

H A C S A M E M O R A N D U M

**TO:** HACSA Board of Commissioners

**FROM:** Jacob Fox, Executive Director  
Valerie Warner, Deputy Director  
Vicki Nutter, Finance Manager

**AGENDA ITEM TITLE:** ORDER/In the Matter of Approving the  
Public Housing Operating Budget for the  
Fiscal Year Ending September 30, 2016.

**AGENDA DATE:** September 29, 2015

**I. MOTION**

IT IS MOVED THAT THE ORDER/RESOLUTION BE ADOPTED APPROVING THE PUBLIC HOUSING OPERATING BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016.

**II. ISSUE**

HUD requires the Board to review and approve the Public Housing Operating Budget

**III. DISCUSSION**

A. Background

This Order/Resolution approves our FY2016 operating budget for the Public Housing Program. FY2016 will be the ninth year of project-based accounting under HUD's mandate to convert public housing to an asset management model. Consequently, there are six public housing asset management project (AMP) budgets as well as a separate budget for the central office cost center (COCC). HUD requires Board approval for each of these budgets.

B. Analysis

Attached is a site budget for each of the Agency's asset management projects (AMPs). Each AMP budget is balanced, although overall we expect to draw down reserves for approximately \$360,000 for this year's operations. Major revenues for the AMPs include tenant rents and HUD operating subsidy. The 2016 operating subsidy will be determined during October 2015. The amounts are based on number of units and inflation, with an adjustment based on utility costs. The formula provides an incentive for Public Housing to conserve water and

energy, and simply put, a reduction in utility costs will result in an increase to operating subsidy. The budget projection is for very little change to the operating subsidies, compared to the 2015 Projected Actuals, although it is a 2% increase over the 2015 budgeted amount. Total Revenues are budgeted 8% higher than FY2015 and this is mainly attributable to the Capital Transfer of \$175,000 which was not included in the FY2015 budget. Total Expenses are budgeted 6% higher than FY2015. This increase is mainly due to the fact that the revised overhead allocation methodology places more costs in the AMPS than the old methodology.

Also attached is a balanced budget for the Agency's central office cost center (COCC); for FY2016 we expect to draw only \$2,000 from reserves. Under HUD's model, the COCC is analogous to the administrative office of a private property management company. Accordingly, the revenue of the COCC includes certain fees that are charged to the AMPS and reimbursed by other HACSA programs.

The revised overhead allocation methodology is quite visible in the COCC budget. Separate cost centers were created for the executive, HR, IT and finance budgets, as well as for the two HACSA administrative and maintenance facilities. Separate cost allocation methods were created for each cost center using the cost base most appropriate. For example, IT costs were allocated to HACSA programs based on the number of computing devices maintained for each program.

Total revenue for the COCC is \$2,392,806; \$1,758,078 (73%) of this total comes from allocating the costs discussed in the previous paragraph. The balance comes from inter-agency transfers based on number of units or amounts eligible to be transferred from the annual capital grant. These revenues fund the Public Housing administrative staff and materials and services supporting those staff.

C. Alternatives/Options

HUD requires that the Board approve next fiscal year's Public Housing Operating budget by September 30, 2015.

D. Recommendation

Approval of the proposed Motion is recommended.

E. Timing

Upon Board approval, the Public Housing Operating Budget will become effective on October 1, 2015.

#### IV. IMPLEMENTATION/FOLLOW-UP

Same as Item III.E.

## **V. ATTACHMENTS**

Public Housing Site Budgets  
Budget for Central Office Cost Center  
Combined Budget for AMPs Plus COCC  
HUD Form 52574 – PHA Board Resolution

Housing And Community Services Agency of Lane County

Site Budgets

10/1/16 - 9/30/16

(All amounts rounded to the nearest \$100)

