



Rent Stabilization Board

RENT STABILIZATION BOARD
BUDGET & PERSONNEL COMMITTEE MEETING

Thursday, June 1, 2023 – 5:30 p.m.

Rent Stabilization Board Law Library – 2001 Center Street, 2nd floor, Berkeley

PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED IN A HYBRID MODEL WITH BOTH IN-PERSON ATTENDANCE AND VIRTUAL PARTICIPATION.

For in-person attendees, face coverings or masks that cover both the nose and the mouth are encouraged. If you are feeling sick, please do not attend the meeting in person.

To access this meeting remotely: Join from a PC, Mac, iPad, iPhone, or Android device by clicking on this URL: <https://us06web.zoom.us/j/83676329316?pwd=Qk0rN1UwaDJ6VVpmMDVlQ3pFbXZndz09>. If you do not wish your name to appear on the screen, then use the drop-down menu and click on "Rename" to rename yourself as 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: 836 7632 9316 and Passcode: 008599. 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 for the Committee's consideration and inclusion in the public record, email amueller@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 3:30 p.m. on the day of the Committee meeting in order to be included.**

Please be mindful that this will be a public meeting and all rules of procedure and decorum apply for both in-person attendees and those participating 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 DéSeana Williams, Executive Director of the Rent Board, at 510-981-7368 (981-RENT). The Committee may take action related to any subject listed on the Agenda.



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 the Disability Services Specialist at (510) 981-6418 (voice) or (510) 981-6347 (TDD) at least three (3) business days before the meeting date.

Attendees at public meetings are reminded that other attendees may be sensitive to various scents, whether natural or manufactured, in products and materials. Please help the City respect these needs.



RENT STABILIZATION BOARD
BUDGET & PERSONNEL COMMITTEE MEETING

Thursday, June 1, 2023 – 5:30 p.m.

Rent Stabilization Board Law Library – 2001 Center Street, 2nd floor, Berkeley

AGENDA

1. Roll Call
2. Land Acknowledgment Statement: *The Berkeley Rent Stabilization Board recognizes that the rental housing units we regulate are built on the territory of xučyun (Huchiun-(Hooch-yoon)), the ancestral and unceded land of the Chochenyo (Cho-Chen-yo)-speaking Ohlone (Oh-low-nee) people, the ancestors, and descendants of the sovereign Verona Band of Alameda County. This land was and continues to be of great importance to all of the Ohlone Tribes and descendants of the Verona Band. As we begin our meeting tonight, we acknowledge and honor the original inhabitants of Berkeley, the documented 5,000-year history of a vibrant community at the West Berkeley Shellmound, and the Ohlone people who continue to reside in the East Bay. We recognize that Berkeley's landlords and tenants have and continue to benefit from the use and occupation of this unceded stolen land since the City of Berkeley's incorporation in 1878 and since the Rent Stabilization Board's creation in 1980. As stewards of the laws regulating rental housing, it is not only vital that we recognize the history of this land but also recognize that the Ohlone people are present members of Berkeley and other East Bay communities today.*
3. Approval of agenda
4. Public Comment
5. Approval of May 4, 2023, meeting minutes (attached to agenda)
6. Update on Status of Current Agency Request for Proposals (verbal report only)
7. Discussion, and Possible Action regarding Recommendation to full Board on the Adoption of a Fiscal Year (FY) 2023/24 Line-Item Budget, Staffing Model & Expenditure Level (See Attached Staff Report).
8. Office Relocation Process Update (verbal report only)
9. Future agenda items
 - ➔ Report on Reserve Budget Policy of similarly sized jurisdictions and institutions
 - ➔ Review of Commissioner Stipends for Meeting Absences
 - ➔ Changes to Collections Process
10. Discussion and possible action to set the next meeting
11. Adjournment

STAFF CONTACT: DéSeana Williams, Executive Director (510) 981-7368
COMMITTEE: Soli Alpert, Nathan Mizell, Leah Simon-Weisberg, Dominique Walker (Chair)



Rent Stabilization Board

RENT STABILIZATION BOARD
BUDGET & PERSONNEL COMMITTEE MEETING

Thursday, May 4, 2023 – 5:30 p.m.

Rent Stabilization Board Law Library – 2001 Center Street, 2nd floor, Berkeley

Minutes To Be Approved

1. Roll Call: Executive Director Williams called Roll.
 Members Present: Alpert, Mizell, Simon-Weisberg and Walker.
 Staff Present: L. Bursell, S. Cole and D. Williams.
2. Land Acknowledgment Statement: The Recording of the Land Acknowledgment Statement was played.
3. Approval of agenda: M/S/C (Alpert/Simon-Weisberg). Motion to approve the agenda.
 Voice Vote. Carried: 4-0-0-0.
4. Public Comment: No public comment.
5. Approval of the February 22, 2023 meeting minutes (attached to agenda): M/S/C (Simon-Weisberg/Alpert). Motion to approve the February 22, 2023 meeting minutes. Voice Vote. Carried: 4-0-0-0
6. Synthesia Digital Video Education Demonstration: Executive Director Williams gave a brief presentation and video demonstration on Synthesia, a digital media generation platform which can be used to create outreach and informational video content.
7. Discussion and possible recommendation for Board and Staff attendance at the Annual Local Progress Convention: The Committee discussed the upcoming Local Progress Convention scheduled for September 6th to September 9th in St Louis Missouri and possible attendance by Commissioners and Staff, no action was taken.
8. Funding of the Low-Income Tenant Pass-through Reimbursement Program (See attached Presentation): Senior Planner Bursell gave a brief presentation on the current funding source for the annual Low-Income Tenant Pass-Through Reimbursements and the need to source additional funds by Fiscal Year 2025-2026 or end Tenant Reimbursements.
9. Update, Discussion, and Possible Action on the Current Staffing Model and Recommendation to add a 1.0 (FTE) Staff Position (see attached report): M/S/C (Alpert/Mizell). Motion to recommend to the full Board the adoption of Staff's proposal to add 1.0 (FTE) Staff Position of an Assistant Management Analyst to the Finance Unit. Voice Vote. Carried: 4-0-0-0.

10. 3rd Quarter Fiscal Year 2023 Budget Update (See attached spreadsheet): Senior Planner Bursell gave a brief presentation on the Fiscal Year 2022/2023 Budget, Revenue and Expenditures as of the 3rd Quarter.
11. Discussion and Possible Action on Fiscal Year 2023/24 Budget Process (See attached Committee Timeline): The Committee briefly discussed the upcoming Fiscal Year 2023/2024 Budget and timeline for completion of the Budget review process before presentation to the Full Board, no action was taken.
12. Office Relocation Process Update (verbal report only): Executive Director Williams gave a brief update on the Architects assessments of possible new office locations and timeline for the next phase in the relocation process.
13. Future agenda items: The Committee agreed to discuss these items at the next meeting.
 - ➔ Rent Board Office Relocation Process and Progress
 - ➔ Budget Review and Timeline for Fiscal Year 2023/2024
 - ➔ Report on Reserve Budget Policy of similarly sized jurisdictions and institutions.
 - ➔ Review of Commissioner Stipends for Meeting Absences.
14. Discussion and possible action to set the next meeting: Next meeting scheduled for Thursday, June 1, 2023 at 5:30 p.m.
15. Adjournment: M/S/C (Alpert/Simon-Weisberg) Motion to Adjourn. Voice Vote. Carried: 4-0-0-0. Meeting adjourned at 6:37 p.m.

