

**Rent Stabilization Board**

**RENT STABILIZATION BOARD**

DATE: June 16, 2008

TO: Honorable Members of the Rent Stabilization Board

FROM: *J* Jay Kelekian, Executive Director and  
The Budget and Personnel Committee

SUBJECT: Adoption of the FY 2009 Line Item Budget and Position Detail

**Recommendation:**

That the Board adopt the attached Resolution, FY 2009 Line-Item Budget, and Position Detail setting a maximum expenditure level of \$3,517,000 and a career staffing level of 19.3 full-time equivalent (FTE) employees for FY 2009. It is further recommended that the Budget and Personnel Committee and the Director return in the fall with updates and possible revisions to the adopted budget.

**Background and Need For Rent Stabilization Board Action:**

Legally, the Board has through the end of June to adopt an expenditure authorization, budget, and staffing model for FY 2008/2009. Traditionally, the Board has adopted the registration fee (which sets the revenue side of the budget) in May and then balances the expenditure side of the budget in either May or June. On May 12, 2008, the Board adopted the registration fee of \$170 per unit and directed the Budget and Personnel Committee and Director to return with a budget that not exceed \$3,517,000 in newly authorized expenditures for FY 2009. This authorized amount was based upon the work plan and detailed budget analysis contained in the Adopted FY 2008 Budget Book plus additional anticipated changes to salary and benefit levels. Last year, when adopting the current budget, the Board incorporated a two-year approach to planning the budget. The original budget estimates for FY 2009 are listed in the attached spreadsheet as "FY 2009 Anticipated". Some additions and revisions to the original plan have been folded into the proposed budget before you – they are noted in blue and may be found under the column "FY 2009 Revised".

As we indicated last month, based upon the most recent budget figures available, we am projecting that the Rent Stabilization Fund will end this fiscal year with an unallocated balance of at least \$400,000. This amount is slightly greater than the Board anticipated when it adopted the FY 2008 budget last June. If the proposed budget is adopted unchanged and implemented without modification, we will end FY 2009 with an uncommitted reserve of just under \$240,000. When adopting a two-year budget plan last year, the Board committed itself to identifying \$40,000 in recurring revenue or recurring savings in FY 2009. This revenue/savings has not yet been identified, but the commitment to fulfilling the Board's direction remains. The Budget and Personnel Committee and Director will report back to the full Board in the fall with proposed modifications to the attached budget, including the proposed \$40,000 in "gap narrowing measures". When these measures are implemented, the uncommitted FY 2009 year-end reserve will increase to between \$275,000 - \$280,000.

**Name and Telephone Number of Contact Person:**

Jay Kelekian, Executive Director (510) 981-4949

**RESOLUTION 08-**

**ADOPTING FISCAL YEAR 2008-2009 EXPENDITURE LEVEL AND POSITION DETAIL**

**BE IT RESOLVED** by the Rent Stabilization Board of the City of Berkeley as follows:

**WHEREAS**, the Rent Stabilization Board operates on the basis of a fiscal year and each year adopts an operational budget after public review and input; and

**WHEREAS**, Section 123 of Article XVII of the Charter of the City of Berkeley provides that the Rent Stabilization Board shall finance its reasonable expenses by charging landlords annual registration fees in amounts deemed reasonable by the Board; and

**WHEREAS**, on May 12, 2008, the Rent Board reviewed the overall budget priorities for the Program; and,

**WHEREAS**, the Board determined that projected revenues of \$3,355,000 in FY 2009 will be necessary to meet the Program's operating needs, and the annual registration fee would remain at \$170 per unit; and,

**WHEREAS**, on May 12, 2008, the Board adopted Resolution 08-03 which directed the Executive Director to work with the Budget and Personnel Committee to return with a spending level that does not exceed \$3,517,000 for Fiscal Year 2009 and set the annual registration fee due on July 1, 2008 at \$170 per unit; and,

**WHEREAS**, the Budget and Personnel Committee and the Executive Director have met and developed a preliminary operating budget for FY 2009 with an expenditure level of \$3,517,000; and,

**WHEREAS**, after reviewing the proposed work plan outlined in the FY 2007-2008 Adopted Budget, the Board believes that the Program can achieve all goals and objectives listed in the proposed budget with a staffing level of 19.3 full-time equivalents.

**RESOLUTION NO. 08 -**

**ADOPTING FISCAL YEAR 2008/2009 EXPENDITURE LEVEL AND POSITION DETAIL**

**NOW, THEREFORE, BE IT RESOLVED** that an operational spending level totaling \$3,521,700, and a staffing level of 19.3 FTE's is hereby adopted for Fiscal Year 2008-2009.