	AMP 100	AMP 200	AMP 300	AMP 400	AMP 500	AMP 600	TOTAL
<b>REVENUE</b>							
Dwelling Rentals	\$ 74,600	\$ 602,700	\$ 276,400	\$ 444,400	\$ 209,200	\$ 195,600	1,802,900
Investment Income	-	-	-	-	-	-	-
Other Income	1,900	28,800	29,000	22,500	9,800	9,800	101,800
Operating Subsidy	92,800	519,200	397,000	300,000	232,900	205,600	1,747,500
Transfer From Capital Fund	7,200	53,000	32,200	37,100	22,300	23,300	175,100
<b>Total Revenue</b>	<b>\$ 176,500</b>	<b>\$ 1,203,700</b>	<b>\$ 734,600</b>	<b>\$ 804,000</b>	<b>\$ 474,200</b>	<b>\$ 434,300</b>	<b>3,027,300</b>
<b>EXPENSES</b>							
Administrative Salaries	40,234	130,818	62,293	94,667	73,329	58,790	450,133
Benefits	25,893	68,994	32,526	51,122	45,392	34,504	258,432
Staff Training	800	1,000	1,800	1,000	900	2,000	7,300
Travel Expense	300	500	500	1,200	300	500	3,300
Audit	300	2,300	1,300	1,600	1,000	1,000	7,500
Legal	100	500	500	500	100	100	1,800
Management Fee	17,500	127,900	78,400	89,900	53,700	55,500	422,900
Bookkeeping Fee	2,600	19,100	11,700	13,400	8,000	8,300	63,100
Sundry	-	-	-	-	-	-	-
Stationery, Copier, Office Supply	200	2,500	1,400	5,000	2,000	500	11,600
Telephone	3,800	2,000	4,000	4,200	6,500	7,500	28,000
Postage	800	2,500	4,400	3,000	3,500	500	14,700
Publications, Dues, Fees	-	-	-	-	-	-	-
Computer Expense	296	2,570	1,620	1,500	1,000	1,600	8,586
Background Checks	-	-	-	-	-	-	-
Misc. Sundry	500	5,000	-	500	1,000	-	7,000
<b>Total Sundry</b>	<b>5,596</b>	<b>14,670</b>	<b>11,420</b>	<b>14,200</b>	<b>14,000</b>	<b>10,100</b>	<b>69,886</b>
<b>Total Administrative</b>	<b>93,124</b>	<b>366,682</b>	<b>190,439</b>	<b>267,690</b>	<b>196,722</b>	<b>170,794</b>	<b>1,264,364</b>
Resident Services Salaries	459	3,273	1,989	2,295	1,377	1,438	10,831
Benefits	361	2,672	1,563	1,804	1,082	1,130	8,511
Other (RPF)	800	7,200	1,500	3,700	2,300	2,400	17,900
<b>Total Resident Services</b>	<b>1,620</b>	<b>13,045</b>	<b>5,061</b>	<b>7,799</b>	<b>4,760</b>	<b>4,969</b>	<b>37,242</b>
Gas	-	-	-	52,200	15,000	1,900	69,100
Electric	2,300	1,000	4,000	72,700	11,400	20,000	111,400
Garbage	7,500	55,000	32,900	12,300	21,300	17,600	146,600
Water/Sewer	28,500	105,000	30,100	38,100	53,100	30,000	284,800
<b>Total Utilities</b>	<b>38,300</b>	<b>161,000</b>	<b>67,000</b>	<b>175,300</b>	<b>100,800</b>	<b>89,500</b>	<b>611,900</b>
Maintenance Salaries	18,223	111,448	141,476	67,663	63,420	55,429	447,659
Benefits	12,026	85,856	89,640	44,290	45,358	42,175	319,344
Materials	7,800	85,000	50,000	23,000	17,500	14,000	197,300
Maintenance Fee for Service	10,000	75,000	70,000	6,000	5,600	5,800	172,300
Maintenance Contract	-	25,000	43,000	17,000	15,200	20,500	120,700
Contract Costs	-	-	-	-	-	-	-
Cleaning & Painting Vacancies	1,500	12,000	15,000	9,000	5,600	6,900	50,000
Elevators	-	-	-	-	-	-	-
Vehicle Repairs Fleet Service	120	7,000	7,400	1,500	4,200	4,000	24,220
Grounds Maintenance	10,000	4,000	16,000	7,000	11,000	9,300	57,300
Janitorial Service	-	-	500	5,500	300	4,800	11,100
Pest Control	2,000	3,500	2,500	800	1,200	1,000	11,000
Drain Cleaning	-	-	-	-	-	-	-
Carpet Supply & Installation	-	-	-	-	-	-	-
All Other	500	35,000	23,000	15,000	12,000	7,400	92,900
<b>Total Maintenance</b>	<b>82,188</b>	<b>443,804</b>	<b>468,616</b>	<b>188,764</b>	<b>181,278</b>	<b>171,304</b>	<b>1,503,823</b>
Security Labor	-	9,942	-	2,388	1,092	2,388	15,788
Benefits	-	1,591	-	382	175	379	2,526
<b>Total Protective Services</b>	<b>-</b>	<b>11,533</b>	<b>-</b>	<b>2,770</b>	<b>1,267</b>	<b>2,766</b>	<b>18,314</b>
Insurance	5,100	25,900	29,700	18,300	11,600	13,000	101,600
R/O/T	4,400	49,700	24,200	28,100	12,970	14,400	133,770
Bad Debts - Tenant Rents	500	7,000	5,000	2,000	2,000	2,000	18,500
<b>Total General Expenses</b>	<b>10,000</b>	<b>82,600</b>	<b>58,900</b>	<b>48,400</b>	<b>26,570</b>	<b>29,400</b>	<b>263,870</b>
Extraordinary Maintenance	-	-	-	-	-	1,000	1,000
Overhead	22,800	114,300	78,400	64,200	61,000	62,200	392,900
<b>Total Expenses, excluding As</b>	<b>228,012</b>	<b>1,191,965</b>	<b>854,306</b>	<b>760,812</b>	<b>572,395</b>	<b>601,911</b>	<b>4,103,400</b>
Asset Management	3,600	26,700	16,500	17,900	10,700	11,200	84,700
<b>Total Expenses</b>	<b>231,612</b>	<b>1,217,665</b>	<b>870,806</b>	<b>778,712</b>	<b>583,095</b>	<b>613,111</b>	<b>4,188,100</b>
<b>Cash Flow from Operations *</b>	<b>(55,112)</b>	<b>(13,965)</b>	<b>(139,306)</b>	<b>35,288</b>	<b>(108,895)</b>	<b>(78,811)</b>	<b>(360,800)</b>

