

AGENDA

BOARD OF COMMISSIONERS HOUSING AUTHORITY OF THE COUNTY OF MERCED

Special Meeting
Tuesday, May 14, 2019
2:00 p.m.

Closed session immediately following

Housing Authority of the County of Merced
Administration Building
405 "U" Street
Board Room – Building B (Second Floor)
Merced, CA 95341
(209) 386-4139

Jack Jackson, Chairperson
Hub Walsh, Vice-Chair
Evelyn Dorsey
Rick Osorio
Margaret Pia
Jose Resendez
Rachel Torres

All persons requesting disability related modifications or accommodations may contact the Housing Authority of the County of Merced at (209) 386-4139, 72 hours prior to the public meeting.

All supporting documentation is available for public review in the office of the Administrative Assistant located in the Housing Authority Administration Building, Second Floor, 405 "U" Street, Merced, CA 95341 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday.

The Agenda is available online at www.merced-pha.com

Use of cell phones, pagers, and other communication devices is prohibited while the Board Meeting is in session. Please turn all devices off or place on silent alert and leave the room to use.

I. CALL TO ORDER AND ROLL

II. COMMISSIONER and/or AGENCY ADDITIONS/DELETIONS TO THE AGENDA

(M/S/C): ____ / ____ / ____

III. APPROVAL OF THE FOLLOWING MEETING MINUTES:

A. April 16, 2019 Regular Meeting

(M/S/C): ____ / ____ / ____



IV. UNSCHEDULED ORAL COMMUNICATION

NOTICE TO THE PUBLIC

This portion of the meeting is set aside for members of the public to comment on any item within the jurisdiction of the Commission, but not appearing on the agenda. Items presented under public comment may not be discussed or acted upon by the Commission at this time.

For items appearing on the agenda, the public is invited to comment at the time the item is called for consideration by the Commission. Any person addressing the Commission under Public Comment will be limited to a 5-minute presentation.

All persons addressing the Commission are requested to state their name and address for the record.

V. CONSENT CALENDAR:

None

VI. BUSINESS (INFORMATION AND DISCUSSION, RESOLUTION and ACTION ITEMS):

A. Information/Discussion Item(s):

1.) Director's Updates

i. Presentation: Building a Budget

B. Resolution Item(s):

1.) **Resolution No. 2019-08:** Approving the revised job description for the Accounting Technician I/II job classification.

(M/S/C): ____ / ____ / ____

C. Action Item(s):

None

VII. COMMISSIONER'S COMMENTS

VIII. CLOSED SESSION ITEM(S): None

IX. ADJOURNMENT



MINUTES

BOARD OF COMMISSIONERS HOUSING AUTHORITY OF THE COUNTY OF MERCED

Regular Meeting Tuesday, April 16, 2019

- I. The meeting was called to order by Chairperson Jackson at 5:30 p.m. and the Secretary was instructed to call the roll.

Commissioners Present:

Jack Jackson, Chairperson
Hub Walsh, Vice Chairperson
Evelyne Dorsey
Rick Osorio
Margaret Pia
Jose Resendez
Rachel Torres

Commissioners Absent:

None

Chairperson Jackson declared there was a quorum present.

Staff Present:

Rosa Vazquez, Executive Director/Board Secretary
Samuel Emerson, Legal Counsel
Cliff Hatanaka, Finance Officer
Maria F. Alvarado, Executive Assistant
Tracy Jackson, Director of Housing Programs
Sue Speer, Director of Development

Others Present:

None

II. **COMMISSIONER and/or AGENCY ADDITIONS/DELETIONS TO THE AGENDA:**

The Board was asked to add the Aged Receivables Report for March 2019.