Dated: June 16, 2008

Adopted by the Rent Stabilization Board of the City of Berkeley by the following vote:

Yes:

No:

Abstain:

Absent:

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Jesse Arreguin, Chairperson  
Rent Stabilization Board

Attest: \_\_\_\_\_  
Jay Kelekian Executive Director

## Rent Stabilization Program

### FY 2008 ADOPTED BUDGET & 2009 PROPOSED

		FY 2006	FY 2007 Year End	FY2008	FY2009	FY2009
Code	Description	Actual	Projected **	Adopted	Anticipated	Revised
11-01	Monthly Employees	1,391,592	1,465,000	1,640,000	1,680,000	1,700,000
11-03	Hourly Employees	0	0	25,000	25,000	50,000
13-01	Overtime	466	500	1,500	1,500	1,500
27-20	Benefits	794,180	790,000	910,000	930,000	944,000
30-12	Stipends	54,200	54,000	54,000	54,000	54,000
30-23	Misc. Legal Expenses	1,587	3,000	3,000	3,000	3,000
30-36	Temp Agency Empl's	38,595	23,000	0	0	3,000
30-38	Misc. Prof. Services	261,568	322,000	287,000	287,000	300,000
30-42	Office Equip Mtc. Svcs/Furniture	23,399	10,000	17,000	17,000	17,000
30-43	Bldg & Structures Mtc Svc.	540	5,500	4,000	4,000	4,000
40-10	Professional Dues	1,855	2,000	2,000	2,000	2,000
40-31	Telephone	5,024	40,000	8,000	8,000	8,000
40-50	Printing and Binding Outside	36,169	30,000	40,000	40,000	40,000
40-61	Commercial Trans	682	400	500	500	500
40-62	Meals & Lodging	1,724	2,000	2,000	2,000	2,000
40-63	Registration Fees	4,132	2,500	4,500	4,500	4,500
40-64	Transportation	1,630	1,500	2,000	2,000	2,000
40-70	Advertising	26,453	30,000	40,000	40,000	40,000
40-80	Books & Pubs	9,877	9,500	10,000	10,000	10,000
50-10	Rental of Land/Buildings	195,840	210,000	220,000	230,000	230,000
50-30	Rental of Off Equip & Furniture	1,476	1,000	1,000	1,000	1,000
51-10	Postage	46,300	36,000	48,000	48,000	48,000
51-20	Messenger/Delivery	824	1,200	2,000	2,000	2,000
55-11	Office Supplies	7,393	16,000	16,000	16,000	16,000
70-41	Office Equipment	0	500	1,000	1,000	1,000
70-44	Computers	19,110	17,000	17,000	17,000	17,000
75-30	Central Duplicating	4,189	7,500	5,000	5,000	5,000
75-50	City Vehicle/Fuel & Maint.	4,847	6,500	6,500	6,500	6,500
75-90	Training	0	1,000	2,500	2,500	2,500
81-01	Liability Payments	448	0	2,000	2,000	2,000
	RTS Data Base Upgrade Project		0	125,000	0	125,000
	<b>Expenditure Subtotal</b>	<b>2,934,184</b>	<b>3,109,700</b>	<b>3,497,000</b>	<b>3,442,000</b>	<b>3,517,000</b>
	Other Department Transfer	33,046	22,000	28,000	28,000	0
	<b>Total Fund Expenditures</b>	<b>2,967,230</b>	<b>3,131,700</b>	<b>3,525,000</b>	<b>3,470,000</b>	<b>3,517,000</b>
	<b>Total Fund Revenue</b>	<b>3,019,264</b>	<b>3,010,000</b>	<b>3,355,000</b>	<b>3,355,000</b>	<b>3,355,000</b>
	Prior year's adjustment		10,328			
	Additional Gap Narrowing Measures				40,000	40,000
	<b>Fund Balance</b>	<b>\$679,991</b>	<b>568,619</b>	<b>398,619</b>	<b>323,619</b>	<b>276,619</b>

<b>RENT BOARD POSITION DETAIL</b>		
<b>FY 2009 PROPOSED</b>		
<b>Budget Code 11-01 Monthly Employees</b>		
<b>Position Description</b>		<b>COMMENTS</b>
<b>Administration Unit</b>		
Executive Director	1	
Administrative Staff Assistant	1	
Info Systems Specialist	1	
Office Specialist III	0.5	
<b>Subtotal for FTE &amp; Salaries</b>	<b>3.5</b>	<b>\$355,000</b>
<b>Legal Unit</b>		
Staff Attorney III	1	
Staff Attorney III	1	
Senior Field Representative	1	
Office Specialist III	0.5	
<b>Subtotal for FTE and Salaries</b>	<b>3.5</b>	<b>\$390,000</b>
<b>Hearing Unit</b>		
Senior Hearing Examiner	1	
Senior Hearing Examiner	0.6	
Senior Hearing Examiner	0.7	
Community Services Specialist II	1	
<b>Subtotal for FTE and Salaries</b>	<b>3.3</b>	<b>\$345,000</b>
<b>PIU/Registration Units</b>		
Staff Attorney II	1	
Associate Management Analyst	1	
Assistant Management Analyst	1	
Assistant Management Analyst	1	
Community Services Specialist II	1	
Community Services Specialist I	1	
Office Specialist III	1	
Office Specialist II	1	
Office Specialist II	1	
<b>Subtotal for FTE and Salaries</b>	<b>9</b>	<b>\$610,000</b>
<b>Total FTE and Salaries</b>	<b>19.3</b>	<b>\$1,700,000</b>

