

Housing Authority of the



City of Riverbank

Burney Villa Homes • Henrietta F. Rossi Apts. • Fred W. Scheala Apts

To: Board of Commissioners
From: Barbara S. Kauss, Executive Director
Date: February 26, 2018
Subject: Proposed Budget HUD Conventional Public Housing
Prepared By: Linh Luong, Director of Finance
Resolution No. 722

RECOMMENDATION

Staff recommends the Commission adopt the attached resolution approving the United States Department of Housing & Urban Development (HUD) Conventional Public Housing operating budget for fiscal year 2018-2019

SUMMARY

The 2018-2019 Fiscal Year Budget was prepared with the following assumptions:

1. The projected interest rate for investment returns is 1.2% for fiscal year 2018-2019.
2. The inflation factor used in estimating the budget proposal is 4%.
3. Utilities – There is a proposed 15% increase in water, 28% in sewer, 10% in electric, gas and 5% in garbage.
4. Fringe Benefits – CalPERS expense estimated as 10.634% for fiscal year 2018-2019.
5. The annual expense paid to the Housing Authority of the County of Stanislaus (HACS) is the same as last year. The total proposed annual costs will be \$99,816.

The following recap of the Authority's proposed budget for the Fiscal Year 2018-2019 as compared to the 2017-2018 budget:

The projected Operating Fund Subsidy for the 2018- 2019 fiscal year is \$78,000. Staff estimated that HUD will fund 82% of the calculated subsidy amount. This estimated subsidy is subject to HUD approval. The actual subsidy amount will be calculated later in the year and will apply for the calendar year 2019.

The total revenue increase by \$15,710 or 3.89% is due to the increase in rental revenue and interest income. The total expenditures increased by \$13,130 or 2.66%. This is due to the increases in administrative expense, utilities expense, maintenance expense, and offset by a decrease in general expense. This budget has \$1,615 projected to go to reserve.

ATTACHMENTS

Proposed fiscal year 2018-2019 budget
Resolution No.722

**CONVENTIONAL PUBLIC HOUSING BUDGET
HOUSING AUTHORITY CITY OF RIVERBANK
BUDGET COMPARISON
2018 VS. 2019**

LINE #	ITEM	BUDGET	BUDGET	BUDGET	BUDGET	COMMENTS
		2017-2018	2018-2019	DIFF.	DIFF.	
		90 UNITS	90 UNITS	\$	%	
	OPERATING RECEIPTS					
1	DWELLING RENTALS	\$390,870	\$400,620	\$9,750	2.49%	Calculated based on the current actual rental income with a vacancy allowance of 3%
2	INTEREST	\$7,660	\$13,620	\$5,960	77.81%	Increase is due to increase in reserve and interest rate
3	OTHER RECEIPTS	\$5,000	\$5,000	\$0	0.00%	
4	TOTAL OPERATING REC.	\$403,530	\$419,240	\$15,710	3.89%	
5	TOTAL RECEIPTS	\$403,530	\$419,240	\$15,710	3.89%	
	OPERATING EXPENDITURES					
	ADMINISTRATION:					
6	SALARIES	\$132,240	\$139,120	\$6,880	5.20%	Increase due to COLA increase for Occupancy Clerk position and management Fees
7	OTHER ADMIN. EXP.	\$30,090	\$27,540	-\$2,550	-8.47%	Decrease due to one time replacement of copier budgeted for last fiscal year
8	TOTAL ADMIN. EXP.	\$162,330	\$166,660	\$4,330	2.67%	
	UTILITIES:					
9	UTILITIES	\$82,030	\$83,210	\$1,180	1.44%	Increase cost in water and sewer expense
10	TOTAL UTILITIES EXP.	\$82,030	\$83,210	\$1,180	1.44%	
	ORDINARY MAINTENANCE:					
11	LABOR	\$53,280	\$53,850	\$570	1.07%	COLA increase for Maintenance Worker Position
12	MATERIALS	\$20,590	\$20,590	\$0	0.00%	Increase in paint and appliances
13	CONTRACT COSTS	\$52,890	\$65,640	\$12,750	24.11%	Increase in landscape contract expense
14	TOTAL ORDINARY MAINT.	\$126,760	\$140,080	\$13,320	10.51%	
	PROTECTIVE SERVICES :					
15	CONTRACT COSTS	\$1,190	\$1,190	\$0	0.00%	
16	TOTAL SERVICES	\$1,190	\$1,190	\$0	0.00%	
	GENERAL EXPENSE:					
17	INSURANCE	\$30,800	\$30,510	-\$290	-0.94%	The decrease is due to the decreases in Workers Compensation insurance and offset by an increase in liability insurance
18	P.I.L.O.T.	\$30,890	\$31,740	\$850	2.75%	Increase due to increase in rental income

