in this format: "PUBLIC COMMENT ITEM FOR BUDGET & PERSONNEL COMMITTEE". Please observe a 150-word limit. Time limits on public comments will apply. Written comments will be entered into the public record. **Email comments must be submitted to the email address above by 4:00 p.m. the day before the Committee meeting in order to be included.**

Please be mindful that this meeting will be recorded, and all other rules of procedure and decorum will apply for meetings conducted by teleconference or videoconference.

This meeting will be conducted in accordance with Government Code Section 54953 and all current state and local requirements allowing public participation in meetings of legislative bodies. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Matt Brown, Acting Executive Director, at (510) 981-7368 (981-RENT). The Committee may take action related to any subject listed on the Agenda.



Rent Stabilization Board

COMMUNICATION ACCESS INFORMATION:

This meeting is being held in a wheelchair-accessible location.

To request disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact Aimee Mueller at 981-4932 or 981-6903 (TDD) *at least three business days before* the meeting date.



Please refrain from wearing scented products to this meeting.

RENT STABILIZATION BOARD

SPECIAL BUDGET & PERSONNEL COMMITTEE MEETING

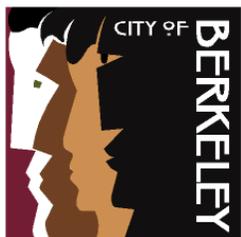
Friday, June 5, 2020 – 8:00 a.m.

AGENDA

1. Roll Call
2. Approval of Agenda
3. Public Comment
4. Approval of May 13, 2020 Meeting Minutes (Attached to Agenda)
5. Update, Discussion, and Possible Action regarding Fiscal Year 2020/2021 budget (See attached report)
6. Discussion and Possible Action regarding current staffing model and potential adjustments (See attached Organization Chart)
7. Discussion and Possible Action on possible trainings and team-building exercises for Commissioners
8. Future agenda items and scheduling next meeting
 - ➔ Line-item budget and staffing model
 - ➔ Recruitments for higher level positions
9. Adjournment

STAFF CONTACT: Matt Brown, Acting Executive Director (510) 981-7368

COMMITTEE: Paola Laverde, Leah Simon-Weisberg, John Selawksy, Igor Tregub (Chair)



Rent Stabilization Board

RENT STABILIZATION BOARD

BUDGET & PERSONNEL COMMITTEE MEETING

Wednesday, May 13, 2020 – 5:00 p.m.

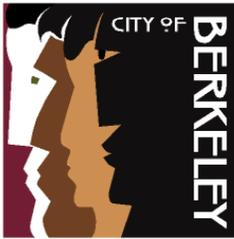
Meeting Minutes To Be approved

1. Roll Call. – 5:07pm
Members present: Laverde, Simon-Weisberg, Soto-Vigil (arrived 5:09 p.m.), and Tregub.
Staff present: Bursell, Brown and Mueller.
2. Approval of Agenda. M/S/C (Laverde, Simon-Weisberg) Approve agenda. Roll call vote.
YES: Laverde, Simon-Weisberg, Soto-Vigil, Tregub. NO: None: Abstain: None:
ABSENT: None. Carried: 4-0-0-0.
3. Election of a Committee Chairperson. Vice-Chair Simon-Weisber nominates
Commisioner Tregub for Committee Chairperson. No other nominations were made.
Roll call vote. YES: Laverde, Simon-Weisberg, Soto-Vigil, Tregub. NO: None: Abstain:
None: ABSENT: None. Carried: 4-0-0-0.
4. Public Comment. None.
5. Approval of November 20, 2019 Meeting Minutes. M/S/C (Laverde, Simon-Weisberg)
Approve November 20, 2019 Meeting Minutes.. Roll call vote. YES: Laverde, Simon-
Weisberg, Soto-Vigil, Tregub. NO: None: Abstain: None: ABSENT: None. Carried: 4-0-
0-0.
6. Discussion regarding Fiscal Year 2019/2020 Two-Thirds-Year Budget Update (See
attached spreadsheet). Discussion. No action taken.
7. Discussion and Possible Action regarding a timeline for the adoption of the Fiscal Year
2020/2021 budget and staffing model. The committee agreed to meet at least two times
before the June 18th full Board meeting.
8. Discussion and Possible Action regarding revenue projections for Fiscal Year 2020/2021.
Discussion. No action taken.
9. Future agenda items and scheduling next meeting. The Committee agreed to meet next on
Tuesday, June 2nd at 4:30pm.