(M/S/C): Commissioner Pia/Commissioner Torres/Motion Passed

III. **APPROVAL OF THE FOLLOWING MEETING MINUTES:**

A. March 28, 2019 Annual Meeting

(M/S/C): Commissioner Resendez/Commissioner Torres/Motion Passed



IV. UNSCHEDULED ORAL COMMUNICATION:

None

V. CONSENT CALENDAR:

A. PHAS Report for March 2019

B. Aged Receivables Report for March 2019

C. Financial Reports for March 2019

(M/S/C): Commissioner Pia/Commissioner Resendez/Motion Passed

VI. BUSINESS (INFORMATION AND DISCUSSION, RESOLUTION and ACTION ITEMS):

A. Information/discussion Item(s):

1.) Directors Updates:

- a. Executive Director Vazquez explained that the Rent Delinquency report was not included in the packet at the time of mailing due to issues with Yardi.
- b. Executive Director Vazquez notified the Board that the Migrant Center have opened. The first Center to open is the Atwater Migrant Center and is at full lease up.
- c. The Board was informed that the Authority was awarded Capital Funds for FY 2019 in the amount of \$1.1 million.
- d. Executive Director Vazquez informed the Board that the Series 2019A Bond closed on Thursday, April 11, 2019.

B. Resolutions Item(s):

1.) **Resolution No. 2019-05:** Approving the Housing Authority of the County of Merced revised Operating Budget for Fiscal Year 2018 – 2019.

(M/S/C): Commissioner Walsh/Commissioner Resendez/Motion Passed

2.) **Resolution No. 2019-06:** Awarding contract for HVAC/Window/Roof Replacement of ten (10) residential units in Project 23-01, Merced to Beam & Company, Inc.

(M/S/C): Commissioner Pia/Commissioner Resendez/Motion Passed

3.) **Resolution No. 2019-07:** Awarding a contract for Housing Quality Standard (HQS) Inspection services to Nan McKay Inspections authorizing the Executive Director to sign or take any action necessary to the execution of the contract.

(M/S/C): Commissioner Pia/Commissioner Resendez/Motion Passed



C. Action Item(s):

None

VII. COMMISSIONER'S COMMENTS

The Board thanked Mr. Emerson for attending the meeting. The Board also inquired about a review committee or inclusion of the Board to review the Request for Proposal submissions received. The Authority will look into the matter and report back to the Board.

VIII. CLOSED SESSION ITEM(S):

None

IX. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 6:15 p.m.

Chairperson Signature

Date: May 14, 2019

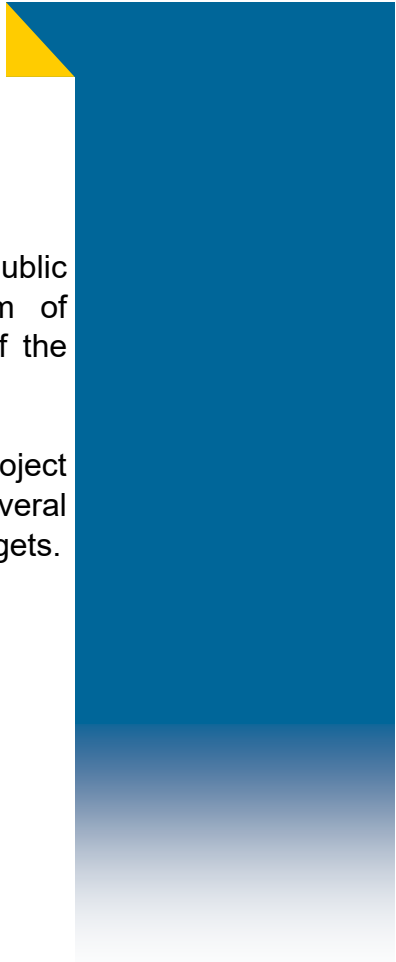
Secretary Signature/ Date

Date: May 14, 2019





Building a Budget



The budget is a tool to quantify goals and measure success. All Public Housing Authority's (**PHA**) must develop and maintain a system of budgeting and accounting for each project that allows for analysis of the actual revenues and expenses associated with each property.

This will facilitate effective decision-making and cost controls at the project level to keep the projects and PHA fiscally solvent overall. There are several pieces of information that must be considered when developing the budgets.

