
Louisiana Housing Finance Agency



Budget & Finance

Rene Landry, CFO

February 4, 2009

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MEMORANDUM

To: Chairman: Mayson Foster
Commissioner Michael Airhart
Commissioner John N. Kennedy
Commissioner Robert Pernel
Commissioner Guy T. Williams

From: Rene Landry, CFO

Date: February 4, 2009

There will be a Budget & Finance Committee meeting prior to the Board meeting on Wednesday, February 11, 2009, at 8:30 a.m., Committee Room I. The Committee will discuss a resolution to amend the June 30, 2009 budget and the discussion of the June 30, 2010 budget.

If you have any questions, please feel free to contact me.

RL/lb

February 4, 2009

BUDGET & FINANCE COMMITTEE MEETING

Notice is hereby given of a meeting of the LHFA Budget & Finance Committee to be held on Wednesday, February 11, 2009, 8:30 a.m., Committee Room I, at the Louisiana Housing Finance Agency, located at 2415 Quail Drive, Baton Rouge, Louisiana by order of the Chairman.

PRELIMINARY AGENDA

1. Call to order
2. Approval of the minutes of the March 12, 2008 Budget & Finance Committee meeting
3. Discussion and resolution to amend the June 30, 2009 budget
4. Discussion of the June 30, 2010 budget
5. Other business
6. Adjournment

Milton J. Bailey, President

Pursuant to the provisions of LSA-R.S. 42:6.1, upon two-thirds vote of the members present, the Board of Commissioners of the Louisiana Housing Finance Agency may choose to enter executive session, and by this notice, the Agency reserves its right to go into executive session as provided by law.

Budget & Finance
Wednesday, March 12, 2008
2415 Quail Drive
Committee Room I
Baton Rouge, LA 70808
10:30 A.M.

Commissioners Present

Chairman Wayne Woods
Larry Broussard
Danette O'Neal
Merriell Lawson
Robert Austin

Commissioners Absent

Dr. Adell Brown, Jr.
John N. Kennedy
Guy T. Williams

Staff Present

Milton J. Bailey
Rene Landry
Allison Jones
Jatis Harrington
Melissa Mayers
Kip Anderson
Robyn Meschke
Lourie Brown

Chairman Woods called the meeting to order at 10:47 A.M. at which time a quorum was established. Chairman Woods advised the Committee that the revenue section of the budget was now available on the Agency's website for board members review.

Chairman Woods commented on the large difference in expenses; comparing budget years 2008 to 2009; noting that Human Resources were significantly higher. Several other areas of the budget were discussed such as salary determinations, Energy staffing,

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March 12, 2008
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travel, the purchase of two Agency vehicles and the future of the Department of Ethics as a tenant of LHFA.

Milton Bailey commented on the Board and Senior Retreat scheduled for March 19, 2008 and staff on April 11, 2008.

Following lengthy discussion, Chairman Woods advised the Committee that the final budget would be recommended for approval by the Full Board at the April 9, 2008 meeting.

There being no other matters to discuss, Chairman Woods adjourned the meeting.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by _____ :

RESOLUTION

A resolution is hereby approved to amend the Louisiana Housing Finance Agency Operating Budget for the Fiscal Year Ending June 30, 2009 (attached Exhibit A, entitled "Louisiana Housing Finance Agency 2009 Amended Operating Budget".)

WHEREAS, the Louisiana Housing Finance Agency ("Agency"), as authorized by the State of Louisiana, shall establish its own operating budget:

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency ("Board"), acting as the governing authority of said Agency, that:

SECTION 1. A resolution is hereby approved that amends the Louisiana Housing Finance Agency Operating Budget for the fiscal year ending June 30, 2009 entitled "Louisiana Housing Finance Agency 2009 Amended Operating Budget".

SECTION 2. The Agency staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to implement the Louisiana Housing Finance Agency 2009 Amended Operating Budget.

SECTION 3. The Agency is hereby authorized, empowered, and directed the ability as may be necessary to create, change, amend, and revise any existing documents and/or commitments to the Louisiana Housing Finance Agency 2009 Amended Operating Budget.