STAFF CONTACT: DéSeana Williams, Executive Director (510) 981-7368

COMMITTEE: Soli Alpert, Nathan Mizell, Leah Simon-Weisberg, Dominique Walker (Chair)



Rent Stabilization Board

RENT STABILIZATION BOARD

DATE: June 1, 2023

TO: Honorable Members of the Budget & Personnel Committee

FROM: DéSeana Williams, Executive Director
Lief Bursell, Senior Planner

SUBJECT: Recommendation to Board on FY 2023/24 Line-Item Budget, Staffing Model & Expenditure Level

Recommendation:

That the Budget & Personnel Committee recommends the Board adopts a resolution to approve the FY 2023/24 line-item budget and staffing model of 27.0 FTE career employees and authorize an overall spending level of \$7,506,460, which includes \$120,350 in expenditures from the Board's Capital Reserve and unallocated funding of \$233,000 that could be allocated later once necessary expenditures related to the relocation of the agency's office are identified.

Background and Need for Rent Board Action

Legally, the Board has until the end of June to adopt a staffing model and a budget with a maximum expenditure authorization for FY 2023/24. The Board's Budget and Personnel Committee is responsible for recommending to the Board the adoption of its annual budget. The Committee has met four times thus far in calendar year 2023 to review the status of the budget, the composition of the staffing model, and the projected revenues and expenditures for the coming fiscal year.

The Board received the FY 2022/23 mid-fiscal year budget update at its March 16, 2023 meeting as part of the Budget & Personnel Committee's recommendation to increase registration fee levels for FY 2023/24. After reviewing the status of the budget and the agency's projected revenue needs for the next fiscal year, the Board voted to raise the fully-covered unit fee from \$250 to \$290 per unit and the partially-covered unit fee from \$150 to \$178 per unit. The Board and the Budget & Personnel Committee determined that these increased fee levels would provide the agency with sufficient revenue to cover expenditures for the upcoming fiscal year.

The Board also recently acted to add two new positions to establish a new Finance Unit within the Rent Board. The Board's Finance Unit will be responsible for the agency's extensive financial and budgetary duties, currently spread between several work units. At its October 20, 2022, meeting, the Board adopted resolution 22-23, which authorized the creation of a new Finance Director position in the Administrative and Fiscal Services Manager classification. At its May 18, 2023 meeting, the Board adopted resolution 23-12, which authorized adding a new Assistant Management Analyst position for the Finance Unit.

The Finance Director was hired in April of 2023, and staff has begun recruiting for the Assistant Management Analyst position, which should be filled sometime within the first quarter of FY 2023/24. The transition of all financial duties to the Finance Unit will take place once the unit is fully staffed.

FY 2022/23 Revenue Accounted for in FY 2022

As a result of the data transition to the 3Di platform, registration Fees due FY 2022/23 were applied in FY 2021/22. This created a surplus in FY 2021/22 of \$775,359 which was later carried over to FY22/23. While the Board still received the appropriate amount of revenue for both years, the Board's financial statements show surplus revenue in FY 2021/22 and lower than anticipated revenue in FY 2022/23. Staff has also worked with 3Di to make the user experience more straightforward and to call attention to the need for owners to complete registration for the current registration period before moving to any registration or payments meant for the following registration year.

Update on Measure MM Registration

Approximately 5,175 partially-covered units have been registered through the 3rd quarter of the FY 2022/23 registration year, up from the 4,750 units registered through the 3rd quarter of 2022. This includes 600 units in affordable housing projects operated by nonprofits that pay the lower \$37 per unit Measure MM fee. Total partially-covered unit revenue is estimated at around \$750,000 in FY 2023. The total number of partially-covered rental units subject to registration will continue to grow as new buildings are constructed and then leased for the first time. Staff and the Budget & Personnel Committee will continue to monitor and report on changes to the number of partially-covered units registered each fiscal year.

FY 2021/22 Year-end Fund Balance

Staff reviewed the City of Berkeley Finance Department's closing reports detailing the Board's FY 2021/22 revenues and expenditures. The Board's year-end FY 2021/22 revenue was \$6,369,586, including the \$775,359 surplus. The total year-end FY 2021/22 expenditures were \$5,232,297. After adjusting for this revenue and allocating it to FY 2022/23, actual revenues for

FY 2021/22 were \$5,594,226. \$37,500 in funds was still owed to the East Bay Community Law Center for services provided in FY 2021/22, which carried over to FY 2022/23.

The Board spent \$1,043,238 less than projected in its adopted FY 2021/22 budget. This was primarily due to personnel savings from several vacancies and delayed expenditures for the 3Di database and the tenant survey, which were planned but only expended in the current fiscal year. The Board's revenues were also about \$80,000 greater than initially anticipated. Lower expenditures and slightly higher revenues left the Board with a total annual surplus of \$324,430 at the end of the fiscal year. As of June 30, 2022, the total fund balance was \$1,769,178.

The Board's capital reserve ended the fiscal year with a balance of \$420,200, and the Board's uncommitted reserve year-end balance is \$1,348,978. The year-end reserve amount exceeds the 8-16% Boards Reserve policy. Please note that these numbers are still preliminary because they need to be audited by the City of Berkeley's outside auditor.

3rd Quarter Update on FY 2022/23 Budget Status and Year-End Projections

At the end of the 3rd quarter of FY 2022/23 (as of March 31, 2023), the agency's total revenue was \$5,262,839, and its total expenditures were \$4,447,907. Total FY 2022/23 registration year revenue through the 3rd quarter, including the \$775,359 accounted for in FY 2021/22, was \$6,038,198. Staff now project those total FY 2022/23 expenditures at around \$6,600,000, while total FY22/23 revenue projects at just over \$6,193,000. This would result in an FY 2022/23 deficit of \$409,000. While this is not a small deficit, it is \$700,000 less than initially projected. The change in the anticipated deficit amount is due to decreased personnel costs, increased revenue from increased partially-covered unit registration, and a notable increase in revenue from registration penalties.

The Board now projects to start next fiscal year with an uncommitted fund balance of just over \$1,260,000, over 19% of projected FY 2022/23 expenditures. The Board will still have \$133,513 in its capital reserve, \$73,513 of which is earmarked towards the continued development of the 3Di Rent Registry system.