External Factors

- General Economy
- Political Climate
- Local Economy

Agency-wide Influences

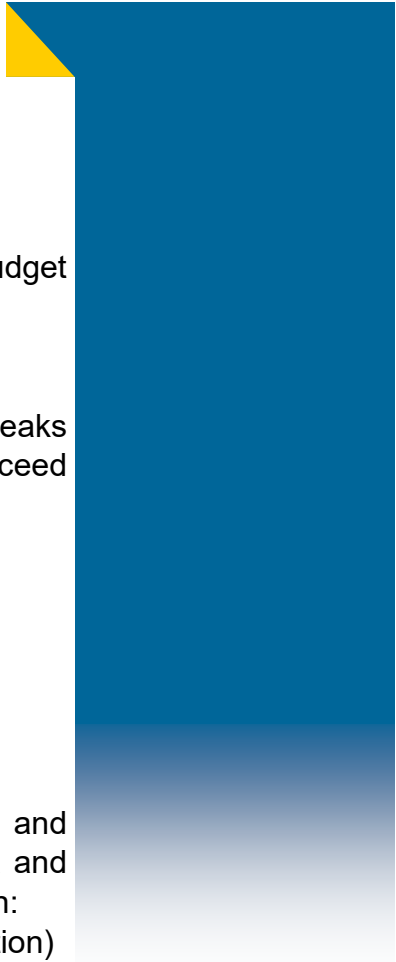
- New Programs
- Changes to Existing Programs
- Reporting Regulations
- Financing Changes

Program Specific

- Anticipated Funding
- Staffing
- Changing Regulations

Line Item Factors

- Consistency in Operations
- Extraordinary Items
- Inflation by Line Item



Other vital factors that must be considered when developing the budget include:

Revenue

The annual budget should be constructed so that the PHA at least breaks even, or ideally, operates at a surplus. That is, expenses should not exceed revenues. Information needed for budgeting income includes:

- Data on occupancy of units
- Amount of operating subsidy and dwelling income projected
- Grant Funding
- Housing Assistance Payments (HAP) from HUD
- Other income, including fees and damages projected

Expenses

Expenses that a PHA commonly incurs include administrative and maintenance salaries, utilities, supplies, contracts, as well as resident and other programs. To budget expenses, you need the following information:

- Physical analysis of the property (in other words, physical inspection)
- Fiscal analysis of the property, including past and present data, previous year's budget, and actual income and expenses
- Comparison of the actual income and expenses from two to three previous years to identify trends

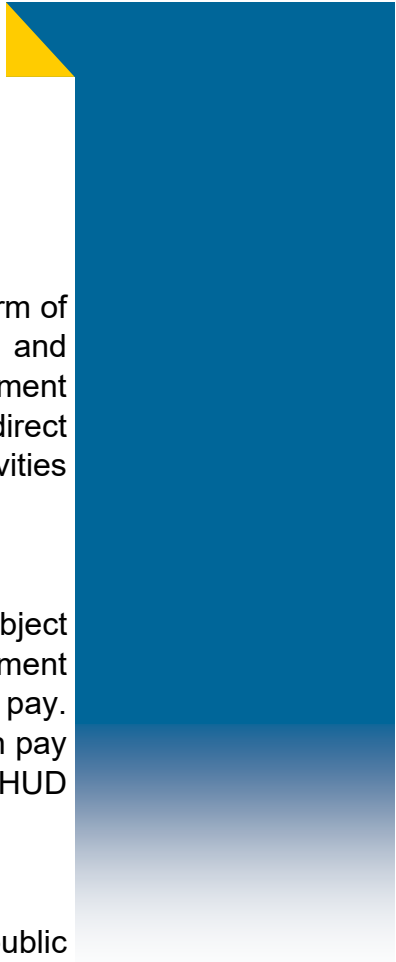
Operating Subsidy—Public Housing

The operating subsidy is the primary source of operating revenue for most PHAs. Provided to housing authorities by the Department of Housing and Urban Development (**HUD**), it is for operating and maintenance expenses. The subsidies are to help maintain services and provide minimum operating reserves. In general, the operating subsidy is the cost of running a program without non-Federal revenue.

Per Unit Per Month (PUM)

The PUM is an analysis of a property's income and expenses as an average for each unit for one month. It is a budgeting tool that enables property management to do the following:

- Compare across units to determine cost reduction potential
- Plan by using trending data for seasonal spikes in expenses or major payment due dates, such as property insurance
- Compare utility expenses for different units to determine how costs can be reduced



Capital Fund

The Capital Fund Program (CFP) provides financial assistance in the form of grants to public housing agencies for the development, financing, and modernization of public housing developments and for management improvements. The funds may not be used for luxury improvements, direct social services, cost funded by other HUD programs, and ineligible activities as determined by HUD on a case-by-case basis.