SECTION 4. The Chairman, Vice Chairman, President, Vice President, and/or Secretary of the Agency are hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution as approved by the Agency counsel.

This resolution having been submitted to a vote, the vote thereon was as follows

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 11th day of February, 2009.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency, do hereby certify that the foregoing two (2) pages constitutes a true and correct copy of a resolution adopted by said Board of Commissioners on February 11, 2009 providing approval of a resolution authorizing the amendment of the Louisiana Housing Finance Agency Operating Budget for the Fiscal Year Ending June 30, 2009 (attached Exhibit A, entitled "Louisiana Housing Finance Agency 2009 Amended Operating Budget".)

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 11th day of February, 2009.

Secretary

Louisiana Housing Finance Agency
Fiscal Year Ending 06/30/09 Budget
(Original 4/9/08; Amended 2/11/09)

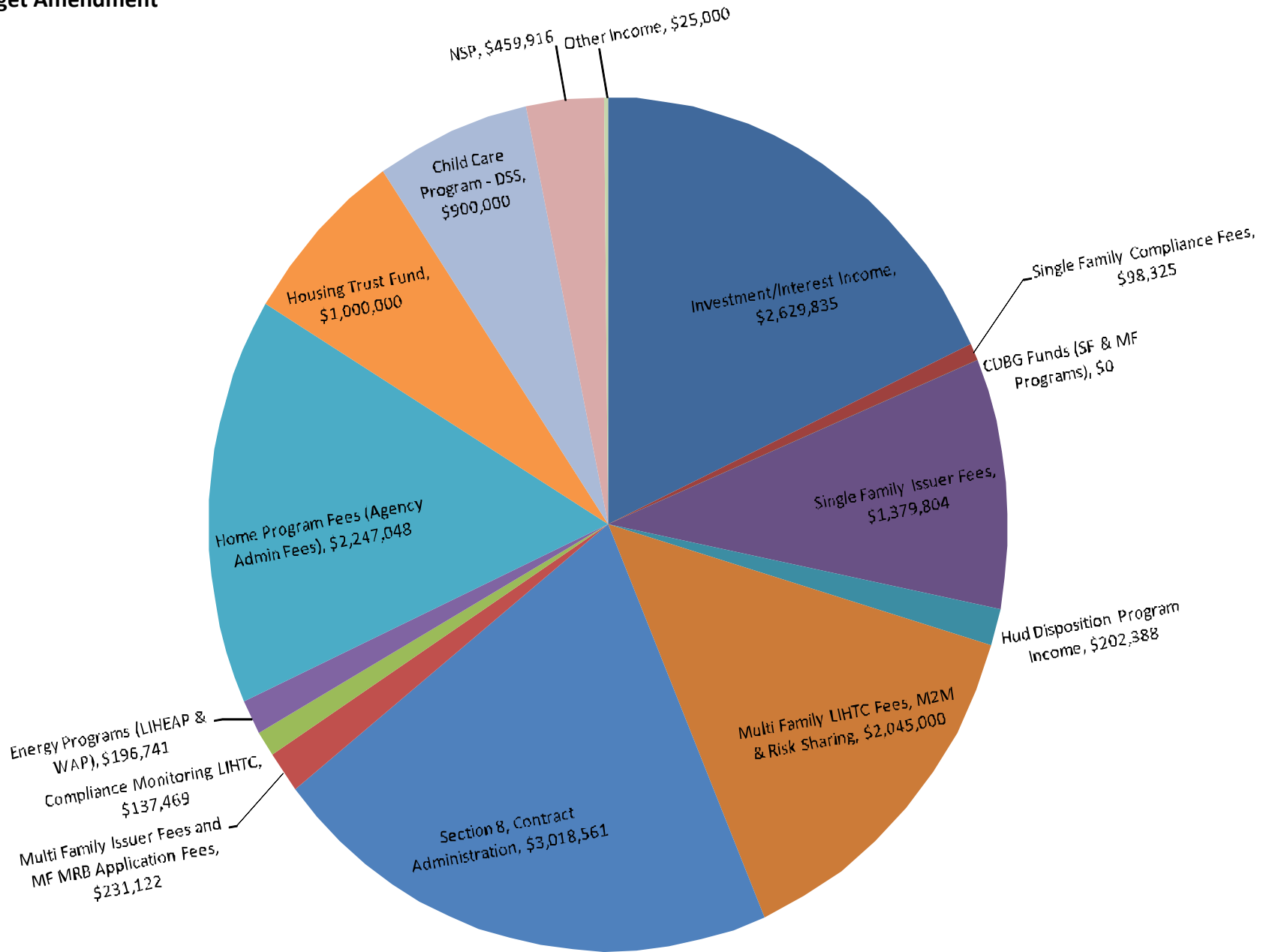
Exhibit A

	Original Operating Budget	Amendments	Notes	Amended Operating Budget	Actuals Through December '08	Projected Year End	Projected Under/(Over) Variance
Operating Revenue							
Investment/Interest Income	\$ 2,629,835			\$ 2,629,835	\$ 1,087,375	\$ 1,770,000	\$ 859,835
Single Family Compliance Fees	98,325			98,325	66,500	66,500	31,825
CDBG Funds (SF & MF Programs)	700,000	(700,000)	1)	-	-	-	-
Single Family Issuer Fees	1,379,804			1,379,804	535,788	1,379,804	-
Hud Disposition Program Income	602,388	(400,000)	2)	202,388	97,266	186,675	15,713
Multi Family LIHTC Fees, M2M & Risk Sharing	845,000	1,200,000	3)	2,045,000	1,988,643	1,988,643	56,357
