

NON-PROFIT HOUSING DEVELOPMENT CORPORATION
Of LEBANON COUNTY

September 24, 2014
2:00 p.m.

Quittapahilla Commons
Community Room

A meeting of the Board of Directors of the Non-Profit Housing Development Corporation of Lebanon County was held on Wednesday, September 24, 2014 at 2:00 p.m. in the Community Room of 301 West New Street, Annville, Pennsylvania.

There were present:

Members:

Betty Eiceman
Jean Gohn

Jeremy Maurer

Professional Associates:

Karen Raugh
Patricia Stine

Sue Bowman

1. **Roll Call.** President Eiceman called the meeting to order at 2:05 p.m. Roll call was taken.
2. **Approve Minutes of September 23, 2013 Meeting.** The Minutes from the September 23, 2013 meeting were presented to the Board.

Following review, it was moved by Mrs. Gohn and seconded by Mr. Maurer and unanimously approved by the Board to accept the aforementioned Minutes as written.

3. **Approve Bills to be Paid.** Mrs. Raugh called the Board's attention to the Bills to be Paid for the months of September 2013 through August 2014 for Markethouse Place, Quittapahilla Commons, Mifflin Mills and the Non Profit Corporation.

Upon a motion by Mrs. Gohn, which was seconded by Mr. Maurer, it was unanimously agreed to approve the Bills to be Paid for the months of September 2013 through August 2014 as presented; copies are attached hereto.

4. **Election of Officers.** By acclamation, the Board opted to retain the existing slate of officers for the coming year, namely: Betty Eiceman, President; Jean Gohn, Vice-President; and Jeremy Maurer, Secretary-Treasurer.
5. **Approve Budgets.** Mrs. Raugh gave a brief overview of the proposed 2015 budgets for Markethouse Place, Quittapahilla Commons and Mifflin Mills. At Markethouse Place Mrs. Raugh noted that the proposed budget projects a \$19,000 operating surplus for

2015, without the need for a rent increase. It was also noted that the budget includes an \$8,000 allowance to for any required bed bug treatments. At Quittapahilla Commons finances continue to remain a challenge. However, the budget forecasts operating at basically break even without the need for a rent increase. Karen explained to the board that while the Mifflin Mills budget projects operating at a breakeven point, that is a bit misleading, since any profit at Mifflin Mills is used to make payments towards the PHFA loan. Karen also pointed out that dwelling rental income at Mifflin Mills will be somewhat lower in 2015 due a \$9.00 per month increase in the resident's utility allowance.

Following discussion, Mrs. Gohn made a motion, which was seconded by Mr. Maurer, to approve the 2015 budgets for Markethouse Place, Quittapahilla Commons and Mifflin Mills as proposed by Mrs. Raugh. The motion carried unanimously.

6. Other Business.

a. Mrs. Stine called the Board's attention to her written report.

b. Discuss End of Quittapahilla Commons and Palmview 15 Year Tax Credit Compliance. Mrs. Raugh explained to the Board that Quittapahilla Commons' tax credits will come to an end in 2014, the 15th year of these credits. She indicated that Mr. Hoffman had initiated negotiations with Wells Fargo to amend the partnership agreement to remove Wells as the Limited Partner. At this point a final agreement has not yet been reached as to the terms of the partnership modification. However, there is an existing right of first refusal document which would allow the General Partner to purchase the limited partner's interest in the property for \$65,000. Once an agreement is reached the Palmyra Housing Development Corporation would be substituted as the limited partner to replace Wells Fargo in the Anville Housing Limited Partnership.

Mrs. Raugh also informed the board that the Palmyra Housing Development Corporation was in discussions with Fulton Bank to purchase Fulton's interests in the Palmview Partnership. Fulton has preliminarily agreed to accept \$25,000 as payment for their share of the Once an agreement is reached with Fulton the Non Profit Housing Development Corporation would be substituted as the limited partner to replace Fulton in the Palmyra Elderly Housing Limited Partnership.