Housing Assistance Payment

Under HAP, the Authority will make a monthly payment to a landlord, subject to terms and conditions including rent limits, on a tenant's behalf. Payment standards are used to calculate the rent portion that the Authority will pay. The payment standard reflects the maximum HAP that the Authority can pay based on the Fair Market Rents (FMR), which are established by HUD annually.

Grant Funding

A grant is a way the government funds ideas and projects to provide public services and stimulate the economy. Grants support critical recovery initiatives, innovative research, and many other programs. HUD awards discretionary funding through over 20 Grant programs that support HUD initiatives, including Affordable Housing Development and Preservation, Community and Economic Development, Environment and Energy, Fair Housing, Homelessness, Homeownership, Rental Assistance, and Supportive Housing and Services.

Components of Revenue

Tenant Income

- Rental Income from Tenants
- Rental Assistance—Valley View & Felix Torres

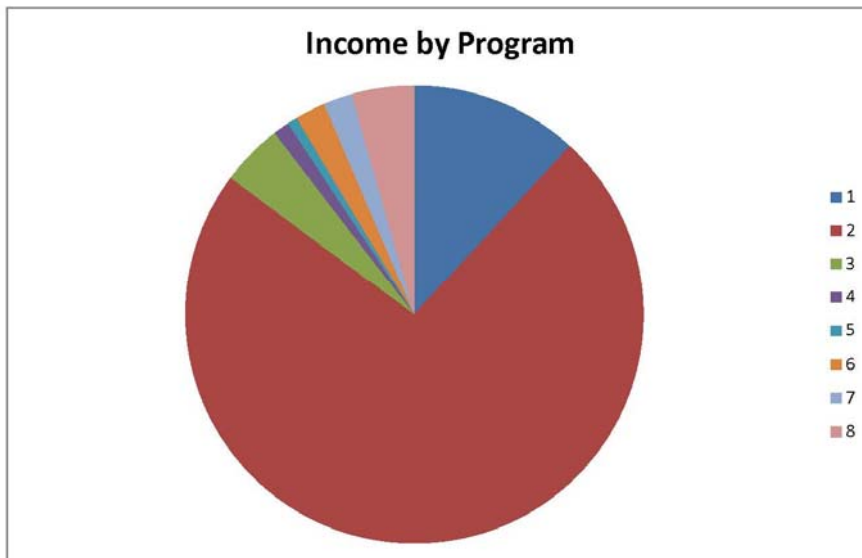
Grant Income

- Public Housing Operating Subsidy
- Public Housing Capital Funds
- Housing Assistance Payment (**HAP**) from HUD
- Administration Fee For Housing Assistance Payment Program

Other Income

- Management Fees from Programs

Revenue by Program



1. Public Housing (PH): Operating Subsidy	\$3,106,000
2. Housing Choice Voucher (HCV): Housing Assistance Payment (HAP)	\$19,199,000
3. Central Office Cost Center (COCC): Fee Paid by HUD Programs	\$1,143,000
4. Langdon: Rental Income, Fess Paid by Non-HUD Programs	\$297,000
5. O'Banion: Rental Income	\$187,000
6. Valley View: Rental Income	\$561,000
7. Felix Torres Year Round (FT-YR)	\$529,000
8. Migrant (MIG)	\$1,154,000
Total	\$26,176,000



Components of Expenses

Administrative Expenses

- Salaries & Benefits—Administrative/Clerical Staff
- Legal Fees
- Management Fees Assessed to Programs
- Office Supplies
- Telephone
- Postage
- Software License Fees
- Internet

Utilities

- Water
- Electricity
- Garbage
- Sewer

Maintenance and Operations

- Salaries & Benefits—Maintenance Staff
- Contracted Repairs & Services

General Expenses

- Property Insurance
- Liability Insurance
- Worker's Comp
- Payment in Lieu of Taxes
- Other Post Employment Benefits (OPEB)
-