The Committee discussed the need for training for Board members including anti-racism training, trainings related to communication and working together, and team-building. The Committee members volunteered to bring information on potential trainings to the next meeting.

Commissioner Simon-Weisberg added recruitment for higher level positions as a future agenda item.

10. Adjournment. The meeting adjourned at 6:19 p.m..



Rent Stabilization Board
Office of the Executive Director

DATE: June 2, 2020

TO: Honorable Members of Budget and Personnel Committee

FROM: Matt Brown, Acting Executive Director

SUBJECT: Budget Update and Proposal to Move Forward with Preparing Documents for the Full Board

Recommendation

That the Budget and Personnel Committee approve a schedule to review proposed documents to present the Fiscal Year 2020/21 line-item budget and staffing model at the full Board Meeting on June 18, 2020.

Background

Legally, the Board has until the end of June to adopt the Program’s budget, staffing model, and maximum authorized level of spending for Fiscal Year 2020/21. The Budget and Personnel Committee traditionally meets several times during the spring to discuss these issues. Unfortunately, given the current COVID-19 pandemic and staffing turnover, the committee has met less frequently.

Most recently, the Committee met on May 13, 2020, to continue their work and committed to meeting twice more before presenting a proposal to the full Board.

In the past, the Board has considered the following four factors when deciding how to implement the budget for the next fiscal year:

1. Understanding where we ended last fiscal year;
2. Understanding our financial status and our projections for the current fiscal year;
3. Identifying the choices, challenges and priorities facing the agency in the foreseeable future; and
4. Determining what approach or strategy should be followed to most efficiently and effectively analyze and understand the above.

Staff will endeavor to address each of these factors in a future memo to the committee so that Commissioners are able to make an informed decision

regarding adopting a budget and staffing model in line with the Board's goals of maintaining fiscal responsibility while still providing quality service to the community.

In order to keep the committee up to date with the current status of the Board's revenues and expenditures, the attached 3/4-Year Budget Update for FY 2019/2020 includes updated projections on where our fund will likely end the current fiscal year.

The focus of this memo, however, is to provide a broad outline of staff's suggested approach to adopting the Program's budget, staffing model and maximum authorized level of spending for Fiscal Year 2020/21.

Discussion Regarding Approach to Budget, Current Reserves for Capital Projects, and Contracts for Services

I. Exercise Caution in an Uncertain Environment

While it remains to be seen how the current COVID-19 pandemic and accompanying Shelter in Place Orders will affect our collection of Registration Fees, it is reasonable to expect that there will at least be some short-term revenue gaps that we do not normally anticipate when preparing the budget and staffing model. What we already know is that current Fiscal Year 2019/20 revenues have come in lower than budgeted by over \$100,000. While this decrease cannot solely be attributed to COVID-19, reductions in revenue are anticipated during any economic recession, and this pandemic will likely have an even greater impact on next year's revenues. For these reasons, staff recommends a cautious approach when establishing the initial staffing levels and services for the coming year.

The City has recently implemented a hiring freeze. The Board has independent authority to fund the operation of the program, so while this freeze does not technically restrict us as it does most City departments, the Board has traditionally adopted similar policies when the City mandates retrenchment.

Moreover, department heads have been instructed by the City Manager to reduce their overall operational budget by up to 15% for FY 2020/21. Staff is informed that the cuts may be deeper depending on how long Shelter in Place Orders last. There is also, of course, the possibility of a further spike in COVID-19 cases in the coming months which may lead to further Shelter in Place Orders. As it relates to this health crisis, the future is uncertain.

Suffice to say, the City has experienced and is expecting further rather significant revenue loss associated with the economic impact of the current pandemic. While nothing is certain, it is reasonable to expect that there may be layoffs due to the revenue shortfall. The majority of the agency's employees are members of the

City's various labor groups and occupy classifications that are not unique to the Board. In the event of layoffs, the Board would be vulnerable to certain "bump and retreat" concerns. Therefore, it would be prudent not to add people to positions whom the Board is not able to protect.

