



**AGENDA**  
**NRHA Commissioners' Meeting**  
May 11, 2011 – 8:00 a.m.  
201 Granby Street, 12<sup>th</sup> floor

I. **REMARKS**

CEO  
Chairman of the Board Comments  
Commissioners' Comments

II. **FINANCE AND ADMINISTRATIVE OPERATIONS**

- 1) FY2012 Budget Process – Budget Balancing Strategies  
Presented by Brenda Benn  
Budget and Compliance Director

**NOTICE of NEXT REGULAR MEETING**

The next BOC meeting is Wednesday, May 25, 2011  
Ruffner Middle School  
(Regular Meeting at 4:00 p.m. and Public Hearing at 6:30 p.m.)



## Agenda Item NRHA Board of Commissioners

**Subject:** FY2012 Budget Process – Budget Balancing Strategies

**Executive Contact:** Clara Graves, Chief Financial Officer

**Date:** May 11, 2011

### BACKGROUND

NRHA's budget process is the foundation for good management, growth and development. Having a well thought out plan that supports the vision of the organization is the first step. Since our first budget work session on March 22, projected revenue has been volatile. The staff adjusted expenditure projections to reflect changes as we move towards sustainability.

The funding gap identified for May 11 has been adjusted from \$5.6M to \$4.7M (does not include the \$1.4 million of earnings from privately managed properties creating a net deficit of \$3.3M.) Listed below are highlights of revenue and expenditures which have resulted in a new funding gap of \$4.7M.

#### Revenue Highlights:

	<u>Amount</u>	<u>Explanation</u>
• Increases:		
○ Federally Aided Subsidy	\$647,657	Subsidy calculation 95.7% to 99.8%
○ HCV Administrative Fees	138,512	Rate increase from 72% to 78.9%
○ City General Fund	41,250	FY2011 level restored
○ CIP Independent	18,519	Increase in funding for Fairmount
○ East Beach Land Sales	100,000	Program delivery support
• Decreases:		
○ CIP Neighborhood Program	(\$600,000)	City retained for property purchase
○ Housing Reinvention	( 120,193)	Shift in employee assignment
○ Local Development Fund	( 13,058)	Bond fee redemption

#### Expenditure Highlights:

• Increases:		
○ Housing Reinvention	\$127,863	Shift in employee assignment
○ Housing Choice Voucher	46,175	Additional IT software for program Adjustment in management and bookkeeping fees
• Decreases:		
○ Development Division Admin.	(\$53,205)	Impact on COCC cost reductions
○ CEO Contingency Fund	( 93,000)	Reduction of other administration

A presentation on budget balancing strategies for FY2012 will be presented and the objective is to provide the following information:

- Review Budget Calendar
- Revenue Highlights (Increases and Decreases)
- Cost Containment (Key Reductions)
- Projection of Revenues and Expenditures FY2012
- Areas of Interest by Program (Challenges)
  - Assumptions
  - Revenue Enhancements

- Strategies for Closing the Gap in FY2012
- Looking Forward FY2012 and FY2013
  - Retirement Incentives
  - Restructuring Efforts
- Next Steps
  - Proposed Budget and Public Hearing Presentation - May 25, 2011
  - Budget Adoption - June 8, 2011
  - Final Budget Actions - September 14, 2011 (FY2011)
  - Budget Amendments - February 8, 2012 (FY2012)

## FY2012 Funding Gap Strategy

Program	Gross Funding Gap 4.21.2011	Net Changes in Expenditure	Net Changes in Revenue	Revised Gross Funding Gap 5.03.2011	Privately Managed Properties Earnings	Program Reserves	Net Revenue Strategies	Balance of Deficit
Federally Aided	\$2,804,452	\$231	\$647,657	\$2,157,026				2,157,026
HCV Administration	666,446	46,175	138,512	574,109				574,109
HCV SRO	34,347			34,347				34,347
Development Administration	1,122,718	(53,205)	146,711	922,802				922,802
Development Program	-	(600,000)	(600,000)	-				-
Debt Service Payment	346,372			346,372				346,372
Housing Reinvention	7,670	(127,863)	(120,193)	-				-
Broad Creek Village Center	50,000			50,000				50,000
NRHA Facilities	140,000	-		140,000				140,000
CEO Special Project	-	127,863		127,863	-			127,863
CEO Contingency Fund	413,078	(93,000)		320,078				320,078
<b>TOTAL</b>	<b>\$5,585,083</b>	<b>(\$699,799)</b>	<b>\$212,687</b>	<b>\$4,672,597</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,672,597</b>