Increased Registration Penalty Collection

Registration penalty revenues averaged \$158,000 per fiscal year for a 10-year period between projects 9/10 and FY 18/19. During that period, registration penalty revenue averaged about 3.6% of annual registration fee revenue. Penalty revenues then dipped to an average of around \$79,000 (1.6% of registration fee revenue) during FY 2019/20 and FY 2020/21 during the initial years of the COVID-19 pandemic. Revenues from penalty payments, which increased

to just over \$225,000 in FY 2021/22, coincided with the first year that partially-covered units were required to register with the Board.

Penalty revenues of over \$200,000 are higher than was collected at any point in the previous decade. The agency collected a high of \$196,000 in penalty revenue in FY 2010/11. While \$225,000 is the most penalty revenue that the Board has received in recent memory, it corresponds to the increase in revenue from Measure MM registration. Penalty revenues for FY 2021/22 comprised 4.2% of the total registration revenue received, well within the recent 3-5.5% range.

For FY 2022/23, registration penalty revenue is again making a new high. Currently, staff projects the agency will end the year with about \$425,000 in penalty revenue, which is 7.4% of the total projected registration revenue. While some of this increase is likely still due to partially-covered units registering for the first time, staff have also amended and improved the collections process for this current registration year. The Budget & Personnel Committee has asked for more detail on the changes and improvements made to the collections process, and staff plans to present this information to the Board in the Fall of 2023.

Budgeting for Office Relocation

The agency's current lease with 2001 Center Street LLC expires at the end of February 2024, within the 3rd quarter of the upcoming fiscal year. The Executive Director and the Budget & Personnel Committee have prioritized moving to a larger office space to give the agency room to grow while remaining in a central location easily accessible by transit. The size of the agency's current office space limits the Rent Board's ability to increase its staffing capacity, as there are no vacant offices for new staff positions. Staff has also consistently expressed interest in having all staff on the same floor to increase collaboration between working groups.

The Executive Director is working with a commercial real estate agent to identify and make offers on potential sites.

So far, staff is considering several locations that fit the criteria of being within Berkeley's downtown area and the necessary square footage to allow the agency to grow into the future. Depending on the location, downtown Berkeley's office space is currently offered at up to \$4 per square foot. This is slightly lower than the \$4.36 per square foot the agency is currently paying for its office space. Several available office spaces offer more than 10,000 square feet on one floor. A space of this size is considerably larger than the agency's current office space, which has 6,759 square feet spread between two floors. While the additional square footage is needed to increase agency capacity, it will come at a substantial cost.

Based on the information provided by the agency's commercial real estate agent, upfront costs for entering a lease agreement for office space will include payment of the initial months' rent, a

security deposit of up to 3 months' rent, and moving expenses. The total costs for these items could be as high as \$200,000, which is reflected in the proposed budget recommendation.

Staff is also contracting with an architectural firm to create floorplans that test how the agency's needs can be accommodated in the available office suites.

Staff is hopeful that tenant improvements, several months of free rent, and possible reimbursement of architectural services can be negotiated as part of any new lease agreement. However, any lease negotiation has a wide range of possible outcomes, and the Board may be required to pay some additional upfront costs.

A possible worst-case scenario is that the agency will need to extend the lease at its current location to allow for the completion of tenant improvements in a new office space.

If the agency relocates to an office space of over 10,000 square feet, the Board's expenditures for building rent could increase by up to \$200,000 for FY 2024/25. The agency currently pays around \$350,000 per year in rent, which could go up to \$550,000 per year for a larger office space. The rental rate would then continue to increase incrementally throughout the lease term, and annual expenditures for the agency office space could approach \$750,000 by the end of a 10-year lease agreement. Relocating to new office space will require future registration fee increases, likely as soon as FY 2024/25.

Highlights of the FY 2022/23 Proposed Budget

The proposed FY 2022/23 Budget (Attachment 1) requests new spending authorization totaling \$7,506,460. This amount includes \$7,026,110 toward the agency's recurring operational expenses, \$196,526 for the office relocation (including 1st month's rent, security deposit, and moving costs), and \$277,750 for development and maintenance of the 3Di Rent Registry database, property file digitization, consultant support for annual evaluations of the Executive Director and General Counsel, and expenditures for additional staff and a commissioner training.

\$233,000 – Unallocated - To prepare for possible contingencies related to the office relocation, including upfront costs associated with tenant improvements such as architectural services, staff recommends the Board authorize \$233,000 to the agency's unallocated account. The exact area of this expenditure is not allocated, so it is available for various expenses the Board may incur when relocating offices. In the ideal circumstance, all or most of these funds would not be used, but having this unallocated funding in place is important so it can be accessed if necessary.

\$122,750 – 3Di Rent Registry - The Board adopted a one-time \$20 adjustment to the registration fee in FY 2017/18, with the \$400,000 collected placed in the Board's capital reserve

and earmarked for finding a sustainable long-term solution to the agency's database needs. The agency contracted with 3Di, Inc. in the Fall of 2020 to first develop a standalone module for Measure MM registration and then create a replacement for the previous Rent Tracking System (RTS) and case management databases. The Measure MM system launched in February of 2021, and an integrated rental registry for fully-covered units, petitions, eviction tracking, and counseling case management launched in March of 2022. This proposed expenditure reflects the second of two payments for the development and configuration of the 3Di Rent Registry platform and the annual \$62,400 payment for maintenance and support. The \$60,350 development payment would come from the Board's capital reserve funds.

\$90,000 – Property File Digitization – The proposed budget recommends allocating \$90,000, including the remaining \$60,000 in the Board's capital reserve, not already committed towards the 3Di Rent Registry, towards the digitization of the Board's property files. The property files are currently maintained in a filing system mounted to a concrete foundation. Moving this system and installing it in a new location would cost the agency around \$20,000. Property file digitization will make agency records more accessible, reduce the need for storage space, and avert the need to invest \$20,000 towards moving the existing storage system.

\$60,000 – Board & Staff Trainings -The proposed budget recommends that \$10,000 be allocated annually to the Training line item (40-63) for ongoing enhanced training opportunities for staff. An additional one-time allocation of \$50,000 is set aside in the CIP line item for professional development and DEI training for staff, as well as separate training for the Board's elected commissioners and the agency's senior leadership team.

\$40,000 – Digital Education – Investing in digital education has been an ongoing Board priority. This expenditure is proposed to pay for the creation of new digital video content, as well as other forms of digital outreach.

\$10,000 – Increased Travel – The Board recently expressed interest in traveling to attend an out-of-state training. Therefore, staff recommends increasing the allocation to the Transportation & Commercial Travel (40-61/64), Meals & Lodging (40-62), and Registration Fees (40-63) line items.

Staffing Model

The proposed budget recommendation does not include any further changes to the existing staffing model, which would remain at 27.0 FTEs. The Board should anticipate receiving more details on the Executive Director and Budget & Personnel Committee's plans to add additional capacity, including recommendations on new staff positions later in FY 2023/24.

Status of the Rent Board Fund Reserve Balance

Historically, the Board has attempted to maintain a "one-to-two-month" uncommitted reserve balance in the Rent Stabilization Fund. The Budget & Personnel Committee believes an 8% reserve is too low and recommends that the Board target maintaining at least two months or 16% of the agency's recurring operational budget.

