
Louisiana Housing Finance Agency



BUDGET & FINANCE

Rene Landry, CFO

August 10, 2011

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MEMORANDUM

To: Chairman Mayson Foster
Commissioner Michael Airhart
Commissioner John N. Kennedy
Commissioner Guy T. Williams
Commissioner Neal Miller
Commissioner Donald Vallee

From: René Landry, CFO

Date: August 03, 2011

As directed, there will be a Budget & Finance Committee meeting prior to the August 10, 2011, Board Meeting. Please refer to the attached meeting notice, table of contents, agenda, and schedules for details.

RL/lb

August 10, 2011

BUDGET & FINANCE COMMITTEE MEETING

A regular meeting of the Budget & Finance Committee to be held on **Wednesday, August 10, 2011 at 8:00 A.M.**, Louisiana Housing Finance Agency, **Committee Room 2**, located at 2415 Quail Drive, Baton Rouge, Louisiana, by order of the Chairman.

AGENDA

1. Call to order, roll call, and introduction of guests.
2. Approval of the Minutes of the June 8, 2011 Budget & Finance Committee.
3. Discussion & Resolution to Amend the **FYE June 30, 2012 Operating Budget.**
4. Other Business.
5. Adjournment.

Alesia Y. Wilkins-Braxton
LHFA Acting-President

Louisiana Housing Finance Agency
Budget & Finance Committee Meeting
Wednesday, June 8, 2011
Committee Room 1
Baton Rouge, LA 70808
8:45 A.M.

Committee Members Present

Chairman Mayson H. Foster
Commissioner Michael L. Airhart
Commissioner Guy T. Williams
Commissioner Donald B. Vallee

Committee Members Absent

Commissioner John N. Kennedy
Commissioner Neal P. Miller

Other Commissioners Present

Commissioner Allison A. Jones

Staff Present

Alesia Wilkins-Braxton
René Landry
Christine Bratkowski
Jessica Guinn
Jatis Harrington
Terry Holden
Jeff DeGraff
Danny Veals
Loretta Wallace
Charlette Minor
Annie Clark
Ruth Wesley
Terri Ricks
Lourie Brown

Guests Present

Buck Landry, Morgan Keegan
Don Wright, Housing Development Software (HDS)
Abdul Mondol, Housing Development Software (HDS)
Carliss Knesel, Hancock Bank
Tim Rittenhouse, CSG Advisors
Brian Tenette, Willowbrook Management, Inc.
Eugene J. Green, Jr., Willowbrook Management, Inc.
Wayne Neveu, Foley, Judell, LLC

1. **Call to order, roll call and introduction of guests.** Chairman Mayson H. Foster called the meeting to order at 9:00 a.m. and asked for a roll call. A quorum was established. In lieu of formal introductions, Chairman Foster requested that all in attendance sign in.
2. **Approval of the minutes.** A motion was made by Commissioner Guy T. Williams with a second by Commissioner Donald B. Vallee to approve the minutes of the May 11, 2011 committee meeting. The minutes were approved with a roll call vote.
3. **Discussion & Resolution to Adopt the FYE June 30, 2012 Operating Budget.** Chairman Foster opened the floor to René Landry, Chief Fiscal Officer, for further discussion of the 2012 Operating Budget. Updates were given on the items that were modified at the Committee's request from the May meeting. Other items discussed included confirmation that the agency should indeed move forward with the computer system cooling upgrades to ensure protection of equipment and data. There was also discussion on the feasibility of potential purchases of equipment for use by the board in the effort towards going paperless.
4. **Motion to Adopt the FYE June 30, 2012 Operating Budget.** A motion was made by Commissioner Vallee with a second by Commissioner Williams to Adopt the FYE June 30, 2012 Operating Budget. The motion passed unanimously.
5. **Discussion of Cash Flow Projection Schedule.** It was noted that an additional schedule had been added to the budget worksheet package to detail cash flow affecting investment income.
6. **Adjournment.** Upon hearing that there was no other business, a motion was made by Commissioner Airhart with a second by Commissioner Vallee to declare the meeting adjourned. The motion passed unanimously and the meeting was adjourned at 9:35 a.m.

Louisiana Housing Finance Agency
 Draft Proposed Amended Operating Budget
 Fiscal Year Ending June 30, 2012