Housing And Community Services Agency of Lane County  
Admin Summary  
Budget 10/01/15 - 9/30/16

REVENUE

Management Fees
Bookkeeping Fees
Asset Management Fee
Cap Fund Admin Fee
Housing Choice Voucher Program Admin Fee
Admin Allocation Salaries & Fringe
Admin Allocation - Other
II Allocation - Salaries & Fringe
II Allocation - Other
Cagle Allocation
Obie Allocation
Money from CAP Fund
Building Cost Allocation
Section 236 and 58 New Construction Overhead Reimb
Other Programs Overhead Reimbursement
Maintenance Fee for Service
Fee for Service
Interest Income
Misc Income
<b>Total Revenue</b>

TOTAL  
COCC  
16 Budgets

COCC  
Projected  
FY15

496,800	354,833
98,400	51,750
84,700	70,500
96,528	80,440
-	196,500
682,940	-
165,700	-
155,269	-
102,800	-
70,126	-
77,843	-
14,000	-
142,900	204,250
-	59,250
-	162,917
204,800	332,434
-	-
-	2,917
-	-
<b>2,392,806</b>	<b>1,515,791</b>

EXPENSES

Administrative Salaries
Administrative Employee Benefits
II Salaries
II Fringe
Cagle Salaries
Cagle Fringe
Obie Salary
Obie Fringe
Obie Allocation
Temporary Help
Audit
Legal
Staff Training
Travel
Dues and Subscriptions
Computer Expense
Contractors
Hardware
Software
Tool & Equipment
Expendables

634,636	656,000
338,738	276,833
105,105	
50,164	
38,633	
31,493	
46,800	
31,043	
25,900	
6,400	
7,700	4,167
10,500	83
34,300	1,083
6,800	2,167
10,800	
3,525	11,333
2,500	
15,600	
36,900	
100	
2,600	

	TOTAL COCC 16 Budgets	COCC Projected FY15
Telephone	12,200	7,250
Postage	5,000	6,167
Office Expense	6,200	8,750
Consultant	10,000	
Other	87,100	23,083
<b>Total Administrative</b>	<b>1,560,737</b>	<b>996,916</b>
Water/Sewer	7,100	5,417
Electric	23,300	16,000
Garbage	1,900	
<b>Total Utilities</b>	<b>32,300</b>	<b>21,417</b>
Maintenance Labor	265,627	138,083
Maintenance Fringe	171,839	107,167
Maintenance	46,300	
Yard Maintenance	100	
Janitorial	16,800	
Materials	10,000	3,667
Contracts	12,500	55,750
<b>Total Maintenance</b>	<b>523,167</b>	<b>304,667</b>
Insurance	13,300	9,917
Contracts & Maintenance Agreements	46,300	
Governmental Agreements	7,400	
<b>Total General Expenses</b>	<b>67,000</b>	<b>9,917</b>
<b>Total Direct Expenses</b>	<b>2,183,203</b>	<b>1,332,917</b>
Admin Allocation	110,000	
IT Allocation	65,700	
Cable Allocation	-	
D1 Bldg Allocation	-	
PV Bldg Allocation	36,000	
<b>Total Allocated Expenses</b>	<b>211,700</b>	<b>-</b>
<b>Total Expenses</b>	<b>2,394,903</b>	<b>1,332,917</b>
<b>Revenues less Expenses</b>	<b>(2,098)</b>	<b>182,874</b>
<b>EXPENDITURES</b>		
Capital Outlay		
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>
<b>Cash Flow from Operations</b>	<b>(2,098)</b>	<b>182,874</b>