II. Establish a Staffing Model to Ensure Delivery of Baseline Services and Programs the Board and Community have come to Expect from the Agency

Staff does not intend to submit any proposals that reduce the number of employees currently working for the agency. Both the Board and landlord/tenant community have come to expect that the agency will deliver high level service in an environment where housing insecurity is ever more a concern. Nevertheless, we think it prudent to submit a proposal that does not expand on the number of employees that the agency currently has. The agency's current staff is terrific – each employee is well-trained to deliver quality service with significant evaluative oversight. With no reduction or addition to our current staff, we believe we can continue to provide excellent (and essential) service to the community.

III. Incorporate a Mid-Year Review into the Budget Process

We understand that the Board has discussed expanding staff to fill several positions that it deems essential to the broader goals of the agency. The Board has traditionally adopted an ambitious budget proposal to fund all the goals of the agency for the coming fiscal year. Often, the staffing model has not been fully realized. Given the uncertainty presented by the current health crisis, staff recommends that the Board incorporate a mid-year review into the adoption of the current budget and staffing model. This approach is wise for several reasons.

First, there may be a ballot amendment proposed to expand the registration scope of the Rent Ordinance to include units that have not traditionally paid a fee. If the voters adopt amendments to the ordinance that allow for the collection of a fee for certain partially exempt units, the Board will likely be able to draw from a revenue stream upon which it has not previously relied. At that point the Board will be able to make a more informed decision regarding both the needs of the organization as it relates to these expanded services and the ability to fund them.

Second, as previously discussed, staff is unsure of how much the current health crisis will affect this year's revenue stream. By the beginning of the next calendar year the Board will hopefully have a clearer picture of how much revenue we can expect to collect for FY 2020/21. This is especially important given that adding positions will increase the agency's baseline operating budget and necessarily affect the amount of the Registration Fee in future years.

Lastly, the Board is currently operating with an Acting Executive Director. By mid-year, the Board will likely have a better idea of who will occupy the position full time and therefore be able to discuss the needs of the agency with that person.

A mid-year budget review will provide optimal flexibility for the agency without reducing the high quality work the agency currently provides.

IV. Capital Reserve and Rent Tracking System (RTS) Replacement Project

The Rent Stabilization Fund (440) currently has a total of \$500,000 in capital reserves. \$400,000 of this was collected in FY 2017/18 to cover the costs of the replacement of the Rent Board's existing Rent Tracking System (RTS). The Rent Board's current system lacks stability, and it has not been able to adapt effectively to the new laws and policies that have been implemented to respond to California's housing crisis. There is a clear need for a new, improved software solution that can not only enforce business rules but both enhance internal efficiencies and quickly adjust new laws and requirements in a more streamlined and effective manner.

With this goal, a request for software vendors to submit proposals for a RTS replacement went out in August of 2019 and staff previously anticipated implementing a replacement project no later than April of 2020. Unfortunately this timeline was delayed due unforeseen circumstances including adapting the agency's core services to the Shelter in Place Order and the the need to prioritize efforts related to the City of Berkeley's response to the COVID-19 pandemic.

Replacing RTS is still an immediate priority for the agency and the committee can expect to receive a recommendation on implementing an RTS replacement early next fiscal year. To this end, we anticipate seeking an expenditure authorization of up to \$400,000 to complete this project in Fiscal Year 2020/21.

V. Community Service Providers and Other Personal Service Contracts

The Rent Board has received proposals for contract extensions from the Eviction Defense Center (EDC), the East Bay Community Law Center (EBCLC), Brian Augusta & Associates, and Berkeley Community Media (BCM).

The Eviction/Section 8/Foreclosure Committee is scheduled to consider proposals for EDC and EBCLC on June 2, 2020, at 3pm. These two service providers have been essential to the COVID-19 emergency response as both agencies work together to operate Berkeley's Covid-19 Housing Retention Program.

All vendors except for EBCLC are proposing to keep their payment terms and rate at current levels. EBCLC is proposing to have its funding increased to \$150,000, which is an increase of \$7,500 from this year. EBCLC is also proposing to increase their fee to the City Council from \$252,000 to \$275,000. Given that these vendors provide important

services that align with the Board's mission and the purposes of the Rent Ordinance, staff anticipates that the committee will recommend allocating additional funding and extending these contracts for Fiscal Year 2020-21. If the the committee wishes to review any of these contract proposals in more detail, they can be included on the Budget & Personnel Committee's next agenda.