Worksheet

<u>Operating Revenue</u>	ORIGINAL FY 11/12 BUDGET	PROPOSED AMENDED FY 11/12 BUDGET
Investment/Interest Income	\$ 1,782,809	\$ 2,352,207
Single Family Compliance Fees and CDGB Admin	327,208	327,208
Single Family Issuer Fees	1,481,265	1,481,265
Hud Disposition Program Income	1,254,965	1,254,965
Multi Family LIHTC Fees, M2M & Risk Sharing	1,054,000	1,054,000
Section 8, Contract Administration	3,038,464	965,695
Multi Family Issuer Fees and MF MRB Application Fees	281,428	281,428
Compliance Monitoring LIHTC	129,000	129,000
Energy Programs (LIHEAP & WAP)	474,297	474,297
Home Program Fees (Agency Admin Fees)	2,251,348	2,078,661
NSP & Mid-City	660,226	660,226
WAP-ARRA	408,590	360,109
CDBG Rebuilding	1,032,737	1,032,737
Total Operating Revenue	\$ 14,176,338	\$ 12,451,799
<u>Operating Expenses</u>		
Human Resources	\$ 9,656,425	\$ 8,367,394
Travel & Training	355,025	263,225
Operating Services	798,160	700,000
Building Bond Interest	110,729	110,729
Building Expenses	289,650	250,000
Supplies	151,280	90,000
Auditing	132,750	132,750
Legal Services	100,000	60,000
Professional Services	2,343,750	2,030,625
Total Operating Expenses	\$ 13,937,769	\$ 12,004,723
Excess Revenue Over Expenses From Operations	238,569	447,076
Capital Expenditures	192,000	160,000
Net Excess Revenue Over Expenses	\$ 46,569	\$ 287,076

Louisiana Housing Finance Agency
Draft Proposed Anticipated Operating Budget
Fiscal Year Ending June 30, 2012

Worksheet

Notes:

- 1) Investment revenue increased to reflect transfer of \$25.1 million to La. Treasury as of 12/31/2011 rather than 7/1/11.

- 2) Section 8 Revenue reduced to first quarter amount only due to contract not being renewed at 10/1/11.

- 3) Human Resources reduced for not funding the following: 1) entire year for eleven current vacant positions of President, General Counsel, Policy Director, Internal Auditor, Environmental Specialist, Special Programs Manager, two Program Specialists, a Program Supervisor, IT Analyst, and Maintenance Repairer; 2) amounts for the last six months for the current twelve Section 8 staff, and 2nd thru 4th quarter amounts for Travel Coordinator and HOME Admin. Coordinator. For the twelve currently filled positions affected by the loss of funding source, factored in \$200 per person per week for 12 weeks, plus 1500 hours of leave payout at an average of \$25 per hour.

- 4) Travel & Training reduced by \$69,300 to leave monitoring and in-state training amounts of \$178,225, but lowered out-of-state to \$85,000 total including board amount of \$55,000 and staff amount of \$30,000.

- 5) Operating Services reduced by \$98,160 to leave \$700,000, which approximates fiscal year '11 total amount expended.

- 6) Building Expenses reduced by \$39,650 to leave \$250,000, which approximates fiscal year '11 total amount expended.

- 7) Supplies reduced by \$61,280 to leave \$90,000, which approximates fiscal year '11 total amount expended.

- 8) Legal Services reduced by \$40,000 to leave \$60,000, which approximates fiscal year '11 total amount expended.

- 9) Professional Services reduced by \$313,125 to leave \$2,030,625 to primarily cover anticipated flow-thru expenditures for program areas.

- 10) Capital Expenditures reduced by \$32,000 to remove replacement of two vehicles, leaving \$160,000.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by Commissioner _____ and approved by Commissioner _____:

RESOLUTION

To amend the Louisiana Housing Finance Agency Operating Budget for the Fiscal Year Ending June 30, 2012 (attached Exhibit A, entitled “Louisiana Housing Finance Agency Fiscal Year Ending June 30, 2012 Amended Operating Budget”).

WHEREAS, the Louisiana Housing Finance Agency (the “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 (the “Board”), acting as the governing authority of said Agency:

SECTION 1. The Louisiana Housing Finance Agency amends the Operating Budget for the Fiscal Year Ending June 30, 2012 (attached Exhibit A, entitled “Louisiana Housing Finance Agency Fiscal Year Ending June 30, 2012 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 Fiscal Year Ending June 30, 2012 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 Fiscal Year Ending June 30, 2012 Amended Operating Budget the terms of which are to be consistent with the provisions of this resolution.

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.

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 10th day of August 2011.

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 (the “Board of Commissioners”), 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 August 10, 2011 providing approval to amend the Louisiana Housing Finance Agency Operating Budget for the Fiscal Year Ending June 30, 2012 (attached Exhibit A, entitled “Louisiana Housing Finance Agency Fiscal Year Ending June 30, 2012 Amended Operating Budget”).)

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 10th day of August, 2011.

Secretary

(SEAL)

**Louisiana Housing Finance Agency
Amended Operating Budget
Fiscal Year Ending June 30, 2012**

Exhibit A

	FY 11/12 AMENDED BUDGET
<u>Operating Revenue</u>	
Investment/Interest Income	\$ 2,352,207
Single Family Compliance Fees and CDGB Admin	327,208
Single Family Issuer Fees	1,481,265
Hud Disposition Program Income	1,254,965
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CDBG Rebuilding	1,032,737
Total Operating Revenue	\$ 12,451,799
<u>Operating Expenses</u>	
Human Resources	\$ 8,367,394
Travel & Training	263,225
Operating Services	700,000
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Building Expenses	250,000
Supplies	90,000
Auditing	132,750
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Professional Services	2,030,625
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