Housing Assistance Payments

- HAP to Landlords
- Portable HAP
-

Financing Expenses

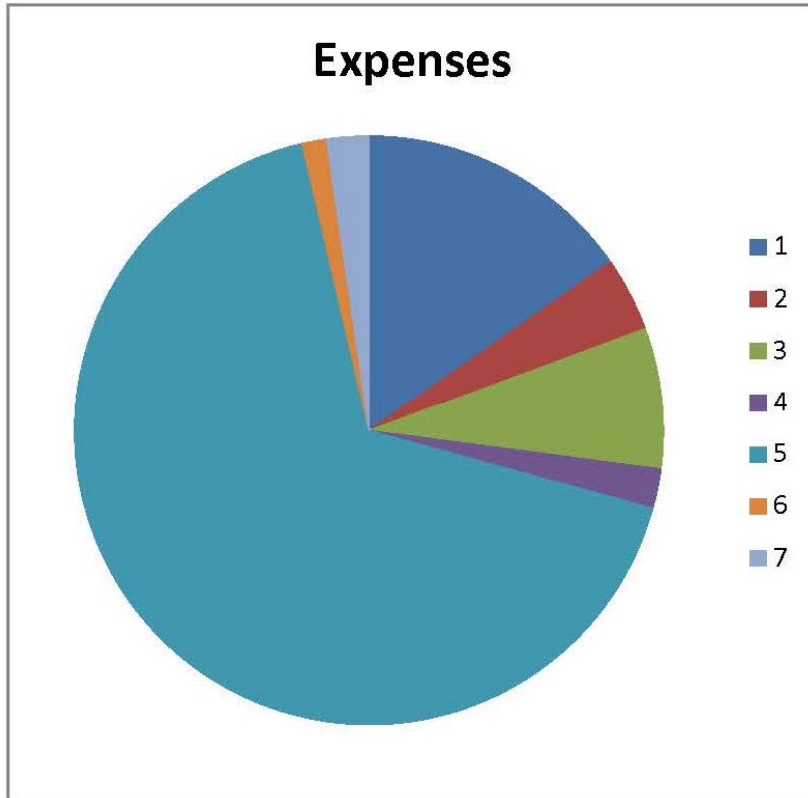
- Interest Payments

Non-Operating

- Depreciation

NOTE: The largest expense after HAP is salaries & benefits.

Agency-wide Expenses



1. Administration	\$4,528,000
2. Utilities	\$1,083,000
3. Maintenance	\$1,461,000
4. General Expenses	\$572,000
5. Housing Assistance Payments	\$17,430,000
6. Finance Expenses	\$346,000
7. Non-Operating Expenses	\$602,000

Total **\$26,022,000**

Acronyms

HOUSING CHOICE VOUCHER (HCV) PROGRAM

AAF Annual Adjustment Factor (published by HUD in the Federal Register and used to compute annual rent adjustments)

ABA Annual Budget Authority

ACC Annual Contributions Contract

ADA Americans with Disabilities Act of 1990

AIDS Acquired Immune Deficiency Syndrome

BR Bedroom

CDBG Community Development Block Grant (Program)

CFR Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as “the regulations”)

CPI Consumer Price Index (published monthly by the Department of Labor as an inflation indicator)

DOB Date of Birth

DOJ Department of Justice

EID Earned Income Disallowance

EIV Enterprise Income Verification

EO Executive Order

EOP End of Participation

FDIC Federal Deposit Insurance Corporation

FHA Federal Housing Administration (HUD Office of Housing)

FHEO Fair Housing and Equal Opportunity (HUD Office of Housing)

FICA Federal Insurance Contributions Act (established Social Security taxes)

FMR Fair Market rent

FR Federal Register

FSS Family Self-Sufficiency (Program)

