

2015/2016
HIGHLANDS

(Name)

HOUSING
AUTHORITY
CAPITAL
BUDGET/
PROGRAM

**2015/2016 CERTIFICATION OF HOUSING AUTHORITY
CAPITAL BUDGET/PROGRAM**

HIGHLANDS

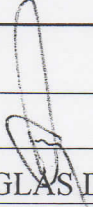
(Name)

FISCAL YEAR: FROM: 7-1-2015 TO: 6-30-2016

It is hereby certified that the Housing Authority Capital Budget/Program annexed hereto is a true copy of the Capital Budget/Program approved, pursuant to N.J.A.C. 5:31-2.2, along with the Annual Budget, by the governing body of the Highlands Housing Authority, on the 28th day of April, 2015.

OR

It is hereby certified that the governing body of the _____ Housing Authority have elected **NOT** to adopt a Capital Budget /Program for the aforesaid fiscal year, pursuant to N.J.A.C. 5:31-2.2 for the following reason(s): _____

Officer's Signature:			
Name:	DOUGLAS DZEMA		
Title:	EXECUTIVE DIRECTOR		
Address:	215 SHORE DRIVE HIGHLANDS, NJ 07732		
Phone Number:	732-872-2022	Fax Number:	732-291-8743
E-mail address	hapadoug@aol.com		

2015/2016 CAPITAL BUDGET/PROGRAM MESSAGE

HIGHLANDS Housing Authority

(Name)

FISCAL YEAR: FROM: 7-1-2015 TO: 6-30-2016

This section is included in the Capital Budget pursuant to N.J.A.C. 5:31-2. It does not in itself confer any authorization to raise or expend funds. Rather, it is a document used as part of the Housing Authority's planning and management system. Specific authorization to spend funds for purposes described in this section must be granted elsewhere, by a separate financing agreement, security agreement, by resolution appropriating funds from the Renewal and Replacement Reserve, or other lawful means.

1. Has the Capital Budget/Program been prepared in consultation with or reviewed by, the local and county planning board(s), governing body(ies), or other affected governmental entity(ies) of the jurisdiction(s) served by the Housing Authority?

Yes, the Authority's Annual and Five Year Plan is prepared in consultation with the residents.

2. Has each capital project/project financing been developed from a specific plan or report and have the full life cycle costs of each been calculated?

Yes

3. Has the Housing Authority prepared a long-term (10-20 years) infrastructure needs assessment?

5 Years

4. Are any of the capital projects/project financings being undertaken in a community that has a State Plan designated center? If so, please describe the relationship of same to the center's goals and objectives.

No

5. Describe the impact on the schedule of rents and/or user charges if the proposed capital projects are undertaken. Indicate the impact on current and future year's schedules.

None

6. Have the projects been reviewed and approved by HUD?

Yes

Add additional sheets if necessary.

2015 Proposed Capital Budget

Highlands Housing Authority
 For the Period July 1, 2015 to June 30, 2016

	Estimated Total Cost	Funding Sources			
		Unrestricted Net Position Utilized	Renewal & Replacement Reserve	Debt Authorization	Other Sources
A/E SERVICES	\$ 6,000			\$ 6,000	
PTAK CAPITAL WORK	29,000			29,000	
JPM CAPITAL WORK	6,000			6,000	
APARTMENT RESTROATION-BOTH	11,321			11,321	
SITE WORK	3,500			3,500	
Project F Description	-				
Project G Description	-				
TOTAL PROPOSED CAPITAL BUDGET	\$ 55,821	\$ -	\$ -	\$ 55,821	\$ -

Enter brief description of up to seven projects above. For more than seven budgeted projects, please attach additional schedules. Input total amount of all projects on single line and enter "See Attached Schedule" instead of project description.

5 Year Capital Improvement Plan

Highlands Housing Authority
 For the Period July 1, 2015 to June 30, 2016

Fiscal Year Beginning in

	Estimated Total	Current Year					
	Cost	Proposed Budget	2016	2017	2018	2019	2020
A/E SERVICES	\$ 30,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
PTAK CAPITAL WORK	112,401	29,000	28,500	2,000	15,000	37,901	-
JPM CAPITAL WORK	85,401	6,000	3,500	42,401	31,000	2,500	-
APARTMENT RESTROATION-BO	42,923	11,321	14,201	3,500	8,401	5,500	-
SITE WORK	3,500	-	-	-	-	-	-
Project F Description	-	-	-	-	-	-	-
Project G Description	-	-	-	-	-	-	-
TOTAL	\$ 274,225	\$ 55,821	\$ 52,201	\$ 53,901	\$ 60,401	\$ 51,901	\$ -

Project descriptions entered on Page CB-3 will carry forward to Pages CB-4 and CB-5. No need to re-enter project descriptions above.