Mrs. Raugh indicated that Mr. Hoffman would keep the board apprised of the progress of ongoing negotiations with respect to both the Quittapahilla Commons and Palmview partnerships.

c. Purchase of Computers. Mrs. Raugh explained to the Board that the Housing and Redevelopment Authorities existing desk top computers are in excess of 10 years old and require replacement. However, many areas of the Authorities operations are facing

financial challenges due to the ongoing decreases in Federal Funding. The Authorities are therefore requesting that the Non Profit purchase the PCs and then enter into a lease purchase arrangement with the Authorities. Total cost of the PCs would be approximately \$45,000 which would be repaid through the lease purchase over a three year period at an annual interest rate of approximately ½ of 1 percent. Mrs. Raugh informed the board that the Non Profit currently had approximately \$700,000 in savings and as such had more than enough funds on hand to finance the computer purchase for the Housing and Redevelopment Authorities.

Following the discussion, Mr. Maurer made a motion, which was seconded by Mrs. Gohn, to approve financing of the computers for the Housing and Redevelopment Authorities. The motion carried unanimously.

7. **Adjournment.** There being no further business to come before the Board at this time, the meeting was adjourned at 3:50 p.m.

**Non-Profit Housing Development Corporation
Agenda**

September 24, 2014
2:00 P.M.

Quittapahilla Commons
301 West New Street, Annville, PA

1. Roll Call
2. Approve Minutes of the September 23, 2013 Meeting
3. Approve Bills to be Paid
4. Treasurers Report
5. Election of Officers
6. Markethouse Place
 - a. Approve Budget
5. Quittapahilla Commons
 - a. Approve budget
 - c. Discuss End of 15 Year Tax Credit Compliance
6. Mifflin Mills
 - a. Approve Budget
5. Other Business
 - a. Substitution of NPHDC as General Partner in the Palmyra Housing Limited Partnership
6. Adjournment

NON-PROFIT HOUSING DEVELOPMENT CORPORATION
OF LEBANON COUNTY

September 23, 2013
2:00 p.m.

Markethouse Place
Community Room

A meeting of the Board of Directors of the Non-Profit Housing Development Corporation of Lebanon County was held on Monday, September 23, 2012 at 2:00 p.m. in the Community Room of 550 Willow Street, Lebanon, Pennsylvania.

There were present:

Members:

Betty Eiceman
Jean Gohn

Jeremy Maurer

Professional Associates:

Bryan Hoffman
Patricia Stine

Sue Bowman
Daniel Lyons

1. **Roll Call.** President Eiceman called the meeting to order at 2:05 p.m. Roll call was taken. Bryan Hoffman introduced Daniel Lyons as a new employee of the Lebanon County Redevelopment Authority, who will be spending 20% of his time assisting with Housing Authority duties.
2. **Approve Minutes of September 17, 2012 Meeting.** The Minutes from the September 17, 2012 meeting were presented to the Board.

Following review, it was moved by Mr. Maurer, seconded by Mrs. Eiceman and unanimously approved by the Board to accept the aforementioned Minutes as written.

3. **Approve Bills to be Paid.** Mr. Hoffman called the Board's attention to the Bills to be Paid for the months of September 2012 through August 2013.

Upon a motion by Mrs. Gohn, which was seconded by Mr. Maurer, it was unanimously agreed to approve the Bills to be Paid for the months of September 2012 through August 2013 as presented; copies are attached hereto.