FY Fiscal Year

FYE Fiscal Year End

GAO Government Accountability Office

GR Gross Rent

HA Housing Authority or Housing Agency

HAP Housing Assistance Payment

HCV Housing Choice Voucher

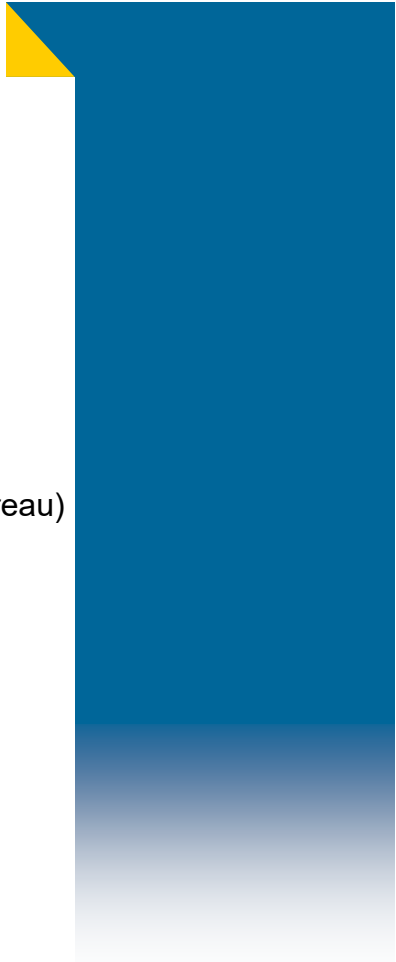
HOH Head of Household

HQS Housing Quality Standards

HUD U.S. Department of Housing and Urban Development

HUDCLIPS HUD Client Information and Policy System

IPA Independent Public Accountant



IRA Individual Retirement Account
IRS Internal Revenue Service
JTPA Job Training Partnership Act
LBP Lead-Based Paint
LAP Language Access Plan
LEP Limited English Proficiency
MSA Metropolitan Statistical Area (established by the U.S. Census Bureau)
MTCS Multi-family Tenant Characteristics System (now the Form HUD-50058 submodule of the PIC system)
MTW Moving to Work
NOFA Notice of Funding Availability
OGC HUD's Office of General Counsel
OIG HUD's Office of Inspector General
OMB Office of Management and Budget
PASS Plan to Achieve Self-Support
PHA Public Housing Agency
PIC PIH Information Center
PIH (HUD Office of) Public and Indian Housing
PS Payment Standard
PBV Project Based Voucher
QC Quality Control
REAC (HUD) Real Estate Assessment Center
RFP Request for Proposals
RFTA Request for Tenancy Approval
RIGI Regional Inspector General for Investigation (handles fraud and program abuse matters for HUD at the regional office level)
SEMAP Section 8 Management Assessment Program
SRO Single Room Occupancy
SSA Social Security Administration
SSI Supplemental Security Income
SSN Social Security Number
SWICA State Wage Information Collection Agency
TANF Temporary Assistance for Needy Families
TPV Tenant Protection Vouchers
TR Tenant Rent
TTD Telecommunications Device for the Deaf
TTP Total Tenant Payment
UA Utility Allowance
UFAS Uniform Federal Accessibility Standards
UIV Upfront Income Verification
URP Utility Reimbursement Payment

URP Utility Reimbursement Payment
VASH Veteran Affairs Supportive Housing
VAWA Violence Against Women Reauthorization Act of 2013

LOW INCOME PUBLIC HOUSING PROGRAM (LIPH)

ACC Annual Contributions Contract
AMP Asset Management Project
CFP Capital Fund Program
CFR Code of Federal Regulations
ELI Extremely Low Income
FSS Family Self Sufficiency (program)
HCDA Housing and Community Development Act
HQS Housing Quality Standards
HUD Department of Housing and Urban Development
INS (U.S.) Immigration and Naturalization Service
LI Low Income
NAHA (Cranston-Gonzalez) National Affordable Housing Act
NOFA Notice of Funding Availability
OMB (U.S.) Office of Management and Budget
PHA Public Housing Agency
PHAS Public Housing Assessment System
PIH (HUD Office of) Public and Indian Housing
QHWR Quality Housing and Work Responsibility Act of 1998
SSA Social Security Administration
TANF Temporary Assistance for Needy Families
TTP Total Tenant Payment
UPCS Uniform Physical Condition Standards (PH Inspection)
VLI Very Low Income

FINANCE

COCC Central Office Cost Center
GASB Governmental Accounting Standards Board
OPEB Other Post-Employment Benefits
PEPRA Public Employees' Pension Reform Act of 2013

MIGRANT DEPARTMENT

HCD U.S. Department of Housing and Community Development
OMS Office of Migrant Services
RD Rural Development
USDA United States Department of Agriculture