Section 8, Contract Administration	3,018,561			3,018,561	1,611,864	3,223,729	(205,168)
Multi Family Issuer Fees and MF MRB Application Fees	231,122			231,122	-	231,122	-
Compliance Monitoring LIHTC	137,469			137,469	430	130,000	7,469
Energy Programs (LIHEAP & WAP)	196,741			196,741	148,061	296,122	(99,381)
Home Program Fees (Agency Admin Fees)	1,875,000	372,048	4)	2,247,048	900,000	2,000,000	247,048
Housing Trust Fund	400,000	600,000	5)	1,000,000	195,000	800,000	200,000
Child Care Program - DSS	900,000			900,000	-	450,000	450,000
NSP		459,916	6)	459,916	-	459,916	0
Other Income	25,000			25,000	96,386	134,000	(109,000)
Total Operating Revenue	\$ 13,039,245	\$ 1,531,964		\$ 14,571,209	\$ 6,727,313	\$ 13,116,511	\$ 1,454,698
Operating Expenses							
Human Resources	\$ 8,085,849	\$ 357,829	6)	\$ 8,443,678	\$ 3,717,879	\$ 7,754,586	689,092
Travel & Training	573,500	23,300	6)	596,800	194,257	411,815	184,985
Operating Services	720,188	20,535	6)	740,723	353,552	667,472	73,251
Supplies	167,900	5,300	6)	173,200	44,718	94,736	78,464
Auditing Services	151,690			151,690	148,090	148,090	3,600
Legal Services	198,000			198,000	89,741	179,483	18,517
Other Professional Services	1,652,637	1,125,000	3),4),5),6)	2,777,637	1,178,880	2,413,862	363,775
Building Expenses	289,180			289,180	127,494	254,988	34,192
Building Bond Interest	290,387			290,387	145,193	290,387	-
Total Operating Expenses	\$ 12,129,331	\$ 1,531,964		\$ 13,661,295	\$ 5,999,804	\$ 12,215,419	\$ 1,445,876
Net Operating Revenue over Expenses	909,914	-		909,914	1,782,560	901,092	8,822
Capital Expenditures	383,708	-		383,708	79,040	383,708	-
Net Surplus	\$ 526,206	\$ -		\$ 526,206	\$ 1,703,520	\$ 517,384	\$ 8,822

Notes Regarding Amendments:

- 1) It was originally expected that revenues would be generated via the receipt of CDBG funding, but this is not expected to materialize for fiscal '09.
- 2) Occupancy rates at Willowbrook Apartments took longer to increase than was originally projected.
- 3) The receipt of additional unexpected Tax Credits to allocate generated additional fees charged to the developments, but is partially offset by additional Professional Services.
- 4) Due to recent HUD notifications, HOME will increase direct draws of Administrative Fee Revenue, but this will be partially offset by increased expenditures.
- 5) Due to Housing Trust Fund program aspects further developing, additional amounts will need to be drawn to cover added Professional Services expenditures.
- 6) Due to the agency aggressively pursuing and Congress hearing, the NSP program was received subsequent to the original '09 budget being prepared. The agency is working in conjunction with the Division of Administration via the Office of Community Development to administer the program. Direct costs will be reimbursed.

**Louisiana Housing Finance Agency
Budgeted Revenues Chart
for Fiscal '09 Budget Amendment**



**Louisiana Housing Finance Agency
NSP Operating Budget - 3 Year Grant
for Fiscal '09 Budget Amendment**

Worksheet 2

<u>Accounts / Description</u>	Partial Year % = 50%			Partial Year % = 50%	FULL
	(Oct '08 - Jun '09)	(Jul '09 - Jun '10)	(Jul '10 - Jun '11)	(Jul '11 - Sep '12)	3 YEAR
	FY 08/09	FY09/10	FY10/11	FY11/12	TOTALS
Regular Salaries	224,250	448,500	466,440	242,549	1,381,739
Overtime	22,425	44,850	46,644	24,255	138,174
Benefits/Employer Expenses	64,106	128,213	133,341	69,337	394,998
In-State Travel	5,800	11,600	11,600	5,800	34,800
Out-of-State Travel	17,500	35,000	35,000	17,500	105,000
Rental - Space, Equip., Utilities	5,000	10,000	10,000	5,000	30,000
Printing	7,500	15,000	15,000	7,500	45,000
Dues & Subscriptions	235	470	470	234	1,409
Postage	7,500	15,000	15,000	7,500	45,000
Other Operating Exp.	300	600	600	300	1,800
Office Supplies	5,300	10,600	10,600	5,300	31,800
Operating Supplies - Food	0	0	0	0	0
Professional Services	100,000	168,750	168,750	87,500	525,000
Total Expenses	459,916	888,583	913,445	472,775	2,734,720
Total NSP Budget Available Administrative Fees for Recovering Costs					2,734,720
					(\$34,183,994 * 8%)
Net Under/(Over) Budget					0

Louisiana Housing Finance Agency
 Schedule of Other Professional Services
 for Fiscal '09 Budget Amendment

Worksheet 3

	Original Fiscal 09 Budget	Actual	Projected	Projected Under/(Over) Budget	Amended Additions	Under/(Over) After Amending
Total Professional Services - Advertising	267,500	25,541	118,784	148,716	-	148,716
<u>Professional Services - Other</u>						
Unallocable	50,000		-	50,000		50,000
Allocable	200,000	38,870	66,634	133,366		133,366
Human Resources	1,500	252	432	1,068		1,068
Internal Audit	10,500		-	10,500		10,500
Compliance	7,500		-	7,500		7,500
Information Technology	50,000	30,475	52,243	(2,243)		(2,243)
Section 8	14,387	500	857	13,530		13,530
Single Family	314,250	181,135	310,518	3,732		3,732
Tax Credit	243,000	326,750	426,750	(183,750)	100,000	(83,750)
HOME	250,000	589,023	689,000	(439,000)	325,000	(114,000)
Energy	30,000	41,097	70,452	(40,452)		(40,452)
NSP	-	12,500	21,429	(21,429)	100,000	78,571
M2M/RS	200,000	33,113	56,764	143,236		143,236
Housing Trust Fund	-	267,105	600,000	(600,000)	600,000	0
Accounting	14,000	-	-	14,000		14,000
Total Professional Services - Other	1,385,137	1,520,820	2,295,078	(909,941)	1,125,000	215,059
Total Other Professional Services	1,652,637	1,546,360	2,413,862	(761,225)	1,125,000	363,775