4. **Election of Officers.** By acclamation, the Board opted to retain the existing slate of officers for the coming year, namely: Betty Eiceman, President; Jean Gohn, Vice-President; and Jeremy Maurer, Secretary-Treasurer.
5. **Approve Budgets.** Mr. Hoffman gave a brief overview of the proposed 2013 budgets for Markethouse Place, Quittapahilla Commons and Mifflin Mills. He noted that, due to

successful appeals of these three properties' 2012 tax reassessments, the tax savings had amounted to \$22,000 for Markethouse Place, \$17,100 for Quittapahilla Commons and \$35,000 for Mifflin Mills. Unfortunately, these savings are expected to be largely offset by significant increases in comprehensive general liability and property insurance, since many carriers are opting not to insure multifamily subsidized properties. As an example, he noted that the insurance premiums for Palmview have tripled since last year despite an exemplary loss record. Mr. Hoffman added that he also programmed in monies to cover the possible need for extermination costs to deal with the possible treatment of bed bugs, which have become a growing and expensive problem to deal with across the nation. He indicated that, otherwise, there are no sizeable increases in any line items, just modest inflation factors, which then result in a \$10 per month rent increase at each of the three tax credit properties; this will bring rents as of January 1, 2014 to \$500 per month at Markethouse Place, \$520 per month at Quittapahilla Commons and \$797 per month at Mifflin Mills, where that market rent figure will be affected by any utility allowance revision.

Following discussion, Mr. Maurer made a motion, which was seconded by Mrs. Gohn, to approve the 2014 budget drafts for Markethouse Place, Quittapahilla Commons and Mifflin Mills as proposed by Mr. Hoffman, to include \$10 per month rent increases effective January 1, 2014. The motion carried unanimously.

6. **Other Business.** Mrs. Stine called the Board's attention to her written report.

- a. **Award of Laundry Contracts.** Mr. Hoffman distributed copies of the tabulation of bids received for Laundromat services at all Housing Authority managed properties on June 28, 2013. The laundry contracts were awarded to FMB Laundry, Inc., which will rebate 77.1% of gross laundry proceeds for Markethouse Place and 55% of gross proceeds at Quittapahilla Commons. He added that, during the transition from the old contractor to the new, the laundry rooms were thoroughly cleaned and repainted.

It was then moved by Mr. Maurer, seconded by Mrs. Gohn and unanimously approved to award the Laundromat services contracts for Markethouse Place and Quittapahilla Commons for the three year period commencing September 1, 2013, with an option to renew for two additional years, to FMB Laundry, Inc. of Ballo, MD in return for 77.1% of the gross proceeds at Markethouse Place and 55% of the gross revenues at Quittapahilla Commons.

- b. **Award of Service Contracts.** Mr. Hoffman indicated that proposals are currently being sought for the properties' annual insurance and service contracts. It was the consensus of the Board to award to the successful low bidders following receipt of bid tabulations and a telephone consultation with the Board members later this year.

c. Discuss End of Quittapahilla Commons 15 Year Tax Credit Compliance. Mr. Hoffman explained to the Board that Quittapahilla Commons' tax credits will come to an end in 2014, the 15th year of these credits. He indicated that there would be advantages for the property in determining whether their controlling partner, Wells-Fargo Bank, would be interested in being bought out of the partnership or making a charitable contribution thereof prior to their capital account going negative. Otherwise, the bank would face negative tax consequences. Mr. Hoffman will keep the Board apprised of any possible approaches made in this regard.

7. Adjournment. There being no further business to come before the Board at this time, the meeting was adjourned at 2:40 p.m.

HOUSING AUTHORITY

of the County of Lebanon



TO: Non Profit Housing Development Corporation of Lebanon County

FROM: Lebanon County Housing Authority, Managing Agent

SUBJECT: Housing Management Report

Date: September 24, 2014

There have been four move-outs from Quittapahilla Commons and six move-outs from Markethouse Place during the past year. This compares with four move-outs and six move-outs, respectively, the previous year. Currently the Quittapahilla Commons waiting list has twenty-five applicants, with only five applicants for Markethouse Place. The list for Quittapahilla has remained around the same number; the Markethouse list has decreased dramatically over the pass year. Markethouse has two upcoming vacancies; we are currently working on interviewing applicants for these units.