HOUSING AUTHORITY OF THE COUNTY OF MERCED
 BUDGET SUMMARY

2018-2019 FISCAL YEAR	PUBLIC HOUSING	HCV	COCC	LANGDON	OBANION	VALLEY VIEW	FELIX TORRES YR	MIGRANT	TOTAL BUDGET
REVENUES									
TENANT INCOME	1,900,040	-	-	46,200	187,400	561,000	528,000	-	3,222,640
GRANT INCOME	1,206,000	19,194,000	-	-	-	-	-	1,154,596	21,554,596
OTHER INCOME	600	4,800	1,143,277	250,676	-	-	600	-	1,399,953
TOTAL REVENUES	3,106,640	19,198,800	1,143,277	296,876	187,400	561,000	528,600	1,154,596	26,177,189
EXPENSES									
TOTAL ADMINISTRATIVE	976,855	1,583,640	950,723	73,731	20,150	148,487	98,979	676,014	4,528,579
TOTAL UTILITIES	523,814	-	38,900	1,600	67,340	102,520	93,892	255,050	1,083,116
TOTAL MAINTENANCE AND OPS	959,788	112,350	76,470	4,400	36,760	147,661	79,556	43,630	1,460,615
TOTAL GENERAL EXPENSE	304,836	72,810	71,750	48,400	1,320	22,744	20,810	29,500	572,170
TOTAL HOUSING ASSISTANCE	-	17,430,000	-	-	-	-	-	-	17,430,000
TOTAL FINANCING	-	-	-	-	-	162,500	33,000	150,402	345,902
TOTAL NON-OPERATING	304,852	-	-	3,439	53,800	40,519	199,791	-	602,401
TOTAL EXPENSES	3,070,145	19,198,800	1,137,843	131,570	179,370	624,431	526,029	1,154,596	26,022,783
GAIN OR LOSS (CURRENT REVISION)	36,495	-	5,434	165,306	8,030	(63,431)	2,571	-	154,405
ORIGINAL BUDGET 2017-2018									
BOARD APPROVED BUDGET GAIN/LOSS	81,393	155,381	-	133,081	5,235	(60,831)	27,711	-	341,970
VARIANCES - GAIN/(LOSS)	(44,898)	(155,381)	5,434	32,225	2,795	(2,600)	(25,140)	-	(187,565)

HOUSING AUTHORITY OF THE COUNTY OF MERCED
 BUDGET COMPARISON - PUBLIC HOUSING
 TOTAL 421 UNITS
 BOARD APPROVED BUDGET & BUDGET REVISION

LINE #	ITEM	BOARD APPROVED BUDGET 2017-2018 PH TOTALS	PROPOSED BUDGET 2018-2019 PH TOTALS	BUDGET VS. BUDGET DIFFERENCE	DIFF. %	COMMENTS
	REVENUES					
1	TENANT INCOME	1,755,604.00	1,900,040.00	144,436.00	8.23%	
2	GRANT INCOME	1,233,242.00	1,206,000.00	(27,242.00)	-2.21%	
3	OTHER INCOME	4,800.00	600.00	(4,200.00)	-87.50%	
4	TOTAL REVENUES	2,993,646.00	3,106,640.00	112,994.00	3.77%	
	EXPENSES					
	ADMINISTRATIVE					
5	SALARIES AND WAGES	268,831.00	224,401.00	(44,430.00)	-16.53%	
6	FRINGE BENEFITS	218,726.00	194,319.00	(24,407.00)	-11.16%	
7	LEGAL EXPENSE	19,443.00	26,580.00	7,137.00	36.71%	
8	MANAGEMENT FEES	340,864.00	337,200.00	(3,664.00)	-1.07%	
9	BOOKKEEPING FEES	37,466.00	37,425.00	(41.00)	-0.11%	
10	ASSET MANAGEMENT FEES	50,160.00	49,640.00	(520.00)	-1.04%	
11	OTHER ADMIN EXPENSES	87,872.78	107,290.00	19,417.22	22.10%	
12	TOTAL ADMINISTRATIVE EXPENSES	1,023,362.78	976,855.00	(46,507.78)	-4.54%	
	UTILITIES					
13	WATER	130,100.00	138,314.06	8,214.06	6.31%	
14	ELECTRICITY	21,900.00	22,600.00	700.00	3.20%	
15	GAS	1,350.00	1,540.00	190.00	14.07%	
16	GARBAGE/TRASH	157,670.00	158,800.00	1,130.00	0.72%	
17	SEWER	199,650.00	201,600.00	1,950.00	0.98%	
18	OTHER UTILITIES	960.00	960.00	-	0.00%	
19	TOTAL UTILITIES	511,630.00	523,814.06	12,184.06	2.38%	
	MAINTENANCE AND OPERATIONS					
20	SALARIES AND WAGES	238,948.00	275,488.00	36,540.00	15.29%	
21	FRINGE BENEFITS	46,692.00	72,124.93	25,432.93	54.47%	
22	UNIFORMS	2,900.00	2,850.00	(50.00)	100.00%	
23	VEHICLE GAS, OIL	15,860.00	17,030.00	1,170.00	7.38%	
24	MATERIALS	160,000.00	216,780.00	56,780.00	35.49%	
25	CONTRACT COSTS	321,144.18	375,515.00	54,370.82	16.93%	