The Board previously elected to go below the 8% reserve level to contain the size of fee increases and even authorized going as low as 5% to prevent a fee increase during the COVID-19 pandemic. Despite this possibility, the agency has managed to maintain a reserve of over 16% since the end of FY 2017/18, and staff anticipates the Board will end this current fiscal year with an uncommitted reserve of just over 19%. The Board should anticipate starting FY 2023/24 with a reserve balance above its targeted level. The Board will also have around \$134,000 that is still set aside in its capital reserve, around \$74,000 of which is earmarked for the ongoing development of the 3Di Rent Registry.

The proposed budget also allocates \$60,350 of the capital reserve towards the 3Di Rent Registry system and \$60,000 for the property file digitization project. This would leave the Board's capital reserve with a remaining total of \$13,163, which is reserved for future expenditures on possible improvements to the 3Di Rent Registry system.

With FY 2023/24 revenue projected at \$6,965,175, the staff's proposed expenditure level would reduce the Board's uncommitted reserve by up to \$420,000. While staff is hopeful that the office relocation will not require this maximum expenditure, the Board would still end FY 2022/23 with over 840,000 in its uncommitted reserve, an amount which is equal to exactly 12% of its recurring operational budget of \$7,026,110. The proposed reduction to the Board's fund balance below the 16% target is primarily recommended because there are still so many unknowns when budgeting the costs of relocating to a new office space.

Sustainability of FUND 440 Reserve Balance

In FY 2020/21, FY 2021/22, and FY 2022/23, the adopted budget anticipated spending down the Board's uncommitted reserve, so the fund ended the year with less than 8% of recurring expenditures remaining. Savings in personnel costs from staff turnover and ongoing vacancies, as well as better than anticipated registration revenue from fully covered and Measure MM units, meant that the Board's reserve was never reduced to this level.

For FY 2023/24, staff recommends a 12% reserve target. While this is higher than the previous year's recommendation, it is lower than the recommended 16% target. If the agency continues to collect additional revenue from the registration of new partially-covered units or if the agency

can negotiate favorable lease terms for new office space, the Board's reserve balance may stay at or above the targeted 16% level.

Attachments:

1. Proposed FY 2024 Line-Item Budget with 3/4th-year FY 2023 Update and Preliminary Year-end FY 2022 actuals
2. FY 2023 and FY 2024 Graphic Overview of Changes in Rent Board Expenditures
3. Proposed FY 2023/24 Position Detail grouped by unit, classification and job duty

**Rent Stabilization Program
FUND 440
FY 2023 3rd Quarter Budget Update and Proposed FY 2024 Budget**

Code	Description	Adopted FY 2022	Prelim. Year-End FY 2022	Adopted FY 2023	Actual 3/4ths FY 2023	Projected FY 2023	Proposed FY 2024
11-01	Monthly Employees	2,850,000	2,362,632	3,015,000	1,963,297	2,750,000	3,265,000
11-03	Hourly Employees	0	0	0	0	0	0
13-01	Overtime	2,000	476	1,000	0	1,000	1,000
27-20	Benefits	1,800,000	1,580,209	2,075,000	1,250,560	1,955,000	2,225,000
30-12	Stipends	53,500	53,250	154,000	118,966	154,000	164,000
30-12b	Technology Stipend			30,000	30,000	30,000	5,000
30-23	Misc. Legal Expenses	20,000	41,756	85,000	52,872	160,000	20,000
30-36	Temp. Agency Employees	5,000	25,414	25,000	47,720	153,000	10,000
30-38	Misc. Professional Services	410,000	475,811	378,500	284,814	389,000	402,800
30-42	Office Equip. Mtc. Svcs. / Furniture	13,000	9,962	13,000	10,283	13,000	25,000
30-43	Bldg. & Structures Mtc. Svc.	500	424	500	341	500	500
30-51	Bank Credit Card Charges	25,000	10,702	25,000	13,079	25,000	20,000
40-10	Professional Dues & Intern Fees	3,000	139	2,000	1,993	2,000	2,000
40-31	Telephones	5,000	8,802	7,000	5,792	8,000	9,000
40-50	Printing and Binding	35,000	25,871	30,000	18,471	30,000	30,000
40-62	Meals & Lodging	1,000	0	1,000	0	500	7,000
40-63	Registration Fees/Training	12,000	1,393	12,000	2,897	12,000	13,000
40-61/64	Transportation & Commercial Travel	3,000	73	3,000	8	1,000	4,000
40-70	Advertising/public access	45,000	42,142	50,600	30,604	50,600	99,100
40-80	Books & Publications	13,000	15,396	13,000	10,597	13,000	13,000
50-10	Rental of Land / Buildings	375,000	346,284	370,000	297,026	370,000	528,405
51-10	Postage	40,000	5,945	35,000	24,720	35,000	35,000
51-20	Messenger / Delivery	500	37	500	16	500	500
55-11	Office Supplies	13,500	11,015	13,500	11,381	13,500	13,500
55-50	Food and Water	1,000	1,121	1,000	4,480	4,500	2,500
70-43	Office Equipment and Furniture	5,000	0	5,000	0	5,000	5,000
70-44	Computers, Printers, Software	12,000	35,778	15,000	23,358	25,000	10,000
75-25	PC Replacement/City Software Licences	74,305	74,305	74,305	55,728	74,305	74,305
75-35	Mail Services	3,600	3,600	3,600	2,700	3,600	3,600
75-50	City Vehicle / Fuel & Maint.	1,500	1500	1,500	0	4,500	7,500
	Displacement Reimbursement Offset	0	12480	0	12,480	0	0
	Unallocated	0	0	0	0	0	233,000
	Expenditure Subtotal**	5,822,405	5,146,517	6,440,005	4,274,181	6,283,505	7,228,710
	Special Projects (RTS Upgrade, online registration, training)	453,130	85,780	358,100	173,726	318,940	277,750
	Annual Capital Reserve	0	0	0	0	0	0
		Adopted FY 2022	Prelim. Year-End FY 2022	Adopted FY 2023	Actual 3/4ths FY 2023	Projected FY 2023	Proposed FY 2024
	Total Authorized Fund Expenditures*	6,275,535	5,232,297	6,798,105	4,447,907	6,602,445	7,506,460
	Fully-covered Unit Revenue	5,010,000	5,468,342	4,885,000	4,235,941	4,350,000	5,725,000
	Measure MM Revenue	300,000	674,069	600,000	587,334	600,000	946,600
	Registration Penalties	75,000	225,297	150,000	396,809	425,000	250,000
	Fair Chance Ord. Administration	115,850	0	50,000	41,575	41,575	41,575
	Misc. (Project review, Settlements, Admin. Fees)	15,000	1,877	2,000	1,180	1,500	2,000
	Total Authorized Fund Revenue*	5,515,850	6,369,586	5,687,000	5,262,839	5,418,075	6,965,175
	Annual Surplus/Shortfall	(759,685)	1,137,289	(1,111,105)	814,932	(1,184,370)	(541,285)
	Previous FY Carryover Expenditures		37,500				
	FY 23 Registration Revenue***		775,359				
	Registration Year Revenue		5,594,226		6,038,198	6,193,434	
	FUND BALANCE (cash basis)	685,064	2,582,038	1,470,933	3,396,970	1,397,668	856,383
	FUND BALANCE (accrual basis)	647,564	1,769,178	658,073	3,359,470	1,397,668	856,383
	TOTAL UNCOMMITTED OPERATIONAL FUND BALANCE	370,564	1,348,978	423,473	3,149,740	1,264,155	843,220