Annual unit inspections were completed at Markethouse Place in July, all units were found in good repair. Some minor repairs were needed and have been addressed. Quittapahilla Commons inspections will be conducted during the month of October 2014. PHFA also conducted their inspection at Markethouse Place in January 2014. PHFA just conducted an inspection at Quittapahilla Commons on September 12, 2014. Both buildings are in good shape and only minor items were noted for repairs; we are working on completing these items and reporting back to PFHA on a monthly basis.

We have been replacing carpet and vinyl at turnover as needed for both properties, the cost for this is paid from the reserves accounts. In 2014 Home Improvement Outlet replaced the carpet in the main lobby area with ceramic tile at Markethouse Place & the 1st floor PTAC unit was also replaced. The old wooden split rail fence along the alley at Quittapahilla Commons was replaced with a new white vinyl double rail fence.

Mifflin Mills had one move out over the past year, the resident moved to Philadelphia for employment reasons. The wait list currently shows thirty-eight applicants, but sadly, only five are eligible the remaining list is ineligible due to income, family composition or out of county. Of these five; I am currently working on processing applications for the vacant unit, based on credit, criminal and other factors. Annual inspections will be completed next week.

2015 budgets for all properties will be presented to the Board during the September 24th meeting.

We will not propose rent increases for any of the properties this coming year.



RENTAL OFFICES
Stevens Towers

930 Willow St. / Lebanon, PA 17046 / Phone (717) 273-1639 / Fax (717) 273-6950
email: info@lebanoncountyhousing.com / TDD 1 (800) 543-1833 Ext. 826

Memorandum

To: Board Members

From: Bryan Hoffman, B.D. 94.

Subject: Market House Place, Quittapahilla Commons & Mifflin Mills 2015 Proposed Budgets

Date: August 1, 2014

Attached for your review and comment are the proposed FY 2015 budgets for the above referenced developments. I look forward to discussing the proposed budgets with you during our meeting in September (Patty will be contacting you to set up a date for the meeting).

Markethouse Place

Markethouse continues to show positive cash flow and I am projecting we will end the 2015 budget year with a \$19,000 operating surplus. However, one unknown factor are possible expenses related to bed bug infestations. While Markethouse has so far been spared a serious infestation, we have not been so fortunate at some of other facilities. In those buildings which have experienced an infestation, we have been spending considerable funds in an attempt to eradicate the pest. Thus I believe it is prudent to include bed bug treatments as a normal annual expense. I have allowed \$8,000 for any bed bug related costs in 2015.

Finally, I am not proposing a rent increase for the coming year. We have been imposing rent increases steadily for the past 5 years and I think we can give the residents a break this year.

Quittapahilla Commons

The financial situation at Quitti continues to be a challenge, with income just covering our expenses. As with Markethouse, we face the possibility of significant expenditures to deal with possible bed bug infestations. However, even allowing for possible bed bug expenses, I believe we can get by with no rent increase in 2015. As with Markethouse, I would like to give the residents a break on rent increases for the coming year.

PENNSYLVANIA HOUSING FINANCE AGENCY

Rental Housing Program

Annual Operating Budget - DRAFT 07/24/2014

Name of Development: Annville Limited Partnership
Fiscal Year Ending: December 31, 2015