HAGSA Budget FY16  
AMPS & COCC Combined

	TOTAL AMPS	COCC	COMBINED	ELIMINATIONS	COMBINED TOTALS
<b>Total Administrative</b>	1,284,351	1,614,437	2,898,788	(486,000)	2,412,788
Resident Services Salaries	10,831		10,831		10,831
Benefits	8,511		8,511		8,511
Other (RRF)	17,900		17,900		17,900
<b>Total Resident Services</b>	<b>37,242</b>		<b>37,242</b>		<b>37,242</b>
Gas	69,100		69,100		69,100
Electric	111,400	23,300	134,700		134,700
Garbage	146,600	1,900	148,500		148,500
Water/Sewer	284,800	7,100	291,900		291,900
<b>Total Utilities</b>	<b>611,900</b>	<b>32,300</b>	<b>644,200</b>		<b>644,200</b>
Maintenance Salaries	447,659	265,627	713,286		713,286
Benefits	319,344	171,839	491,183		491,183
Materials	197,300	10,000	207,300		207,300
Maintenance Fee for Service	172,300		172,300	(172,300)	-
Maintenance Contract	120,700	12,500	133,200		133,200
<b>Contract Costs</b>					
Cleaning & Painting/Vacancy	50,000		50,000		50,000
Elevators	-		-		-
Vehicle Repairs Fleet Service	24,220		24,220		24,220
Grounds Maintenance	57,300	100	57,400		57,400
Janitorial Service	11,100	16,800	27,900		27,900
Pest Control	11,000		11,000		11,000
Drain Cleaning	-		-		-
Carpet Supply & Installation	-		-		-
All Other	92,900	46,300	139,200		139,200
<b>Total Maintenance</b>	<b>1,503,823</b>	<b>623,167</b>	<b>2,026,990</b>	<b>(172,300)</b>	<b>1,854,690</b>
Security Labor	15,788		15,788		15,788
Benefits	2,526		2,526		2,526
<b>Total Protective Services</b>	<b>18,315</b>		<b>18,315</b>		<b>18,315</b>
Insurance	101,600	13,300	114,900		114,900
PILOT	133,770		133,770		133,770
Bad Debts - Tenant Rents	18,500		18,500		18,500
<b>Total General Expenses</b>	<b>253,870</b>	<b>13,300</b>	<b>267,170</b>		<b>267,170</b>
<b>Extraordinary Maintenance</b>	<b>1,000</b>		<b>1,000</b>		<b>1,000</b>
<b>Overhead</b>	<b>392,900</b>	<b>211,700</b>	<b>604,600</b>	<b>(604,600)</b>	
<b>Total Expenses, excluding</b>	<b>4,103,400</b>	<b>2,394,903</b>	<b>6,498,304</b>	<b>(1,262,900)</b>	<b>5,235,404</b>
<b>Asset Management</b>	<b>84,700</b>		<b>84,700</b>	<b>(84,700)</b>	
<b>Total Expenses</b>	<b>4,188,100</b>	<b>2,394,903</b>	<b>6,583,004</b>	<b>(1,347,600)</b>	<b>5,235,404</b>
<b>Cash Flow from Operations</b>	<b>(360,800)</b>	<b>(2,098)</b>	<b>(362,898)</b>		<b>(362,898)</b>



15-09-29-02H

In the matter of approving the Public Housing Operating Budget for the Fiscal Year ending September 30, 2016

PHA Board Resolution  
Approving Operating Budget

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing -  
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026  
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(1) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing And Community Services Agency of Lane County PHA Code: OR006

PHA Fiscal Year Beginning:  
October 1, 2015

Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- Operating Budget approved by Board resolution on:
- Operating Budget submitted to HUD, if applicable, on:
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Charene Reavis	Signature: <i>Charene M. Reavis</i>	Date: 9-29-15
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In the matter of approving the Public Housing Operating Budget for the Fiscal Year ending September 30, 2016

Previous editions are obsolete

form HUD-52574 (04/2013)