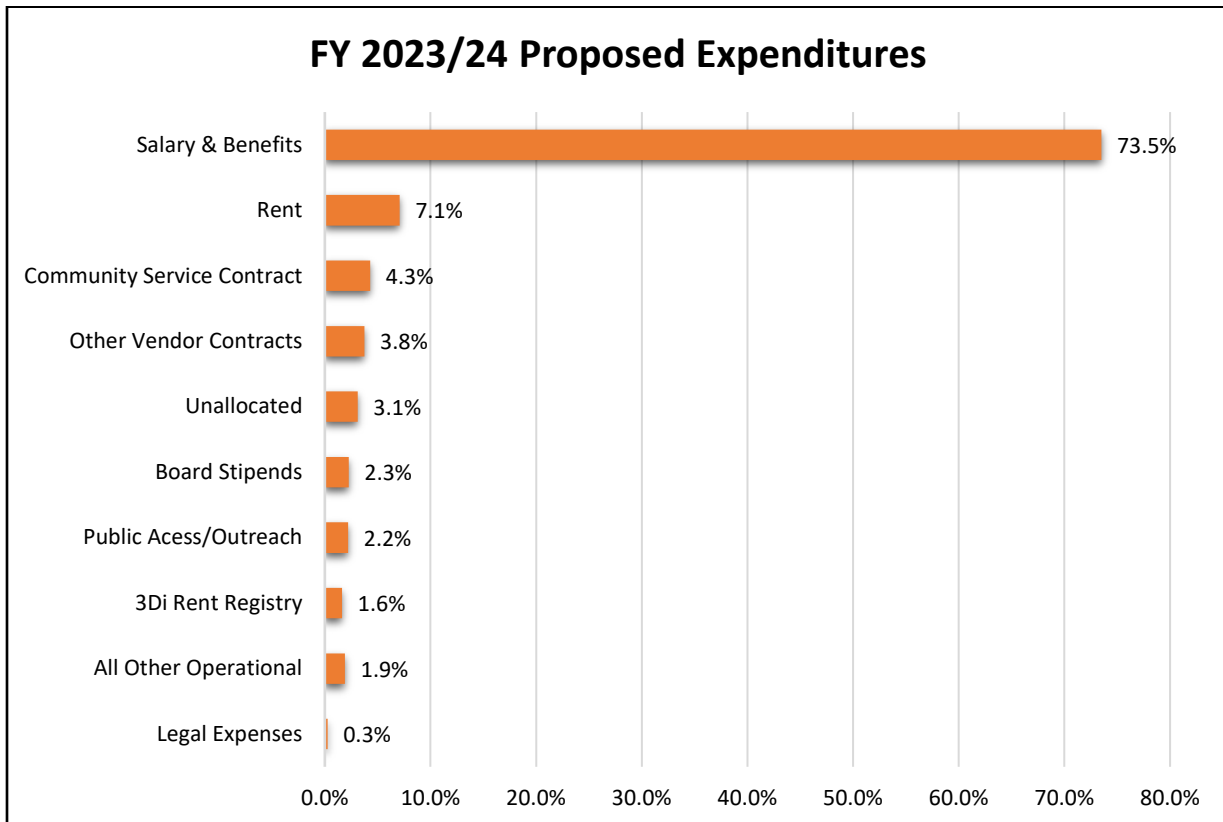
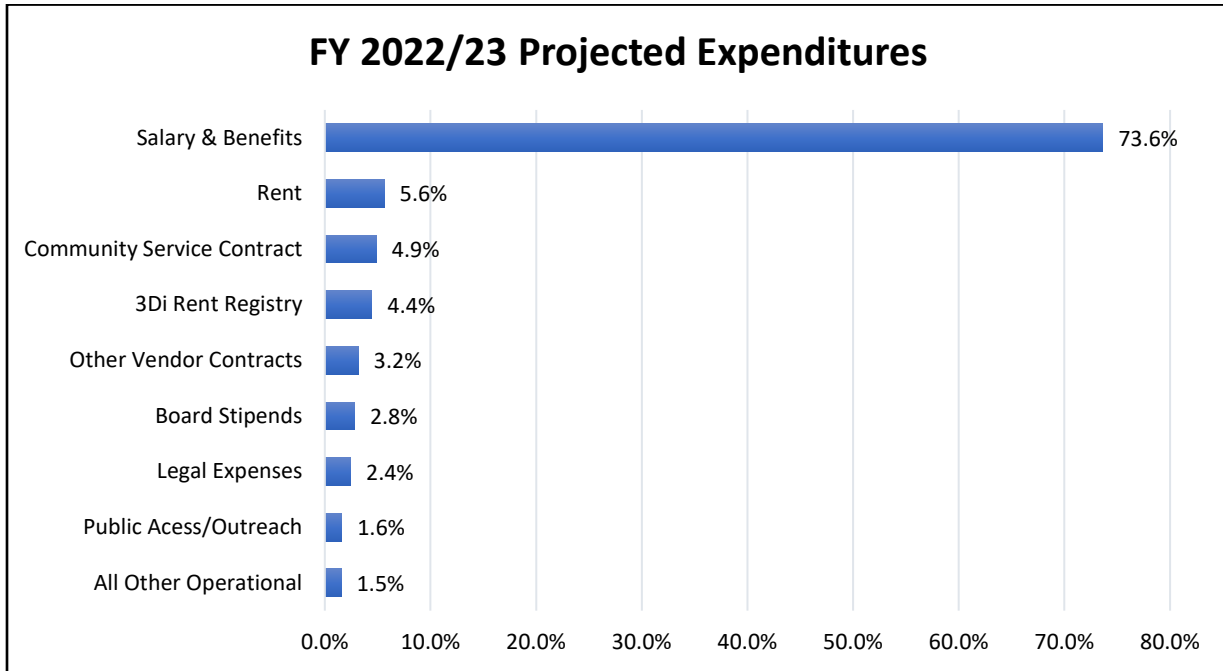
* Note: this report only reflects charges & revenues against the Rent Board Fund (Fund 440) and does not include services charged to or received from other funds

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

*** Note: \$775,359.47 in FY23 registration revenue was collected as FY22 revenue.

Graphic Overview of Changes in Rent Board Expenditures

The graphics below compare, in broad categories, how the Board budget was allocated in the current fiscal year and how it is allocated in the proposed budget.