PHFA NO: O-0591
of Units: 22

ACCOUNT	Account No.	1	2	3	4	5	6
		Actual 2011	Actual 2012	Actual 2013	2014 Budget	2014 Projected	2015 Budget
46 Office Salaries	6310	5,440	4,790	4,865	0	0	0
47 Manager Salaries	6330	1,080	1,080	850	4,984	4,984	5,084
48 Administrative Rent Free Unit	6331				0	0	0
49 Janitor/Maintenance Payroll	6510	5,119	4,046	4,625	5,848	5,848	5,965
50 Payroll Taxes	6711	368	314	327	829	829	845
51 Workers' Compensation	6722	139	118	123	556	556	566
52 Health Ins. & Employee Benefits	6723	1,499	3,373	3,430	2,839	3,150	3,340
53 Total Payroll Expense		13,645	13,721	14,220	15,056	15,367	15,800
54 Real Estate Taxes Escrow Deposits	6710	24,259	24,582	8,208	8,800	9,000	9,000
55 Property & Liability Ins. Escrow Deposits	6720	3,878	4,468	4,284	7,600	3,960	3,960
56 Fidelity Bond Insurance	6721				0	0	0
57 Misc. Taxes & Ins, Licenses/Permits	6729				0	0	0
58 Total Taxes & Ins. Expenses		28,137	29,050	12,492	16,400	12,960	12,960
59 Mortgage Interest and Principal	6820	742	749	757	750	0	0
60 PHFA Late Fees	6821				0	0	0
61 Other Interest Payments	6830				0	0	0
62 HUD Mortgage Insurance Premiums	6850				0	0	0
63 PHFA Service Fees	6851	0	0		0	0	0
64 PHFA Self Insurance Fees	6855	0	0		0	0	0
65 Other Service Fee	6860				0	0	0
66 Investor Service Fee	6870	3,000	3,000	3,000	3,000	3,000	3,000
67 Misc. Financial Expenses	6890	0	0	0	0	0	0
68 Total Financial Expenses		3,742	3,749	3,767	3,750	3,000	3,000
69 Supportive Service Payroll	6910	0	0		0	0	0
70 Supportive Service Supplies	6920	0	0		0	0	0
71 Total Supp. Serv. Expenses		0	0	0	0	0	0
72 Total Cost of Operations		134,816	130,786	108,289	122,726	117,426	123,707
73 Profit (Loss) from Operations		(5,373)	(1,394)	26,996	14,679	16,587	13,613
Other Sources/(Uses) of Funds							
74 Rsv Fund for Replacements Dep	-	1320	(8,220)	(8,472)	(8,829)	(8,988)	(9,258)
75 Rsv Fund for Replacements W/Drawal	+	1320	6,120	14,859	3,909	6,000	6,000
76 Rsv Fund for Paint & Dec. Deposit	-	1330			0	0	0
77 Rsv Fund for Pain & Dec. W/Drawal	+	1330			0	0	0
78 Operating Deficit Reserve Withdrawal	+	1331			0	0	0
79 FSSP Escrow Withdrawal	+	1333			0	0	0
80 Other Reserv W/D or Bond Assistance	+	1390			0	0	0
81 Capital Imp/Equip Purchases	-	1420			(6,000)	(6,000)	(6,000)
91 Total Other Sources (Uses) of Funds		(2,100)	6,387	(4,920)	(8,988)	(8,988)	(9,258)
92 Cash Flow(Deficit) from Operations		(7,473)	4,993	22,076	5,691	7,599	4,355

PENNSYLVANIA HOUSING FINANCE AGENCY

Rental Housing Program

Annual Operating Budget - DRAFT 07/24/2014

Name of Development: Annville Limited Partnership
 Fiscal Year Ending: December 31, 2015

