

Housing Authority of the



City of Riverbank

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

Date: February 25, 2019
To: Board of Commissioners
From: Barbara S. Kauss, Executive Director
Subject: Action Item #1: Proposed Budget HUD Conventional Public Housing
Prepared By: Linh Luong, Director of Finance
Resolution No. 726

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 2019-2020

SUMMARY

The 2019-2020 Fiscal Year Budget was prepared with the following assumptions:

1. The projected interest rate for investment returns is 2.3% for fiscal year 2019-2020.
2. The inflation factor used in estimating the budget proposal is 4%.
3. Utilities – There is a proposed 10% increase in water, 15% in sewer, 10% in electric, gas and 5% in garbage.
4. The annual management fee expense paid to the Housing Authority of the County of Stanislaus (HACS) is \$99,816, per service agreement approved resolution 720 on June 13, 2017.

The following are recaps of the Authority's proposed budget for the Fiscal Year 2019-2020 as compared to the 2018-2019 budget:

The projected Operating Fund Subsidy for the 2019- 2020 fiscal year is \$77,830. 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 2020.

The total revenue increased by \$17,010 or 4.06% is due to the increase in rental revenue, interest income and offset by a decrease in other revenue. The total expenditures increased by \$183,520 or 36.2%. This is due to increases in administrative expense, utilities expense, maintenance expense, general expense and new budget line item for Capital Fund expenses to address items in REAC inspection report (increased by 30.49%). The routine expenses only increased by 5.71%. This budget has \$9,284 projected to go to reserve.

ATTACHMENTS

Proposed fiscal year 2019-2020 budget
Resolution No. 726

**CONVENTIONAL PUBLIC HOUSING BUDGET
HOUSING AUTHORITY CITY OF RIVERBANK
BUDGET COMPARISON
2019 VS. 2020**

LINE #	ITEM	BUDGET	BUDGET	BUDGET	BUDGET	COMMENTS
		2018-2019	2019-2020	DIFF.	DIFF.	
		90 UNITS	90 UNITS	\$	%	
	OPERATING RECEIPTS					
1	DWELLING RENTALS	\$400,620	\$402,100	\$1,480	0.37%	Calculated based on the current actual rental income with a vacancy allowance of 3%
2	INTEREST	\$13,620	\$30,470	\$16,850	123.72%	Increase is due to increase in reserve and interest rate
3	OTHER RECEIPTS	\$5,000	\$3,680	-\$1,320	-26.40%	Decrease in number of tenant charges and laundry income
4	TOTAL OPERATING REC.	\$419,240	\$436,250	\$17,010	4.06%	
5	TOTAL RECEIPTS	\$419,240	\$436,250	\$17,010	4.06%	
	OPERATING EXPENDITURES					
	ADMINISTRATION:					
6	CONTRACTED SALARIES	\$139,120	\$139,810	\$690	0.50%	Increase due to COLA increase for Occupancy Clerk position
7	OTHER ADMIN. EXP.	\$27,540	\$27,540	\$0	0.00%	
8	TOTAL ADMIN. EXP.	\$166,660	\$167,350	\$690	0.41%	
	UTILITIES:					
9	UTILITIES	\$83,210	\$89,420	\$6,210	7.46%	Increase cost in water and sewer expense
10	TOTAL UTILITIES EXP.	\$83,210	\$89,420	\$6,210	7.46%	
	ORDINARY MAINTENANCE:					
11	CONTRACTED LABOR	\$53,850	\$54,700	\$850	1.58%	COLA increase for Maintenance Worker Position (Still lower than two years ago)
12	MATERIALS	\$20,590	\$30,030	\$9,440	45.85%	Increase in appliances replacement, painting supplies, flooring materials, smoke alarms, maintenance materials and plumbing materials to address items in REAC Inspection report
13	CONTRACT COSTS	\$65,640	\$76,060	\$10,420	15.87%	Increase in painting, plumbing, landscape contract expenses
14	TOTAL ORDINARY MAINT.	\$140,080	\$160,790	\$20,710	14.78%	
	PROTECTIVE SERVICES :					
15	CONTRACT COSTS	\$1,190	\$1,220	\$30	2.52%	
16	TOTAL SERVICES	\$1,190	\$1,220	\$30	2.52%	
	GENERAL EXPENSE:					
17	INSURANCE	\$30,510	\$29,460	-\$1,050	-3.44%	The decrease is due to decreases in Workers Compensation insurance
18	P.I.L.O.T.	\$31,740	\$31,270	-\$470	-1.48%	Decrease due to increase in utilities expense
19	CONTRACTED EMPLOYEE BENEFIT CONT.	\$40,140	\$42,540	\$2,400	5.98%	The increase due to increase in payroll taxes and 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	\$108,390	\$109,270	\$880	0.81%	
23	TOTAL ROUTINE EXPENSES	\$499,530	\$528,050	\$28,520	5.71%	
	NONROUTINE MAINTENANCE:					

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BUDGET COMPARISON
2019 VS. 2020

LINE #	ITEM	BUDGET	BUDGET	BUDGET	BUDGET	COMMENTS
		2018-2019	2019-2020	DIFF.	DIFF.	
		90 UNITS	90 UNITS	\$	%	
24	EXTRAORDINARY MAINT.	\$0	\$0	\$0	0.00%	
25	CAPITAL FUND EXPENSE	\$0	\$155,000	\$155,000	100.00%	Budgeted for flooring abatement services, side walk replacement, Tree removal, gutters replacement at Burney, fencing at Scheila Apts to address items in REAC inspection
	CAPITAL EXPENDITURES:					
26	REPLACEMENT EQUIPMENT	\$0	\$0	\$0	0.00%	
27	PROPERTY BETTERMENTS	\$0	\$0	\$0	0.00%	
28	TOTAL CAPITAL EXPEND.	\$0	\$0	\$0	0.00%	
29	CONTINGENCY	\$7,500	\$7,500	\$0	0.00%	
30	TOTAL EXPENDITURES	\$507,030	\$690,550	\$183,520	36.20%	Routine expenses increased by 5.71% and Capital Fund expenses increased by 30.49%
31	GAIN OR LOSS	-\$87,790	-\$254,300	-\$166,510		
32	OPERATING SUBSIDY	\$78,000	\$77,830	-\$170	-0.22%	Projected at 82% funding level
33	CAPITAL FUND	\$11,405	\$185,754	\$174,349		New Capital Fund Program (CFP) line item 1406 operations
34	NET GAIN OR LOSS	\$1,615	\$9,284	\$7,669		

Housing Authority of the



City of Riverbank

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RESOLUTION NO. 726

RESOLUTION APPROVING THE CONVENTIONAL PUBLIC HOUSING OPERATING BUDGET FOR FISCAL YEAR 2019-2020

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 is \$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>
07/01/2019 through 06/30/2020	Conventional Public Housing	\$690,550



DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Housing Authority of the City of Riverbank this 25th day of February, 2019

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

AYES:

NAYS:

ABSENT:

ABSTAIN:

Approved: _____
Chairman

Attest: _____
Secretary