RENT BOARD POSITION DETAIL

Sorted by Unit, Classification and Job Assignment
Budget Code 11-01 (Monthly Employees) + 11-03 (Hourly Employees)

FY 2023 Adopted		FY 2024 Proposed	
Administration / Policy Unit		Administration / Policy Unit	
Executive Director	1.00	Executive Director	1.00
Policy Director	1.00	Policy Director	1.00
Community Services Specialist II	1.00	Community Services Specialist II	1.00
Associate Management Analyst	1.00	Associate Management Analyst	1.00
Senior Planner	1.00	Senior Planner	1.00
Associate Planner	1.00	Associate Planner	1.00
Office Specialist II	1.00	Office Specialist II	1.00
Subtotal for FTE	7.00	Subtotal for FTE	7.00
		Salary/Benefit Total = \$1,321,000	
Finance Unit		Finance Unit	
Administrative & Fiscal Services Manager	1.00	Administrative & Fiscal Services Manager	1.00
Assisant Management Analyst	1.00	Assisant Management Analyst	1.00
Accounting Office Specialist III	1.00	Accounting Office Specialist III	1.00
Subtotal for FTE	3.00	Subtotal for FTE	3.00
		Salary/Benefit Total = \$565,000	
Legal Unit		Legal Unit	
General Counsel	1.00	General Counsel	1.00
Staff Attorney II	2.00	Staff Attorney II	2.00
Subtotal for FTE	3.00	Subtotal for FTE	3.00
		Salary/Benefit Total = \$940,000	
Hearings Unit		Hearings Unit	
Senior Hearing Examiner	1.00	Senior Hearing Examiner	1.00
Legal Secretary	1.00	Legal Secretary	1.00
Subtotal for FTE	2.00	Subtotal for FTE	2.00
		Salary/Benefit Total = \$435,000	
Registration Unit		Registration Unit	
Senior Management Analyst	1.00	Senior Management Analyst	1.00
Community Services Specialist II	1.00	Community Services Specialist II	1.00
Office Specialist III	1.00	Office Specialist III	1.00
Office Specialist II	2.00	Office Specialist II	2.00
Subtotal for FTE	5.00	Subtotal for FTE	5.00
		Salary/Benefit Total = \$768,000	
Public Information Unit		Registration & Public Information Units	
Community Services Specialist III	1.00	Community Services Specialist III	1.00
Community Services Specialist II	5.00	Community Services Specialist II	5.00
Office Specialist II	1.00	Office Specialist II	1.00
Subtotal for FTE	7.00	Subtotal for FTE	7.00
		Salary/Benefit Total = \$1,215,000	
Total RSB Staff	27.00	Total RSB Staff	27.00

Board Approved Changes in FY 2023 include the following:

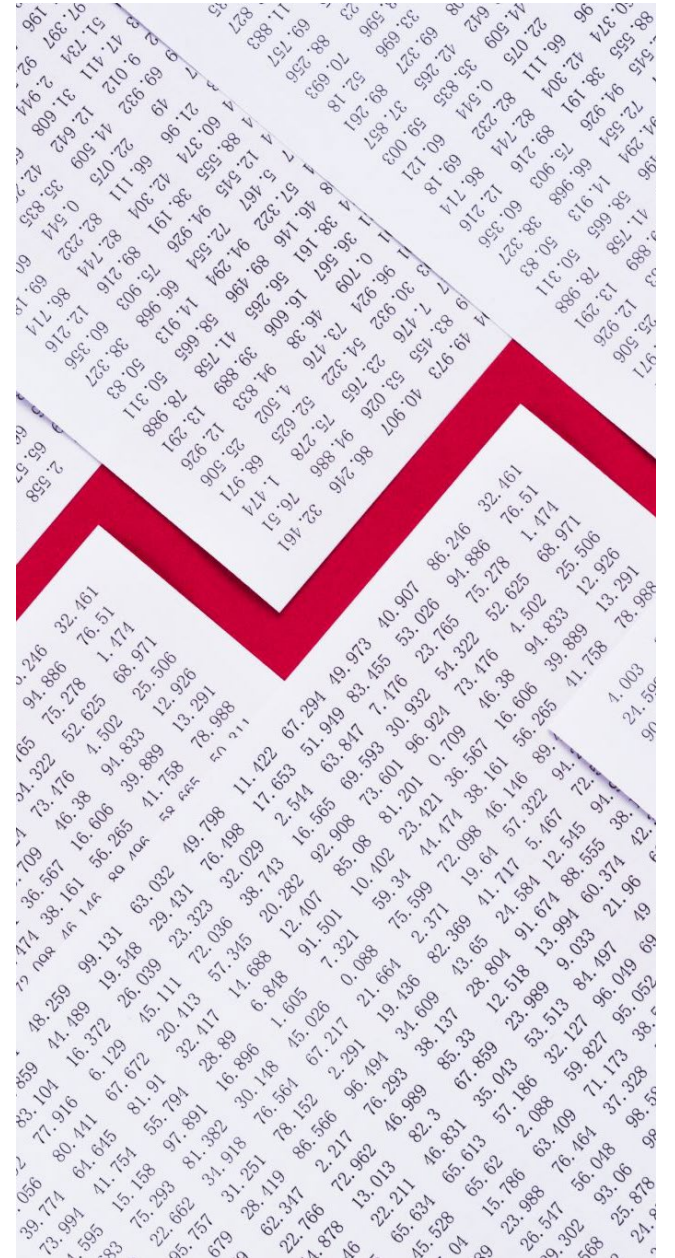
Create a 1.0 FTE Policy Director
Eliminate a 1.0 FTE Deputy Director
Increase Senior Management Analyst to 1.0 FTE
Increase Community Services Specialist III to 1.0 FTE
Add 1.0 FTE Administrative & Fiscal Services Manager
Add 1.0 FTE Assisant Management Analyst

No Proposed Changes for FY 2024

Distributed at the Meeting
Item 7.

FY 2023/24 Budget Recommendation

Budget & Personnel Committee



Budget 101

Five Questions

How much money are we starting with?

How much revenue is projected?

What cost increases are anticipated?

What new expenditures are required and needed?

What is the Board's reserve level for next fiscal year?

Q: How much money are we starting with?

A: FY 2023 Year-End Projections

Year-End Uncommitted Reserve:

\$1,264,000



Capital Reserve: \$133,513

Q: How much FY 2024 revenue?

A: Projected using # units & registration fees

Revenue Type	FY 2023 Units	FY 2023 Total	FY 2024 Units	FY 2024 Total
Fully-Covered Units	19,600 x \$250	= \$4.9 Million	19,600 X \$290	= \$5.68 Million
Measure MM Units	5,000 x \$150	= \$750,000	5,200 X \$178	= \$925,000
Totals	24,600 Units	= \$5.65 Million	24,800 Units	= \$6.6 Million

FY 2024 Revenue Projections

Revenue Type	FY 2024 Projected
Fully-Covered Units	\$5,725,000
Measure MM Units	\$946,600
Penalties	\$250,000
Fair Chance Ord.	\$41,576
Misc. Fees	\$2,000
Total Projected Revenue	\$6,965,175

Q: What costs are increasing?