**CONVENTIONAL PUBLIC HOUSING BUDGET
HOUSING AUTHORITY CITY OF RIVERBANK
BUDGET COMPARISON
2018 VS. 2019**

LINE #	ITEM	BUDGET	BUDGET	BUDGET	BUDGET	COMMENTS
		2017-2018	2018-2019	DIFF.	DIFF.	
		90 UNITS	90 UNITS	\$	%	
19	EMPLOYEE BENEFIT CONT.	\$46,400	\$40,140	-\$6,260	-13.49%	The decrease in medical expense and offset by an increase in PERS expense
20	COLLECTION LOSSES	\$6,000	\$6,000	\$0	0.00%	
21	OTHER GENERAL EXPENSES	\$0	\$0	\$0	0.00%	
22	TOTAL GENERAL EXPENSES	\$114,090	\$108,390	-\$5,700	-5.00%	
23	TOTAL ROUTINE EXPENSES	\$486,400	\$499,530	\$13,130	2.70%	
	NONROUTINE MAINTENANCE:					
24	EXTRAORDINARY MAINT.	\$0	\$0	\$0	0.00%	
	CAPITAL EXPENDITURES:					
25	REPLACEMENT EQUIPMENT	\$0	\$0	\$0	0.00%	
26	PROPERTY BETTERMENTS	\$0	\$0	\$0	0.00%	
27	TOTAL CAPITAL EXPEND.	\$0	\$0	\$0	0.00%	
28	CONTINGENCY	\$7,500	\$7,500	\$0	100.00%	
29	TOTAL EXPENDITURES	\$493,900	\$507,030	\$13,130	2.66%	
30	GAIN OR LOSS	-\$90,370	-\$87,790	\$2,580		
31	OPERATING SUBSIDY	\$84,090	\$78,000	-\$6,090	-7.24%	Projected at 82% funding level
32	CAPITAL FUND	\$10,997	\$11,405	\$408	3.71%	The administrative fee is based on the CFP Grant funding
33	NET GAIN OR LOSS	\$4,717	\$1,615	-\$3,102		

RESOLUTION NO. 722

RESOLUTION APPROVING THE CONVENTIONAL PUBLIC HOUSING OPERATING BUDGET FOR FISCAL YEAR 2018-2019

WHEREAS, the Housing Authority of the City of Riverbank is administering and will continue to administer Conventional Public Housing designated as CA17-1,17-2 and 17-3 and located in the City of Riverbank; and

WHEREAS, an operating budget has been prepared for said projects.

NOW THEREFORE BE IT RESOLVED, by the Commissioners of the Housing Authority of the City of Riverbank, that;

1. The proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low income families.
2. The financial plan is reasonable in that:
 - a. It indicates a source of funding adequate to cover all proposed expenditures.
 - b. It does not provide for funding in excess of income.
3. All proposed charges and expenditures will be consistent with provisions of law and Annual Contributions Contract.
4. That no PHA employee reflected in the Operating Budget is serving in a variety of positions which will exceed a 100% allocation of his/her time.
5. The Conventional Public Housing Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
6. That the Management Agreement with the Housing Authority of the County of Stanislaus is extended for an additional year and that the management fee and asset management fee under the Agreement remain the same as last year, \$99,816.00.
7. Said Conventional Public Housing Operating Budget is on file in the office of the Housing Authority of the County of Stanislaus and is more particularly identified as follows:

<u>Term</u>	<u>Program</u>	<u>Amount</u>
07/01/2018 through 06/30/2019	Conventional Public Housing	\$507,030

DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Housing Authority of the City of Riverbank this 26th day of February 2018

On a motion of Commissioner _____, seconded by Commissioner _____, and of the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Approved: _____
Chairman

Attest: _____
Secretary

RESOLUTION NO. 722

**RESOLUTION APPROVING THE CONVENTIONAL PUBLIC HOUSING
OPERATING BUDGET FOR FISCAL YEAR 2018-2019**

WHEREAS, the Housing Authority of the City of Riverbank is administering and will continue to administer Conventional Public Housing designated as CA17-1,17-2 and 17-3 and located in the City of Riverbank; and

WHEREAS, an operating budget has been prepared for said projects.

NOW THEREFORE BE IT RESOLVED, by the Commissioners of the Housing Authority of the City of Riverbank, that;

1. The proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low income families.
2. The financial plan is reasonable in that:
 - a. It indicates a source of funding adequate to cover all proposed expenditures.
 - b. It does not provide for funding in excess of income.
3. All proposed charges and expenditures will be consistent with provisions of law and Annual Contributions Contract.
4. That no PHA employee reflected in the Operating Budget is serving in a variety of positions which will exceed a 100% allocation of his/her time.
5. The Conventional Public Housing Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
6. That the Management Agreement with the Housing Authority of the County of Stanislaus is extended for an additional year and that the management fee and asset management fee under the Agreement remain the same as last year, \$99,816.00.
7. Said Conventional Public Housing Operating Budget is on file in the office of the Housing Authority of the County of Stanislaus and is more particularly identified as follows:

<u>Term</u>	<u>Program</u>	<u>Amount</u>
07/01/2018 through 06/30/2019	Conventional Public Housing	\$507,030

DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Housing Authority of the City of Riverbank this 26th day of February 2018

On a motion of Commissioner _____, seconded by

Commissioner _____, and of the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Attest: _____

Secretary

Approved: _____

Chairperson