Conclusion

Staff asks that the Committee meet one last time before the full Board meeting on June 18, so that Committee members are able to review a draft of documents outlining the proposed budget, staffing model, and maximum authorized level of spending for Fiscal Year 2020/21. Staff has a preference for June 11 meeting to give us time to prepare the documents for the committee and still have time to adjust materials for the full Board's agenda packet which must be published no later than June 15. We await direction from the Committee regarding this matter.

Attachment: FY 2019 Year-End & FY 2020 3/4th-Year Budget Update

**Rent Stabilization Program
FUND 440
FY 2019 Year-End & FY 2020 3/4th-Year Budget Update**

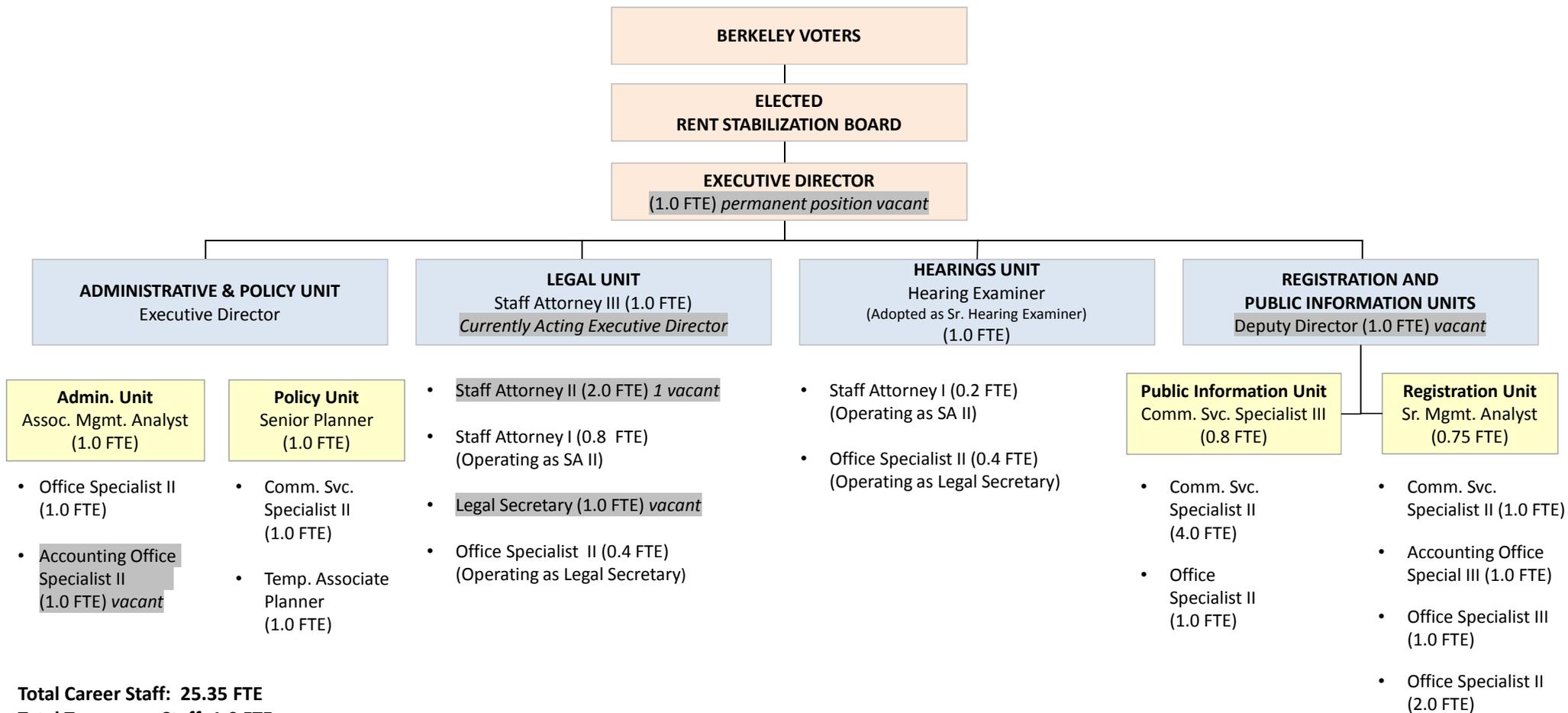
Code	Description	Adopted FY2019	Actual FY2019	Adopted FY2020	YTD 3/4ths FY 2020	Projected Year-End FY 2020
11-01	Monthly Employees	2,430,000	2,185,910	2,500,000	1,646,068	2,250,000
11-03	Hourly Employees	10,000	149,612	200,000	168,947	225,000
13-01	Overtime	1,000	13,668	10,000	1,372	5,000
27-20	Benefits	1,525,000	1,429,066	1,650,000	1,103,615	1,520,000
30-12	Stipends	53,500	53,200	53,000	37,800	51,300
30-23	Misc. Legal Expenses	4,000	5,216	7,500	4,857	130,000
30-36	Temp. Agency Employees	1,000	448	1,000	0	1,000
30-38	Misc. Professional Services	337,500	291,375	352,500	201,650	353,000
30-42	Office Equip. Mtc. Svcs. / Furniture	14,000	2,704	13,000	6,876	13,000
30-43	Bldg. & Structures Mtc. Svc.	400	237	400	250	400
30-51	Bank Credit Card Charges	30,000	25,634	35,000	17,300	25,000
40-10	Professional Dues & Intern Fees	6,000	6,267	4,000	2,779	3,000
40-31	Telephones	5,000	3,619	4,200	3,661	5,000
40-50	Printing and Binding	38,000	20,293	38,000	25,483	32,000
40-62	Meals & Lodging	1,000	706	4,000	0	1,000
40-63	Registration Fees	3,600	2,250	1,000	0	1,000
40-61/64	Transportation & Commercial Travel	4,000	2,424	14,000	603	1,500