5 Year Capital Improvement Plan Funding Sources

Highlands Housing Authority
 For the Period July 1, 2015 to June 30, 2016

Project G Description	Estimated Total Cost	Funding Sources			
		Unrestricted Net Position Utilized	Renewal & Replacement Reserve	Debt Authorization	Capital Grants Other Sources
A/E SERVICES	\$ 30,000			\$ 30,000	
PTAK CAPITAL WORK	112,401			112,401	
JPM CAPITAL WORK	85,401			85,401	
APARTMENT RESTROATION-BO	42,923			42,923	
SITE WORK	3,500			3,500	
Project F Description	-				
Project G Description	-				
TOTAL	<u>\$ 274,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,225</u>	<u>\$ -</u>
Total 5 Year Plan per CB-4	\$ 274,225				
Balance check	-				

If amount is other than zero, verify that projects listed above match projects listed on CB-4.

Project descriptions entered on Page CB-3 will carry forward to Pages CB-4 and CB-5. No need to re-enter project descriptions above.



HOUSING AUTHORITY OF THE BOROUGH OF HIGHLANDS

215 Shore Drive
Highlands, New Jersey 07732
(732) 872-2022
Fax (732) 291-8743

Ptak Towers

Jennie Parker Manor

Memo to: Finance Committee

From: Douglas Dzema, Executive Director

Re: Finance Committee Meeting

Dated: March 25, 2015

Tom Furlong and I are scheduled to meet with you on March 30th @ 4:30pm to discuss the Authority's budget for the upcoming fiscal year starting July 1st, 2015. At the meeting I would like to briefly discuss the current financial condition of the Authority before moving onto the budget. Attached please find the annual report for the period ending June 30th, 2014 and the six month report ending December 31st, 2014.

Attached please find a summary of the budget items we will discuss at the meeting and a preliminary budget for 6/30/16. As you will see you have been given a description of each line item along with a short synopsis of how the budget number is arrived at. At the meeting we will go over this list and answer any questions you have. We also welcome any thoughts and suggestions you have for the 6/30/2016 budget. Since the preliminary budget calls for a surplus we may not have to meet a second time unless you request to do so. Upon completion of the meeting we will incorporate any changes you require and have the budget ready for introduction to the full Board at its April meeting.

Please also note the State of New Jersey Department of Community Affairs in an effort to promote transparency has greatly increased the budget submission requirements. I will review those in detail at the meeting.

Please review these documents prior to the meeting and call me with any questions.

