



## Stanislaus Regional Housing Authority

ALPINE | AMADOR | CALAVERAS | INYO | MARIPOSA  
MONO | STANISLAUS | TUOLUMNE COUNTIES

Date: July 14, 2022

To: Board of Commissioners

From: Jim Kruse, Executive Director

Subject: Action Item #6: Proposed USDA Farm Labor Budget for Fiscal Year 2022-2023

Prepared By: Linh Luong, Director of Finance

Resolution No. 21-22-26

### RECOMMENDATION

After review and discussion, staff recommends the Board of Commissioners adopt the attached resolution approving the United States Department of Agriculture (USDA) Farm Labor operating budget for fiscal year 2022-2023.

### SUMMARY

USDA Farm Labor is a subsidized housing project financed through USDA. USDA requires the Authority to submit budget proposal by August 1 of each year.

The 2022-2023 Fiscal Year Budget was prepared with the following assumptions:

1. The interest rate for investment returns for all programs is .37% for fiscal year 2022-2023.
2. The inflation factor used in estimating the budget proposal is 4%.
3. Fringe Benefits - PERS retirement expense estimate is 14.1%.
4. Insurance – The rate for property insurance increased 15% and rate liability insurance increased 13.9% for 2022-2023 fiscal year.
5. Utilities – The rate increase for water, sewer and electric of 5%.
6. Employee benefits included employee wellness program.

The following are recaps of our Authority proposed budgets for the Fiscal Year 2022-2023 as compared to the 2021-2022 budgets.



The total revenue increased by \$145,264 or 4.95% due increases in rental income and interest income. The increase in rental income is due to a proposed rent increase of 5%. The total increase in spending is \$778,022 or 26.82%. The increase in expense was due to increase in administrative, utilities, maintenance expenses and insurance expense. The reserve fund will be used for tree removal, fence replacement, exterior painting, roof replacement, window replacement, irrigation and landscaping improvements, parking lot repairs, walkway repairs, shop gate replacement, HVAC replacement and surveillance cameras. The net increase for operating expense is \$145,502 or 5.49%. This budget has \$1,247 projected to go to reserve.

## ATTACHMENTS

1. Proposed fiscal year 2022-2023 operating budget
2. Proposed rental income
3. Resolution 21-22-26

For budgeted tree removal, fence replacement, exterior painting, roof replacement, window replacement, irrigation and landscaping improvements, parking lot repairs, walkway repairs, shop gate replacement, HVAC replacement & surveillance cameras

FARM LABOR  
 BUDGET COMPARISON  
 2022 VS. 2023

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2021-2022	2022-2023	BUDGET		
		FARM LABOR	FARM LABOR	DIFF.		
	<b>OPERATING RECEIPTS</b>					
1	DWELLING RENTALS	\$2,813,919	\$2,953,025	\$139,106	4.94%	The increase is due to a proposed 5% rent increase
2	INTEREST	\$12,262	\$18,420	\$6,158	50.22%	Increase due to a projected increase in the interest rate
3	OTHER RECEIPTS	\$111,305	\$111,305	\$0	0.00%	
4	<b>TOTAL OPERATING REC.</b>	<b>\$2,937,486</b>	<b>\$3,082,750</b>	<b>\$145,264</b>	<b>4.95%</b>	
5	ADMIN. FEE					
6	MONITORING FEE					
7	<b>TOTAL RECEIPTS</b>	<b>\$2,937,486</b>	<b>\$3,082,750</b>	<b>\$145,264</b>	<b>4.95%</b>	
	<b>OPERATING EXPENDITURES</b>					
	<b>ADMINISTRATION:</b>					
8	SALARIES	\$465,551	\$470,076	\$4,525	0.97%	Increase due to COLA and merit increases & staff proration changes
9	FRINGE BENEFITS	\$235,483	\$239,185	\$3,702	1.57%	Increase due to salary changes, per above, increased Employer PERS contribution and Payroll Taxes.
10	OTHER ADMIN. EXP.	\$77,100	\$69,575	-\$7,525	-9.76%	Decrease in audit services contract and other admin fees
11	<b>TOTAL ADMIN. EXP.</b>	<b>\$778,134</b>	<b>\$778,836</b>	<b>\$702</b>	<b>0.09%</b>	
	<b>UTILITIES:</b>					
12	UTILITIES	\$735,455	\$853,700	\$118,245	16.08%	Increase due to increases in water and sewer charges (Ceres & Patterson) & Westley Water Well & Sewer Pump Costs
13	<b>TOTAL UTILITIES EXP.</b>	<b>\$735,455</b>	<b>\$853,700</b>	<b>\$118,245</b>	<b>16.08%</b>	
	<b>ORDINARY MAINTENANCE:</b>					
14	LABOR	\$319,363	\$327,003	\$7,640	2.39%	Increase due to COLA and merit increases
15	FRINGE BENEFITS	\$137,805	\$142,447	\$4,642	3.37%	Increase due to salary changes, per above, increased Employer PERS contribution and Payroll Taxes.
16	MATERIALS	\$156,600	\$156,600	\$0	0.00%	
17	CONTRACT COSTS	\$154,000	\$154,000	\$0	0.00%	
18	<b>TOTAL ORDINARY MAINT.</b>	<b>\$767,768</b>	<b>\$788,450</b>	<b>\$12,282</b>	<b>1.60%</b>	
	<b>GENERAL EXPENSE:</b>					
19	INSURANCE	\$131,230	\$137,103	\$5,873	4.48%	Increase in property & liability insurance, offset by a decrease in workers comp
20	PAYMENTS ON NOTES	\$238,614	\$238,614	\$0	0.00%	
21	<b>TOTAL GENERAL EXPENSES</b>	<b>\$369,844</b>	<b>\$375,717</b>	<b>\$5,873</b>	<b>1.59%</b>	
22	<b>TOTAL ROUTINE EXPENSES</b>	<b>\$2,651,201</b>	<b>\$2,796,703</b>	<b>\$145,502</b>	<b>5.49%</b>	
	<b>NONROUTINE MAINTENANCE:</b>					