PHFA NO: O-0591
 # of Units: 22

ACCOUNT			1	2	3	4	5	6
Account No.			Actual 2011	Actual 2012	Actual 2013	2014 Budget	2014 Projected	2015 Budget
1	Rental Income	+ 5120	132,000	132,000	134,640	137,280	133,054	137,280
2	Stores and Commercial Rent	+ 5140				0	0	0
3	Other Rental Income	+ 5190				0	0	0
4	Rent Concessions	- 5250				0	0	0
5	Total Rental Income		132,000	132,000	134,640	137,280	133,054	137,280
6	Vacancies - Apartments	- 5220	(4,813)	(4,017)	(475)	1,375	650	1,375
7	Vacancies - Commercial	- 5240				0	0	0
8	Total Vacancy Loss		(4813)	(4017)	(475)	1,375	650	1,375
9	Net Rental Income		127,187	127,983	134,165	135,905	132,404	135,905
10	Supportive Service Income	5300				0	0	0
11	Interest Income-Operations	5410		15	22	0	5	0
12	Grant Income	5510				0	0	0
13	Service Income	5910	841	1,002	713	1,000	1,104	915
14	NSF and Late Fees	5920				0	0	0
15	Miscellaneous Income	5990	1,415	392	385	500	500	500
16	Total Other Income		2,256	1,409	1,120	1,500	1,609	1,415
17	Total Property Income		129,443	129,392	135,285	137,405	134,013	137,320
18	Advertising & Renting Expense	6210	8		234	0	0	0
19	Office & Telephone Expense	6311	2,444	2,455	1,967	2,600	2,078	2,400
20	Model Apartment Expense	6312				0	0	0
21	Management Fee (9.9 %)	6320	12,944	12,938	13,526	13,740	13,450	13,732
22	Legal Expense	6340		500	2,197	0	0	0
23	Audit Expense	6350	5,350	5,510	5,730	6,725	5,730	5,840
24	Administrative Fee (Section 8 only)	6351				0	0	0
25	Bad Debts	6370			427	0	0	0
26	Misc. Administrative Expenses	6390		0		1,000	1,200	1,500
27	Total Administrative Expenses		20,746	21,403	24,081	24,065	22,458	23,472
28	Fuel	6420				0	0	0
29	Electricity	6450	23,506	19,699	18,144	21,000	19,050	21,500
30	Water	6451	4,233	4,446	4,931	4,500	4,692	4,850
31	Gas	6452				0	0	0
32	Sewer	6453	6,762	8,004	10,396	8,000	12,604	13,500
33	Total Utility Expenses		34,501	32,149	33,471	33,500	36,346	39,850
34	Janitor/Maintenance Supplies	6515				0	0	0
35	Operating/Maintenance Contracts	6520	597	2,692		3,400	3,400	3,400
36	Rubbish Removal	6525	660	952	605	820	1,130	1,040
37	Security Payroll/Contract	6530	4,079	4,041	3,324	2,620	2,620	1,675
38	Repairs Material	6541	7,020	6,908	3,350	5,300	3,605	5,300
39	Elevator Maintenance	6545				0	0	0
40	Heating & Air Cond. Maint.	6546	5,213	3,918	3,909	3,900	2,200	4,000
41	Grounds Maintenance/Snow Removal	6548	7,016	5,954	5,541	6,500	7,500	6,500
42	Painting and Decorating	6560	3,265	2,510		2,115	2,040	1,410
43	Vehicle Operation & Repairs	6570		0		300	300	300
44	Misc. Operating & Maint. Exp.	6590	6,195	3,739	3,539	5,000	4,500	5,000
45	Total Oper. & Maint. Expenses		34,046	30,714	20,268	29,955	27,295	28,625

Quittapahilla Commons

301 West New Street
Annville, PA 17003

September 30, 2014

Mr. Paul Fatula, Financial Analyst
Pennsylvania Housing Finance Agency
P.O. Box 8029
Harrisburg, PA 17105-8029

Subject: Quittapahilla Commons
PHFA No. 0-591
Operating Budget - 2015

Dear Mr. Fatula:

The Lebanon County Housing Authority, management agent for Quittapahilla Commons (Annville Housing Limited Partnership), herewith submits its 2015 Annual Operating Budget.

Please note that this project contains 22 dwelling units and is a tax credit program, whose tenant's income cannot exceed 60 percent of the median income of the area.

Line 1 - Gross Rental Income. **\$137,280**

Gross rental income is projected at \$137,280 computed at \$520 per unit times 22 units for 12 months. We are not proposing a rent increase for the coming year.