**HIGHLANDS HOUSING AUTHORITY
HOUSING PROGRAMS
BUDGET WORKSHEET
JUNE 30, 2016**

ACCOUNT NAME	PHA- ACTUAL 6/30/2014	BUDGET 6/30/2015	BUDGET 6/30/2016
DWELLING RENT	518,301	520,950	518,300
EXCESS UTILITIES	8,643	8,520	8,400
INTEREST INCOME	3,963	1,200	1,400
TENANT CHARGES	1,033	3,000	3,600
OTHER INCOME	26,136	25,000	31,400
OPERATING SUBSIDY - PHA	388,879	416,125	419,180
TOTAL INCOME	946,955	974,795	982,280
ADMINISTRATIVE SALARIES	151,854	172,110	110,970
LEGAL	13,280	18,000	22,000
TRAINING	3,695	3,500	6,000
TRAVEL	4,292	3,500	6,000
AUDITING	6,740	7,000	7,200
ACCOUNTING	15,512	17,500	17,870
SUNDRY	84,974	84,800	90,150
TOTAL ADMIN.	280,347	306,410	260,190
TENANT SERVICES MATERIALS	31	2,600	2,600
TENANT SERVICES CONTRACTS	0	500	500
TOTAL TENANT SVCS.	31	3,100	3,100
WATER	26,702	25,310	25,280
ELECTRIC	72,973	77,050	77,190
GAS	79,646	72,570	82,240
SEWER/BOILER TREATMENT	71,120	75,490	77,300
TOTAL UTILITIES	250,441	250,420	262,010
MAINTENANCE LABOR	65,061	72,450	82,760
MAINTENANCE MATERIALS	27,792	35,000	37,000
CONTRACT COSTS	87,278	130,000	133,000
TOTAL MAINTENANCE	180,131	237,450	252,760
PROTECTIVE SERVICES	0	0	0
INSURANCE	41,257	37,900	37,000
PILOT	27,650	27,905	26,470
EMPLOYEE BENEFIT CONTR.	87,580	84,770	61,500
COLLECTION LOSSES	8,299	5,000	5,000
EQUIPMENT	0	5,000	5,000
TOTAL GENERAL	164,786	160,575	134,970
TOTAL EXPENDITURES	875,736	957,955	913,030
RESIDUAL RECEIPTS	71,219	16,840	69,250
RESERVE - JULY 1ST	476,975	548,194	565,034
RESERVE - JUNE 30TH	548,194	565,034	634,284

**HIGHLANDS HOUSING AUTHORITY
HOUSING PROGRAMS
OPERATING RESERVE
Six Months ended December 31st, 2014**

ACCOUNT NAME	PHA- ACTUAL Y-T-D	BUDGET Y-T-D	VARIANCE	12 MONTH BUDGET
DWELLING RENT	257,201	260,475	-3,274	520,950
EXCESS UTILITIES	4,161	4,260	-99	8,520
INTEREST INCOME	870	600	270	1,200
TENANT CHARGES	303	1,500	-1,197	3,000
OTHER INCOME	19,891	12,500	7,391	25,000
OPERATING SUBSIDY - PHA	205,238	208,063	-2,825	416,125
TOTAL INCOME	487,664	487,398	267	974,795
ADMINISTRATIVE SALARIES	48,153	86,055	37,902	172,110
LEGAL	10,488	9,000	-1,488	18,000
TRAINING	710	1,750	1,040	3,500
TRAVEL	2,020	1,750	-270	3,500
AUDITING	6,500	3,500	-3,000	7,000
ACCOUNTING	8,568	8,750	182	17,500
SUNDRY	44,542	42,400	-2,142	84,800
TOTAL ADMIN.	120,981	153,205	32,224	306,410
TENANT SERVICES MATERIALS	611	1,300	689	2,600
TENANT SERVICES CONTRACTS	0	250	250	500
TOTAL TENANT SVCS.	611	1,550	939	3,100
WATER	14,919	12,655	-2,264	25,310
ELECTRIC	37,212	38,525	1,313	77,050
GAS	27,854	36,285	8,431	72,570
SEWER/BOILER TREATMENT	37,462	37,745	283	75,490
TOTAL UTILITIES	117,447	125,210	7,763	250,420
MAINTENANCE LABOR	31,791	36,225	4,434	72,450
MAINTENANCE MATERIALS	18,058	17,500	-558	35,000
CONTRACT COSTS	54,067	65,000	10,933	130,000
TOTAL MAINTENANCE	103,916	118,725	14,809	237,450
PROTECTIVE SERVICES	0	0	0	0
INSURANCE	14,596	18,950	4,354	37,900
PILOT	14,392	13,953	-439	27,905
EMPLOYEE BENEFIT CONTR.	23,908	42,385	18,477	84,770
COLLECTION LOSSES	0	2,500	2,500	5,000
EQUIPMENT/APPLIANCES	25,239	2,500	-22,739	5,000
TOTAL GENERAL	78,135	80,288	2,153	160,575
TOTAL EXPENDITURES	421,090	478,978	57,888	957,955
RESIDUAL RECEIPTS	66,575	8,420	58,155	16,840
RESERVE - JULY 1ST,2014	548,194			
RESERVE - DECEMBER 31ST,2014	614,769			