HOUSING AUTHORITY OF THE COUNTY OF MERCED
 BUDGET COMPARISON - PUBLIC HOUSING
 TOTAL 421 UNITS
 BOARD APPROVED BUDGET & BUDGET REVISION

LINE #	ITEM	BOARD APPROVED BUDGET 2017-2018 PH TOTALS	PROPOSED BUDGET 2018-2019 PH TOTALS	BUDGET VS. BUDGET DIFFERENCE	DIFF. %	COMMENTS
26	TOTAL MAINTENANCE AND OPERATIONS	785,544.18	959,787.93	174,243.75	22.18%	
	GENERAL EXPENSE					
27	INSURANCE	87,357.04	89,064.00	1,706.96	1.95%	
28	P.I.L.O.T.	113,702.00	128,482.00	14,780.00	13.00%	
29	BAD DEBT EXPENSE	8,892.00	9,170.00	278.00	3.13%	
30	OPEB EXPENSE	103,307.00	73,560.00	(29,747.00)	-28.79%	
31	OTHER GENERAL EXPENSE	7,934.00	4,560.00	(3,374.00)	-42.53%	
32	TOTAL GENERAL EXPENSE	321,192.04	304,836.00	(16,356.04)	-5.09%	
	NON-OPERATING ITEMS					
33	DEPRECIATION	270,524.00	304,852.33	34,328.33	12.69%	
34	TOTAL NON-OPERATING ITEMS	270,524.00	304,852.33	34,328.33	12.69%	
35	TOTAL EXPENSES	2,912,253.00	3,070,145.32	157,892.32	5.42%	
36	GAIN OR LOSS	81,393.00	36,494.68	(44,898.32)	-55.16%	

MEMORANDUM

TO: Board of Commissioners,
Housing Authority of the County of Merced

FROM: Rosa Vazquez, Executive Director

DATE: May 14, 2019

SUBJECT: Recommendation to adopt **Resolution No. 2019-08**, approving the revised job description for the Accounting Technician I/II classification.

As part of the Authority's continuous effort to operate the Finance Department in a manner that allows it to address the current and projected workload levels and new procedural requirements, the Authority has reviewed the existing job description for the position of Accounting Technician I/II and revised the job description to reflect additional comprehensive tasks that will meet the needs of the Authority.

The revisions were presented to AFSCME and received approval of said revisions on April 25, 2019.

RECOMMENDATION

It is recommended that the Board of Commissioners adopt **Resolution No. 2019-08**, approving the revised job description for the Accounting Technician I/II classification.

RESOLUTION NO. 2019-08

**APPROVING THE REVISED JOB DESCRIPTION FOR
THE ACCOUNTING TECHNICIAN I/II CLASSIFICATION**

WHEREAS, as part of the Authority's continuous effort to operate the Finance Department in a manner that allows it to address the current and projected workload levels and new procedural requirements; and

WHEREAS, the Authority has reviewed the existing job description for the position of Accounting Technician I/II and revised the job description to reflect additional comprehensive tasks that will meet the needs of the Authority.; and

WHEREAS, the revisions were presented to AFSCME and received approval of said revisions on April 25, 2019; and

THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the County of Merced does hereby adopt Resolution No. 2019-08, approving the revision to the Accounting Technician I/II job description.

The foregoing resolution was introduced at the May 14, 2019 Board meeting of the Board of Commissioners of the Authority and adopted by the following vote:

Motion:

Second:

Ayes:

Nays:

Absent:

Abstain:

Chairperson, Board of Commissioners
Housing Authority of the County of Merced

Dated: May 14, 2019