A: FY 2024 Non-Negotiable Cost Increases +750,000

Personnel Costs (Cola + Benefit increases) +150,000



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graph TD; A[Personnel Costs (Cola + Benefit increases) +150,000] --> B[Establishing Finance Unit +$565,000]; B --> C[Building Rent & School Board +$20,000]; C --> D[Board Stipend + $10,000]; D --> E[Possible Small Increases to Vendor contracts +$5,000];
```

Establishing Finance Unit +\$565,000

Building Rent & School Board +\$20,000

Board Stipend + \$10,000

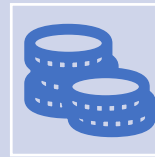
Possible Small Increases to Vendor contracts +\$5,000

Q: What new expenditures are required and needed?

A: Office Relocation



Upfront Costs + \$200,000



Potential Other Costs
+ \$233,000

Budgeting for FY 2024

Agency Priorities

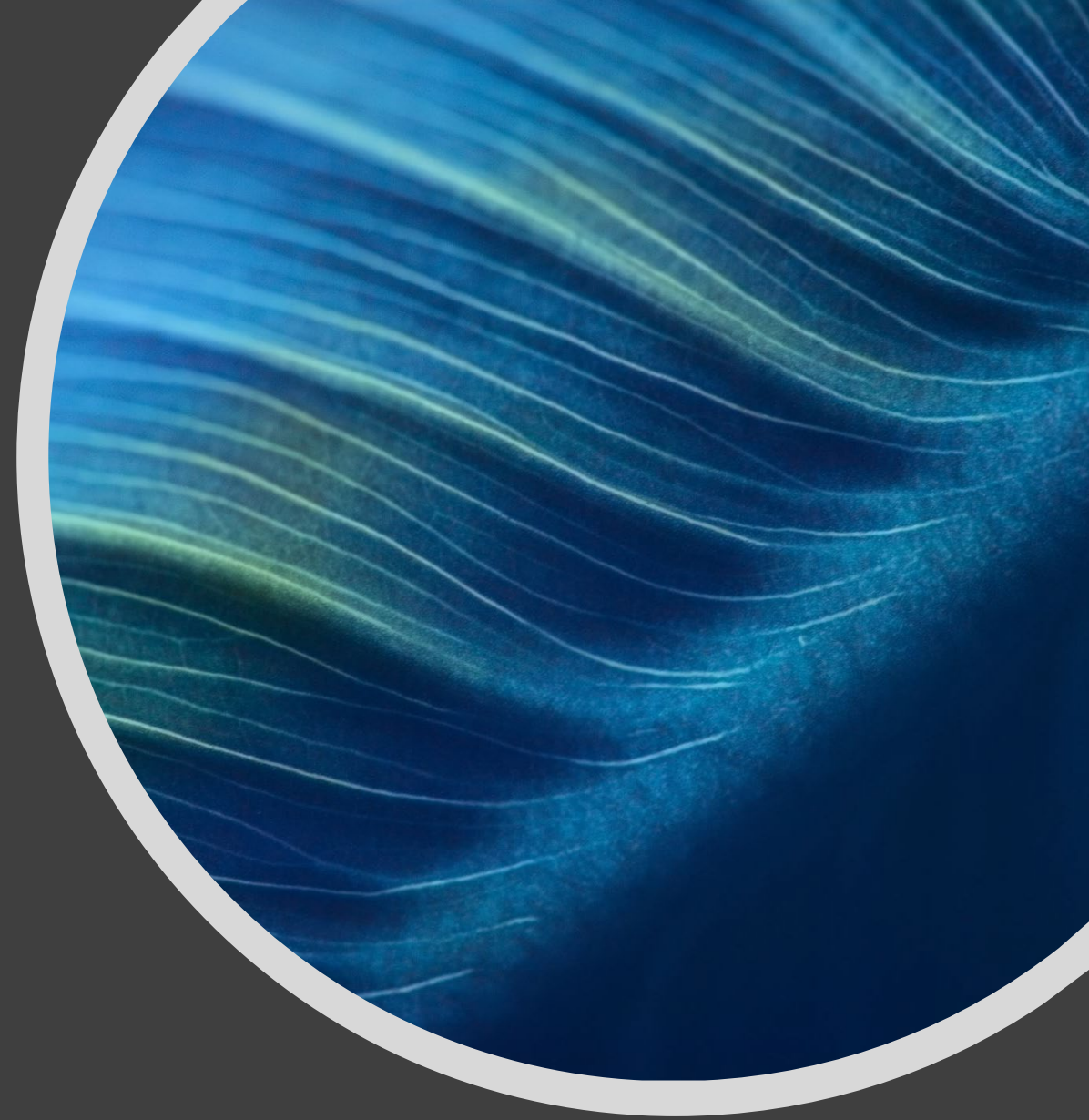
 Max Estimated Office Relocation \$433,000

 Digitizing Property Files \$95,000

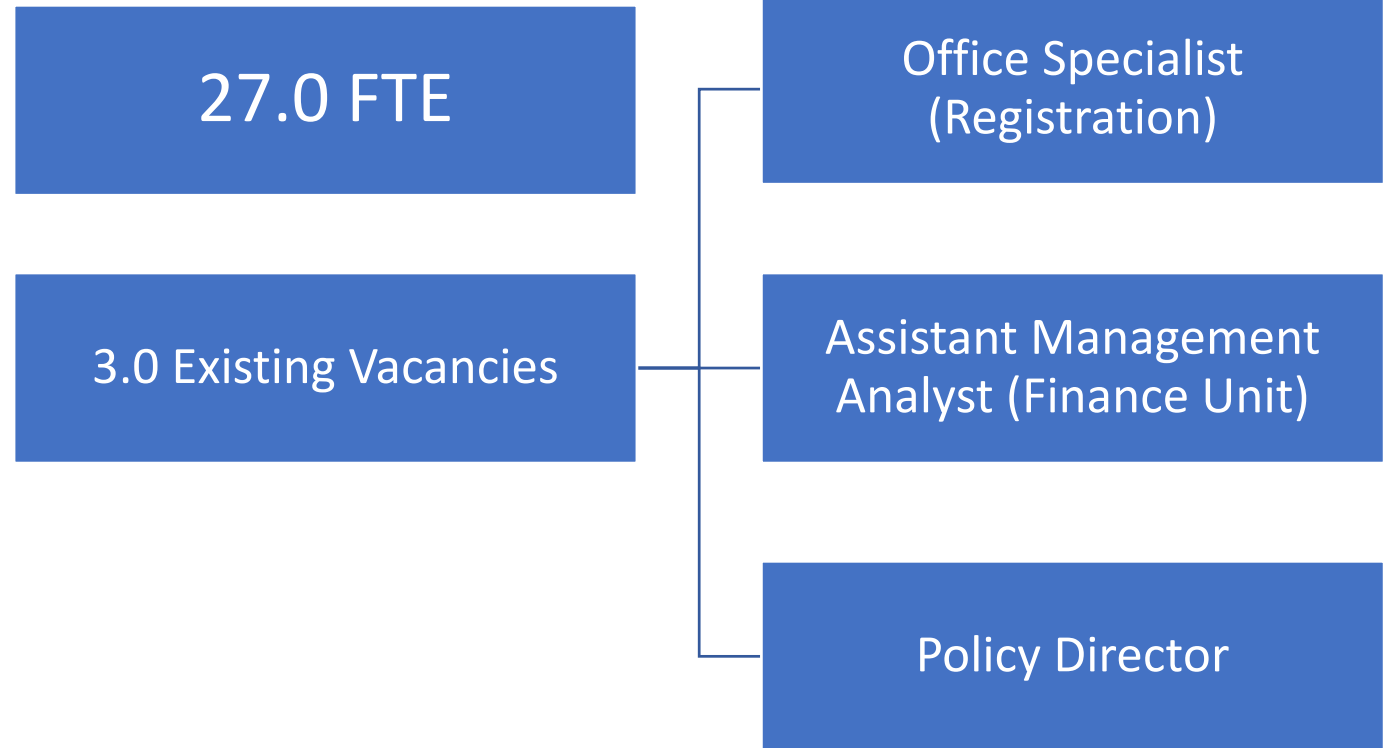
 Staff and Board Trainings \$60,000

 Digital Education \$40,000

 Increased Travel +\$10,000



Staffing Model



FY 2024 Budget Recommendation



\$7,043,610 in recurring expenditures



\$120,350 from capital reserve
(3Di development & file digitization)



\$433,000 office relocation expenditure