**HIGHLANDS HOUSING AUTHORITY
HOUSING PROGRAMS
OPERATING RESERVE
For the twelve months ended June 30th, 2014**

ACCOUNT NAME	PHA- ACTUAL Y-T-D	BUDGET Y-T-D	VARIANCE	12 MONTH BUDGET
DWELLING RENT	518,301	520,220	-1,919	520,220
EXCESS UTILITIES	8,643	8,520	123	8,520
INTEREST INCOME	3,963	1,000	2,963	1,000
TENANT CHARGES	1,033	3,000	-1,967	3,000
OTHER INCOME	26,136	25,000	1,136	25,000
OPERATING SUBSIDY - PHA	388,879	386,385	2,494	386,385
TOTAL INCOME	946,955	944,125	2,830	944,125
ADMINISTRATIVE SALARIES	151,854	162,680	10,826	162,680
LEGAL	13,280	18,000	4,720	18,000
TRAINING	3,695	3,500	-195	3,500
TRAVEL	4,292	1,500	-2,792	1,500
AUDITING	6,740	7,000	260	7,000
ACCOUNTING	15,512	17,200	1,688	17,200
SUNDRY	84,974	84,000	-974	84,000
TOTAL ADMIN.	280,347	293,880	13,533	293,880
TENANT SERVICES MATERIALS	31	2,600	2,569	2,600
TENANT SERVICES CONTRACTS	0	500	500	500
TOTAL TENANT SVCS.	31	3,100	3,069	3,100
WATER	26,702	27,910	1,208	27,910
ELECTRIC	72,973	86,460	13,487	86,460
GAS	79,646	70,660	-8,986	70,660
SEWER/BOILER TREATMENT	71,120	73,520	2,400	73,520
TOTAL UTILITIES	250,441	258,550	8,109	258,550
MAINTENANCE LABOR	65,061	75,650	10,589	75,650
MAINTENANCE MATERIALS	27,792	32,000	4,208	32,000
CONTRACT COSTS	87,278	121,500	34,222	121,500
TOTAL MAINTENANCE	180,131	229,150	49,019	229,150
PROTECTIVE SERVICES	0	0	0	0
INSURANCE	41,257	37,900	-3,357	37,900
PILOT	27,650	27,020	-630	27,020
EMPLOYEE BENEFIT CONTR.	87,580	85,300	-2,280	85,300
COLLECTION LOSSES	8,299	5,000	-3,299	5,000
EQUIPMENT	0	4,200	4,200	4,200
TOTAL GENERAL	164,786	159,420	-5,366	159,420
TOTAL EXPENDITURES	875,736	944,100	68,364	944,100
RESIDUAL RECEIPTS	71,219	25	71,194	25
RESERVE - JULY 1ST, 2013	476,975			
RESERVE - JUNE 30TH, 2014	548,194			

**HIGHLANDS HOUSING AUTHORITY
SUMMARY OF BUDGET LINE ITEMS**

REVENUE:

1) **Dwelling Rent**-Total gross rents anticipated for the year. Based on the PHA's latest monthly rent roll. Calculation is as follows:

February 2015 rent divided by units leased times HUD Inflation Factor (1.00%) times total units times 12 months.

2) **Excess Utilities**-Charges to residents of Jenny Parker Manor who have air conditioners, freezers, and microwaves. Based on historical data.

3) **Interest Income**-interest earnings on reserves. Based on reserve balance times anticipated interest rate.

4) **Other Income**-tenant late charges, tenant sales and service, Capital Fund operations transfer. Tenant charges are based on historical data. Capital Fund operations come from the approved Annual Plan. This number will increase to \$12,400 as our capital funding increased.

EXPENDITURES:

5) **Administrative Salaries**-Costs for office salaries-(Tom, Pam and Renee) Increase is determined by Board using various comparables such as Monmouth County salary increase, local PHA's, and inflation factors. Last year staff salary increases were 2% and we are proposing 2% this year as well.

6) **Legal**-legal retainer and extras not covered in the retainer-based on historical data. This number has been increased in case of any personnel lawsuits.

7) **Staff/Commissioner Training**-Represents costs related to staff and commissioners attending various seminars. Also includes mandated NJ State Commissioner Training- Based on current needs including commissioners State Training status of classes needed to comply. This number has been increased for training of new software program.

8) **Travel**-Represents Commissioner and Staff attendance at various housing sponsored conferences and meetings. Based on historical data. This number has been scaled back in recent years so we are adding some funds back to replenish some of this line item.