FARM LABOR  
 BUDGET COMPARISON  
 2022 VS. 2023

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2021-2022	2022-2023	BUDGET		
		FARM LABOR	FARM LABOR	DIFF.		
23	EXTRAORDINARY MAINT.	\$0	\$0	\$0	0.00%	
	<b>CAPITAL EXPENDITURES</b>					
24	REPLACEMENT EQUIPMENT	\$0	\$0	\$0	0.00%	
25	PROPERTY BETTERMENTS	\$250,000	\$882,500	\$632,500	253.00%	For budgeted tree removal, fence replacement, exterior painting, roof replacement, window replacement, irrigation and landscaping improvements, parking lot repairs, walkway repairs, shop gate replacement, HVAC replacement & surveillance cameras
26	TOTAL CAPITAL EXPEND.	\$250,000	\$882,500	\$632,500	253.00%	
27	TOTAL EXPENDITURES	\$2,901,201	\$3,679,203	\$778,002	26.82%	
28	GAIN OR LOSS	\$36,285	-\$596,453			
29	RESERVE REQUIREMENTS	\$284,800	\$284,800	\$0		
30	FARM LABOR RESERVE	\$250,000	\$882,500			
31		\$1,485	\$1,247			



**Stanislaus Regional Housing Authority**

ALPINE | AMADOR | CALAVERAS | INYO | MARIPOSA  
MONO | STANISLAUS | TUOLUMNE COUNTIES

**RESOLUTION NO. 21-22-26**

**RESOLUTION APPROVING THE STANISLAUS REGIONAL HOUSING AUTHORITY  
PERMANENT FARM LABOR CENTERS LC- 28, 29, 30 AND 31 OPERATING  
BUDGET FOR FISCAL YEAR 2022-2023**

**WHEREAS**, Stanislaus Regional Housing Authority is administering and will continue to administer Permanent Farm Labor Housing Projects, LC-28, 29, 30 and 31, located in Ceres, Patterson, Westley and Modesto, respectively; and

**WHEREAS**, it is necessary in the operation of said program that Permanent Farm Labor Housing Projects Operating Budget, therefore, be adopted, subject to approval of the United States Department of Agriculture; and

**WHEREAS**, a budget has been prepared for said projects.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of Stanislaus Regional Housing Authority, 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 State and Local law for Permanent Farm Labor.
4. The Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
5. Said permanent Farm Labor Operating Budget is filed in the office of Stanislaus Regional Housing Authority and is more particularly identified as follows:

<b>TERM</b>	<b>PROGRAM</b>	<b>AMOUNT</b>
10/01/2022 thru 9/30/2023	Farm Labor LC-28, 29, 30 & 31	\$3,679,203

**DULY AND REGULARLY ADOPTED** by the Board of Commissioners of Stanislaus Regional Housing Authority this 14th day of July 2022. On motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and on the following roll call vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Approved: \_\_\_\_\_  
Chairperson

Attest: \_\_\_\_\_  
Secretary