



To: Board of Commissioners

From: Barbara S. Kauss, Executive Director

Date: July 29, 2019

Subject: Action Item: Proposed USDA Farm Labor Budget for Fiscal Year 2019-2020

Prepared By: Linh Luong, Director of Finance

Resolution No. 18-19-32

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 2019-2020.

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

1. The interest rate for investment returns for all programs is 1.95% for fiscal year 2019-2020.
2. The inflation factor used in estimating the budget proposal is 4%.
3. Fringe Benefits - PERS retirement expense estimate is 10.9%.
4. Insurance – The rate for Workers' Compensation, property and liability decrease for 2019-2020 fiscal year.
5. Utilities – The rate increase for water of 19%, 10% in sewer and 10% in electric.
6. Employee benefits included employee wellness program.

The following are recaps of our Authority proposed budgets for the Fiscal Year 2019-



2020 as compared to the 2018-2019 budgets.

The Total Revenue increased by \$65,033 or 2.42% due to the increase in rental income and interest income. The increase in rental income is due to a proposed rent increase of 3% and a slight increase in the vacancy rate. The total decrease in spending is \$884,839 or 26.46%. The decrease in expense was due to one time budgeted for the roofing replacement last fiscal year, lower insurance expense & debt services, and offset by an increase in administrative, utilities, maintenance materials, maintenance contracts expenses. This budget has \$5,062 projected to go to reserve.

ATTACHMENTS

1. Proposed fiscal year 2019-2020 operating budget
2. Proposed rental income
3. Resolution 18-19-32

FARM LABOR
BUDGET COMPARISON
2019 VS. 2020

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2018-2019	2019-2020	BUDGET		
		FARM LABOR	FARM LABOR	DIFF.		
	OPERATING RECEIPTS					
1	DWELLING RENTALS	\$2,482,298	\$2,550,651	\$68,353	2.75%	The increase is due to a proposed 3% rent increase, offset by a slight increase in the vacancy rate
2	INTEREST	\$97,020	\$93,700	-\$3,320	-3.42%	Decrease due to a decrease in reserve
3	OTHER RECEIPTS	\$105,305	\$105,305	\$0	0.00%	
4	TOTAL OPERATING REC.	\$2,684,623	\$2,749,656	\$65,033	2.42%	
5	ADMIN. FEE					
6	MONITORING FEE					
7	TOTAL RECEIPTS	\$2,684,623	\$2,749,656	\$65,033	2.42%	
	OPERATING EXPENDITURES					
	ADMINISTRATION:					
8	SALARIES	\$432,776	\$436,960	\$4,184	0.97%	Increase due to merit increase, additional staffing and offset by new hire salary at beginning of the range
9	FRINGE BENEFITS	\$206,627	\$221,560	\$14,933	7.23%	Increase due to increase in employer PERS contribution, retirees' medical and increase in payroll expense
10	OTHER ADMIN. EXP.	\$69,200	\$75,860	\$6,660	9.62%	Increase in legal fees and translation services pursuant to program requirements
11	TOTAL ADMIN. EXP.	\$708,603	\$734,380	\$25,777	3.64%	
	UTILITIES:					
12	UTILITIES	\$599,000	\$650,700	\$51,700	8.63%	Increase due to increases in water and sewer charges
13	TOTAL UTILITIES EXP.	\$599,000	\$650,700	\$51,700	8.63%	
	ORDINARY MAINTENANCE:					
14	LABOR	\$288,136	\$284,440	-\$3,696	-1.28%	Decrease due to new hire salary at beginning of the range
15	FRINGE BENEFITS	\$120,166	\$122,250	\$2,084	1.73%	Increase due to increase in employer PERS contribution, retirees' medical and offset by lower payroll expense
16	MATERIALS	\$149,930	\$156,040	\$6,110	4.08%	Increase in paint and maintenance materials
17	CONTRACT COSTS	\$125,850	\$153,260	\$27,410	21.78%	Increase in painting & sewer services/plumbing contract and planned tree removal
18	TOTAL ORDINARY MAINT.	\$684,082	\$715,990	\$31,908	4.66%	
	GENERAL EXPENSE:					
19	INSURANCE	\$141,230	\$120,110	-\$21,120	-14.95%	Decrease in Workers' Compensation, property & liability insurance premiums
20	PAYMENTS ON NOTES	\$253,883	\$238,614	-\$15,269	-6.01%	Decrease due to a decrease in debt service
21	TOTAL GENERAL EXPENSES	\$395,113	\$358,724	-\$36,389	-9.21%	

FARM LABOR
 BUDGET COMPARISON
 2019 VS. 2020

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	COMMENTS	
		2018-2019	2019-2020	BUDGET		
		FARM LABOR	FARM LABOR	DIFF.		DIFF. &
22	TOTAL ROUTINE EXPENSES	\$2,386,798	\$2,459,794	\$72,996	3.06%	
	NONROUTINE MAINTENANCE:					
23	EXTRAORDINARY MAINT.	\$0	\$0	\$0	0.00%	
	CAPITAL EXPENDITURES					
24	REPLACEMENT EQUIPMENT	\$0	\$0	\$0	0.00%	
25	PROPERTY BETTERMENTS	\$957,835	\$0	-\$957,835	-100.00%	Decrease due to roof replacement included on last budget
26	TOTAL CAPITAL EXPEND.	\$957,835	\$0	-\$957,835	-100.00%	
27	TOTAL EXPENDITURES	\$3,344,633	\$2,459,794	-\$884,839	-26.46%	
28	GAIN OR LOSS	-\$660,010	\$289,862	\$949,872		
29	RESERVE REQUIREMENTS	\$284,800	\$284,800	\$0		
30	FARM LABOR RESERVE	\$957,835	\$0			
31		\$13,025	\$5,062			