\$7,506,460 spending level

Q: What is the Board's reserve level for FY 24?

A: Board Uncommitted Reserve Policy

**Staff
Recommends
a 12% Reserve for
FY 2024**

Rent Board Budget Snapshot

	Actual 3/4ths FY 2023	Projected FY 2023	Proposed FY 2024
Total Authorized Fund Expenditures	4,447,907	6,602,445	7,506,460
Fully-covered Unit Revenue	4,235,941	4,350,000	5,725,000
Measure MM Revenue	587,334	600,000	946,600
Registration Penalties	396,809	425,000	250,000
Fair Chance Ord. Administration	41,575	41,575	41,575
Misc. (Project review, Settlements, Admin. Fees)	1,180	1,500	2,000
Total Authorized Fund Revenue	5,262,839	5,418,075	6,965,175
<i>FY 23 Registration Revenue</i>	775,359	775,359	
Annual Surplus/Shortfall	39,573	(409,011)	(541,285)
FUND BALANCE (cash basis)	3,396,970	1,397,668	856,383
FUND BALANCE (accrual basis)	3,396,970	1,397,668	856,383
TOTAL UNCOMMITTED RESERVE BALANCE	3,149,740	1,264,155	843,220

Budget & Personnel Committee

FY 2024 Budget Recommendation



FY 2024 revenue projection of **\$6,965,175**



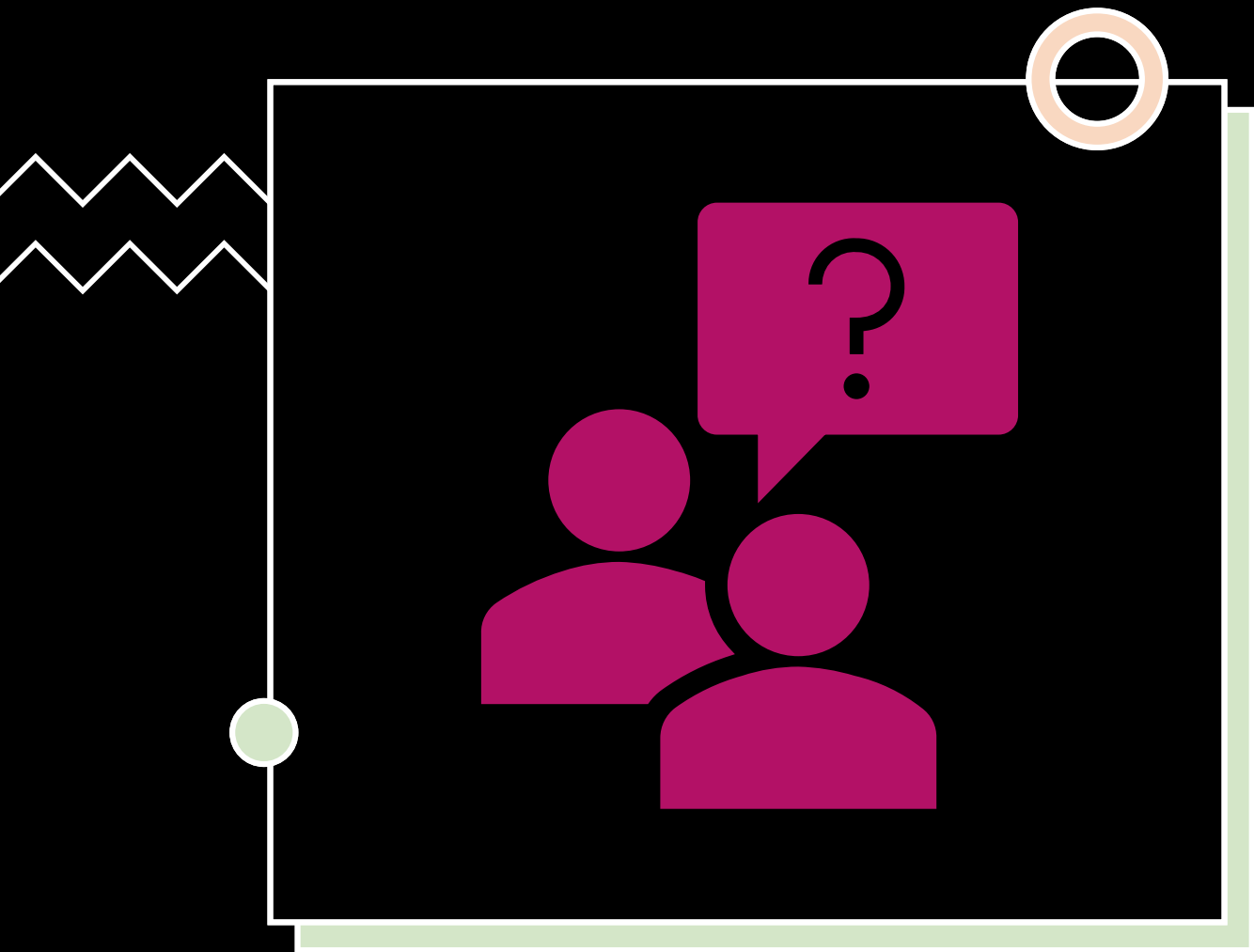
Proposed FY 2024 Expenditures of **\$7,506,460**



Staff proposes to target 12% Reserve



Committee must make budget recommendation to full Board



Questions