40-70	Advertising/public access	50,000	40,331	45,000	33,248	50,000
40-80	Books & Publications	13,000	13,745	13,000	8,543	13,000
50-10	Rental of Land / Buildings	280,000	285,311	340,000	286,181	350,000
51-10	Postage	42,000	43,761	45,000	28,673	35,000
51-20	Messenger / Delivery	400	520	800	201	500
55-11	Office Supplies	15,000	10,438	13,500	10,237	12,500
55-50	Food and Water	3,000	2,139	3,000	647	3,000
70-43	Office Equipment and Furniture	5,000	1,847	5,000	418	5,000
70-44	Computers, Printers, Software	2,500	4,564	10,000	2,207	10,000
75-25	PC Replacement Contribution	9,500	9,500	9,500	0	9,500
75-35	Mail Services	3,600	3,600	3,600	2,700	3,600
75-50	City Vehicle / Fuel & Maint.	1,500	1,500	1,500	1,500	1,500
	Expenditure Subtotal**	4,889,500	4,608,188	5,377,500	3,590,575	5,110,800
	Special Projects (RTS Upgrade, online registration, training)	182,500	235,846	182,500	30,090	80,000
	Annual Capital Reserve	100,000	0	400,000	0	0
	Total Authorized Fund Expenditures*	5,172,000	4,844,034	5,960,000	3,625,905	5,190,800
	Total Authorized Fund Revenue*	5,100,000	5,251,527	5,150,000	5,003,670	5,020,000
	Annual Surplus/Shortfall	(72,000)	407,493	(810,000)	1,377,765	(170,800)
	<i>Previous FY Carryover Expenditures</i>		51,190		51,190	51,190
	FUND BALANCE (cash basis)		1,624,196	814,196	2,950,771	1,402,206
	FUND BALANCE (accrual basis)		1,573,006	814,196	2,950,771	1,402,206
	TOTAL UNCOMMITTED OPERATIONAL FUND BALANCE		1,073,006	714,196		902,206

* Note: this report only reflects charges & revenues against the Rent Board Fund (Fund 440) and does not include services charged to or received from other funds

** Note: variance in actual expenditures and total fund balance reflects remaining balance in reimbursement offset escrow

Berkeley Rent Stabilization Program Organization Chart (updated 5/29/20)

Current Career and Temporary Positions FY 2019/20
Sorted by Division Supervision



Total Career Staff: 25.35 FTE
Total Temporary Staff: 1.0 FTE