DWELLING RENT
 FARM LABOR 91 CENTER
 FISCAL YEAR 10/1/2019 TO 9/30/2020

# OF UNITS	BEDROOM SIZE	CURRENT MONTHLY RENT	12 ANNUAL RENT	1.0300 RENT INCREASE	RENT INC. PER UNIT	12 NEW ANNUAL RENT	2018 FMR	% OF MARKET RENT
12	1	\$521	\$75,024	\$537	\$16	\$77,328	\$809	66.38%
37	2	\$587	\$260,628	\$605	\$18	\$268,620	\$1,035	58.45%
31	3	\$655	\$243,660	\$675	\$20	\$251,100	\$1,478	45.67%
11	4	\$712	\$93,984	\$733	\$21	\$96,756	\$1,772	41.37%
		TOTAL RENT	\$673,296	TOTAL RENT		\$693,804		
		VACANY LOSS 4.7%	\$31,645	VACANY LOSS 4.9%		\$33,996		
91		NET RENT	\$641,651	NET RENT		\$659,808		

DWELLING RENT FARM LABOR 265
 FISCAL YEAR 10/1/2019 to 9/30/2020

# OF UNITS	BEDROOM SIZE	MONTHLY RENT	12 ANNUAL RENT	1.0300 NEW MONTHLY RENT	MONTHLY RENT INCREASE	12 NEW RENT TOTAL	2018 FMR	% OF MARKET RENT
CERES								
8	2	\$660 new	\$63,360	\$680	\$20	\$65,280	\$1,035	65.70%
16	3	\$765 new	\$146,880	\$788	\$23	\$151,296	\$1,478	53.32%
25	3	\$602 rehab	\$180,600	\$620	\$18	\$186,000	\$1,478	41.95%
28	3	\$537	\$180,432	\$553	\$16	\$185,808	\$1,478	37.42%
14	2	\$500	\$84,000	\$515	\$15	\$86,520	\$1,035	49.76%
12	4	\$595	\$85,680	\$613	\$18	\$88,272	\$1,772	34.59%
			\$740,952			\$763,176		
PATTERSON								
4	2	\$660 new	\$31,680	\$680	\$20	\$32,640	\$1,035	65.70%
2	3	\$765 new	\$18,360	\$788	\$23	\$18,912	\$1,478	53.32%
60	3	\$602 rehab	\$433,440	\$620	\$18	\$446,400	\$1,478	41.95%
10	3	\$602 rehab	\$72,240	\$620	\$18	\$74,400	\$1,478	41.95%
			\$555,720			\$572,352		
WESTLEY								
40	3	\$602 rehab	\$288,960	\$620	\$18	\$297,600	\$1,478	41.95%
13	2	\$542 rehab	\$84,552	\$558	\$16	\$87,048	\$1,035	53.91%
9	2	\$500	\$54,000	\$515	\$15	\$55,620	\$1,035	49.76%
1	4	\$655 rehab	\$7,860	\$675	\$20	\$8,100	\$1,772	38.09%
15	4	\$591	\$106,380	\$609	\$18	\$109,620	\$1,772	34.37%
2	3	\$765 new	\$18,360	\$788	\$23	\$18,912	\$1,478	53.32%
5	2	\$660 new	\$39,600	\$680	\$20	\$40,800	\$1,035	65.70%
			\$599,712			\$617,700		
20 TRAILER PADS (WESTLEY)		\$146	\$35,040	\$146		\$35,040		
	TOTAL		\$1,931,424	TOTAL		\$1,988,268		
	VACANCY LOSS 4.7%		\$90,777	VACANCY LOSS 4.9%		\$97,425		
	NET RENT		\$1,840,647	NET RENT		\$1,890,843		



Stanislaus Regional Housing Authority
 ALPINE | AMADOR | CALAVERAS | INYO | MARIPOSA
 MONO | STANISLAUS | TUOLUMNE COUNTIES

RESOLUTION NO. 18-19-32
RESOLUTION APPROVING STANISLAUS REGIONAL HOUSING AUTHORITY
PERMANENT FARM LABOR CENTERS LC- 28, 29, 30 AND 31 OPERATING
BUDGET FOR FISCAL YEAR 2019-2020

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 the Housing Authority of the County of Stanislaus and is more particularly identified as follows:

TERM	PROGRAM	AMOUNT
10/01/2019 thru 9/30/2020	Farm Labor LC-28, 29, 30 & 31	\$2,459,794



DULY AND REGULARLY ADOPTED by the Board of Commissioners of Stanislaus Regional Housing Authority this 29th day of July 2019

On motion of Commissioner ____, seconded by Commissioner ____, and on the following roll call vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Attest: _____
Secretary

Approved: _____
Chairman