

Legislation Text

File #: 20-436, **Version:** 1

DATE: August 25, 2020

TO: Members of the Housing & Redevelopment Authority

FROM: Melissa Hanson, Housing Coordinator

Housing & Redevelopment Authority 2021 Budget

SUMMARY AND ACTION REQUESTED:

The HRA to review the preliminary budget for 2021.

BACKGROUND:

Each year the HRA adopts a budget for the following year. The HRA's main source of revenue comes from ad valorem taxes. The HRA also receives income from rentals, interest and other miscellaneous sources.

The proposed budget includes estimated expenditures for 2021.

ANALYSIS:

2021 General Operating Budget

Revenues

- There is a projected 4.8% increase in overall revenue for 2021. Ad valorem tax revenue is estimated to be \$278,204, with other revenue estimated at \$64,752. This other revenue includes interest from investments (this number is provided by the Finance Department) and income from rental properties.
- At this time, revenue from rents will remain the same as 2020. This should be reevaluated in the future to bring rent revenue in line with HUD's FMR for Rice County.

Personal Services

- Salaries, overtime, longevity, part-time, PERA, FICA, MED/Dental, HAS, Workman's Comp, etc. These budget items are set by the Finance Department.

Supplies - No change

Charges for Service

Professional Services

- The Professional Services budget item has been decreased from \$32,000 to \$25,000 for professional services related to Spring Creek II and other projects.

Auditing/Accounting

- The Auditing/Accounting budget is set by the City of Northfield Finance Department.

Legal Services

- No change

IT Equipment Replacement

- The IT Equipment Replacement budget is set by the City of Northfield Finance Department and is currently at \$3,291.

Mileage/Meals/Lodging

- The purpose of Mileage/Meals/Lodging is to cover costs for HRA board members and/or staff for travel and other expenses for conferences, trainings, etc. Due to recent travel constraints, staff proposes a decrease from \$2,000 to \$1,000.

Training/Conference

- The purpose of this budget item is to cover the costs for HRA board members and/or staff to attend conferences and training. Staff proposes no change at this time.

Advertising

- No change.

General Insurance

- The purpose of this budget item is to cover the HRA's proportional share of the City of Northfield's General Insurance. This budget item is set by the City of Northfield Finance Department and increased to \$2,100 from \$1,900.

Other Charges

Dues/Memberships

- No change.

Misc. Operating Expenses

- No change.

Administrative Charges

- Administrative charges are set by the City of Northfield Finance Department and have increased to \$7,873 from \$7,570.

Rental Properties/Programs

General Insurance

- Insurance for HRA owned rental properties has increased to \$3,381.

Water/Sewer/Gas/Electricity

- The purpose of this budget item is to cover the utility costs for HRA owned properties. Staff proposes a \$400 increase to this budget item to reflect increase cost of delivery for such services.

Misc. Operating Expense- taxes, repairs, mowing/snow removal

- The purpose of this budget item is to cover the taxes, repairs, mowing and snow removal costs for HRA owned properties. Staff proposes a \$608 increase to this budget item to reflect increase cost of delivery for such service.

Charges for Service

Programs and Public Service

- Staff is requesting \$63,000, a decrease from \$76,500 to fund the following programs and public service projects:
 - Street Assessment Assistance Program \$18,000
 - NUY Wallflower Project \$15,000
 - Fall Clean Up \$10,000
 - Mobile Home Rehab Program \$20,000

Water, Sewer & Storm Drainage

- Southbridge property fees- No change
- Misc. Operating- Mowing at Southbridge- no change

Capital Outlays

Other Improvement Projects

- The purpose of this budget item is to cover required improvement costs for HRA owned rental properties. Staff is requesting an increase to \$22,000 from \$20,592.

OPTIONS:

The HRA may review the 2021 budget and propose changes or accept the preliminary budget as proposed.

RECOMMENDATION:

The HRA to review and adopt the 2021 preliminary budget proposal.