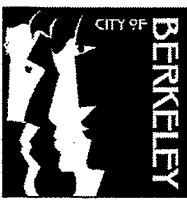
**Unit Salary Subtotals are rounded to the nearest \$1000.**

**Rent Stabilization Fund Balance**  
**FY 2002 - 2006 Actuals**  
**FY 2007 (Unverified)**  
**FY 2008 and 2009 Proposed Budget**

	Actual	Actual	Actual	Actual	Actual	Adjusted *	Unverified **	Adopted	Projected
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2007	FY 2008	FY 2009
Beginning Balance	856,329	919,545	857,102	776,240	627,957	679,991	679,991	568,619	398,619
Revenues	2,526,741	2,557,121	2,676,924	2,708,438	3,019,264	3,037,500	2,996,530	3,035,000	3,035,000
Reg Fee Increase								320,000	320,000
Expenditures	2,463,525	2,676,365	2,751,131	2,856,721	2,967,230	3,371,000	3,107,902	3,400,000	3,470,000
One time RTS Project								125000	
Prior Year Adjustment		56,801	-6,655						
Additional Gap Narrowing Measures									40,000
Ending Balance	919,545	857,102	776,240	627,957	679,991	346,491	568,619	398,619	323,619

\* Adjusted Budget reflects the Adopted Budget plus unspent carryover from prior year

\*\* Note - I am listing this as "unverified" because there are several expenditures/revenues from this year unresolved and this may affect the balance



**Rent Stabilization Board**

**RENT STABILIZATION BOARD**

DATE: May 12, 2008

TO: Honorable Members of the Rent Stabilization Board

FROM: Jay Kelekian, Executive Director and  
The Budget and Personnel Committee

SUBJECT: Discussion of the FY 2009 Registration Fee and Determination if a Public Hearing  
in Late May 2008 is Necessary

**Recommendation:**

That the Board agree that the FY 2009 registration fee will not exceed the current level of \$170 per unit or, alternatively, establish a maximum amount by which fees could potentially increase and schedule a public hearing on May 28<sup>th</sup> to receive comments.

**Background and Need For Rent Stabilization Board Action:**

Legally, the Board has through the end of June to adopt a line-item budget and expenditure authorization level for FY 2008/2009. However, in order to provide sufficient time to allow staff to print and mail the annual bill prior to the last week of May, the Board traditionally sets the fee no later than its first meeting in May. When the Board adopted the FY 2007/2008 Budget last June, it was anticipated that there would be no need to raise the registration fee this year. I have been monitoring current year expenditures and revenues as well as analyzing possible changes to next years' budget and continue to believe that it should not be necessary to increase the fee this year. The Budget and Personnel Committee has reviewed my assumptions and has concurred that it is not necessary to raise fees for the upcoming year.

If the Board wishes to raise the current fee of \$170 per unit, a public hearing must be held upon ten days published notice as set forth in Government Code section 6062a. Therefore, in order to hold a public hearing to consider raising the registration fee in May, notice of a potential fee increase must first be published. Newspapers require between 3-5 days advance notice before publishing the public notice. The earliest possible date a notice could be published is May 16<sup>th</sup> but possibly as late as May 19<sup>th</sup>. While the Board may hold the public hearing the same evening that it makes a decision on the registration fee, the Board has traditionally held the initial public hearing in advance of the date the fee is adopted. If the Board is considering increasing the fees, I would suggest that we make a decision the same evening as the public hearing so that the mailing of bills is not delayed any further. The earliest date that the Board can be assured that all noticing requirements are met would be for a Wednesday, May 28<sup>th</sup> meeting. If necessary, we could meet on Thursday, May 29<sup>th</sup> to set the fee, as Thursday evening has been the Board's "back-up" night to hold meetings when they are not held on a Monday.

Based upon the most recent budget figures available (please see the information item in your agenda package), I am projecting that the Rent Stabilization Fund will end this fiscal year with an unallocated balance of at least \$400,000. This amount is slightly greater than the Board anticipated when it adopted the FY 2008 budget last June.