9) **Accounting Fees**-Costs for fee accounting services. Based on historical data. Increased 2%

10) **Auditing**-Costs for HUD mandated audit. Based on historical data.

11) **Other Administrative costs (Sundry)**-Represents expenses for subscriptions, annual dues for organizations PHA belongs to, telephone, internet costs, tenant screening, court costs, management fees (increased 2%), payroll service, postage, advertising, software maintenance, meeting costs, and office supplies.

12) **Tenant Services Materials and Contracts**-Represents funds to subsidize tenant functions. Based on historical data.

13) **Water/Electric/Gas/Sewer**-Represents cost of utilities at Jenny Parker Manor and PTAK Towers. Based on the HUD Formula that uses the average consumption for the past 3 fiscal years and applies the most current rates and adds in an inflation factor(5.63% for 2015) published by HUD.

14) **Maintenance Labor**-Cost of the maintenance staff (Joe, John, and the open janitorial position) There is a small allotment for casual labor the PHA may use to cover vacations, snow removal etc. And overtime as required as part of the personnel policy. Last year staff salary increases were 2% and we are proposing a 2% increase this year.

15) **Maintenance Materials**-Costs for all maintenance materials including supplies, gas for truck, snow melt, locks/keys, landscaping etc. Based on historical data and increased for the age of the building.

16) **Maintenance Contracts/Repairs**-Cost of annual contracts for elevators, exterminating, HVAC, alarms, office equipment, computers, painting, boiler treatment etc. Also includes outside labor used for various maintenance repairs. Based on historical data and increased for age of building.

17) **Insurance**-Represents costs for the all-lines policy with the NJJIF. Based on historical cost of premiums.

18) **Payment in Lieu of Taxes**-Based on the HUD calculation of dwelling rents plus excess utilities minus utilities expenses times 10%.

19) **Employee Benefits**-Costs of employer paid health benefits, prescription, dental, pension, and employer related payroll taxes. The employees are required to contribute toward their health benefits based on a schedule set forth by the State of New Jersey. The contribution rate is being phased in over a 4-year period with the final phase taking place July 1st, 2014. Based on salary costs and current premiums.

20) **Collection Losses**-Provision for uncollected rents. Based on historical data.

21) **Equipment**- Cost of office/maintenance equipment and tenant appliances. Based on historical data.

HUD SUBSIDY:

22) **HUD Subsidy**-Funds received from HUD to help subsidize PHA program- Based on HUD formula. Request is submitted to HUD and funding is based on the HUD proration factor. The 2015 subsidy formula has not been released and most likely won't be until after March. The inflation factor for 2015 was 1.9%. Initial funding for January, February and March was funded at 83%. Since Congress and the President have agreed on a plan to reduce the federal deficit over the next few years, sequestration will be eliminated increasing the proration factor for PHA's. We are projecting a proration factor of 89% (same as last year) but have left some surplus in case this number comes in lower. A one percent cut equates to approx. \$5,000 so if they cut us 6% it would mean a \$30,000 loss in subsidy and our surplus would drop to \$40,000.

**HIGHLANDS HOUSING AUTHORITY
EXPLANATION OF BUDGET VARIANCES OVER 10%
JUNE 30th, 2016**

Operating Revenues:

Tenants sales and services/Late charges-(+20.0%)-Budget based on current charges that have resulted in additional fees collected from residents.

Capital Fund Operations-(+24%) –Increase in capital funding allowed for an increase in this category from \$10,000 to \$12,400.

Investments-(+16.7%)-increased reserves and earning rates have resulted in additional anticipated interest income

Appropriations:

Administrative Salary/wages-(-35.5%)-Reduction in one full time staff resulted in a reduction of this line item.

Administrative Fringe Benefits-(-66.9%)-Reduction in one full time staff resulted in a reduction of this line item.

Legal-(+22.2%)-Increased to cover a potential lawsuit that the Authority was notified of.

Staff Training-(+71.4%) PHA is installing a new computer software program so increase will cover the training of the employees on the various systems

Travel-(+71.4%) Increase was made to reinstate the budget appropriations reduced over the past few years.

Salary and Wages-Maintenance-(+14.2%) increased to add a part-time position for a janitorial worker.

Fringe Benefits-(+60.8%) Prior State budget allocated fringe based on percentage of salaries. The current budget reflects actual costs.