Line 6 - Vacancies. **\$ 1,375**

Vacancies are estimated at 1 percent or an amount of \$1,375.

Line 11 - Interest Income.

\$ -0-

Due to significantly decreased interest rates we anticipate virtually no interest income during the next year.

Line 13 - Service Income.

\$ 915

Service income is projected to be \$915 based on the average income received from FY 2011 to FY 2014. Service income is based on revenues received from on site laundry equipment.

Line 15 - Miscellaneous Income.

\$ 500

Miscellaneous income is projected by averaging miscellaneous income the past five years.

Line 18 - Advertising & Renting Expenses.

\$ -0-

We do not anticipate any advertising expenses during the budget year.

Line 19 - Office & Telephone Expense.

\$ 2,400

These expenses are estimated by averaging costs over the past five years.

Line 21 - Management Fee.

\$13,732

Management Fee is computed at \$137,320 X 10%, or \$13,732.

Line 22 - Legal Expense

\$ -0-

We do not anticipate any legal costs during the coming year.

Line 23 - Audit Expense.

\$ 5,840

Audit costs are estimated to be \$5,840 based on our current audit contract.

Line 26 - Miscellaneous Administrative Expenses

\$ 1,500

The project provides a stipend of \$750.00 per year to two project resident's who provide assistance to the other resident's when the project manager is not available.

Line 29 - Electric.

\$21,500

Electric is computed by using the highest annual consumption during the previous five year period, multiplying by the current average monthly KWH rate (\$.101) and allowing for a 5% increase (due to either increased costs or consumption in the coming year). 218,720 KWH * \$.0933 KWH * 1.05 = \$21,500.

Line 30 - Water. **\$ 4,850**

Water is computed by averaging water consumption from 2009 through 2013 and applying current rates.

Line 31 - Sewer. **\$ 13,500**

Sewer is computed by averaging water consumption from 2009 through 2013 and applying current rates.

Line 35 - Operating/Maintenance Contracts. **\$ 3,400**

Operating/Maintenance Contracts include a janitorial services (\$2,400), sewer pump service (\$500) and compactor maintenance (\$500) or a total of \$3,400.

Line 36 - Rubbish Removal. **\$ 1,040**

Cost for trash removal is estimated to be \$1,040 based on the current contract with our refuse vendor.

Line 37 - Security Payroll/Contract. **\$ 1,675**

Security/Payroll Contracts include fire alarm maintenance at \$905, sprinkler maintenance at \$420, fire alarm monitoring at \$198, and fire extinguisher maintenance at \$150 or an amount of \$1,675.

Line 38 - Repairs Material. **\$ 5,300**

We anticipate material costs to total \$5,300 for the budget year.

Line 40 - Heating & Air Conditioning Maintenance. **\$ 4,000**

Heating and Air Conditioning Maintenance are projected at \$4,000 for heat pump maintenance.

Line 41 - Grounds Maintenance/Snow Removal. **\$ 6,500**

We are allowing \$1,500 for snow removal and \$5,000 for routine grounds maintenance and related landscaping work.

Line 42 - Painting and Redecorating. **\$ 1,410**

Painting and decorating costs are estimated to be \$1,410, based on the need to paint two units at a cost of \$705 per unit.

Line 43 – Vehicle Operations and Repairs

\$ 300

The project pays a minor share of the costs of a maintenance vehicle used to serve numerous housing developments.

Line 44 – Misc. Operating & Maint. Exp.

\$ 5,000

We plan to continue utilizing services of the Housing Authority on an as needed basis to assist with any particularly complex maintenance problems which might develop. We are budgeting a total of \$1,000 for such services. We are also allowing \$4,000 to deal with any possible bed bug infestations at the development.

Line 47 - Managers' Salaries.

\$ 5,084

A part-time manager, spends three and half hours per week or 10% of their time at the building. Quittapahilla Commons share of the managers salary is estimated at \$5,084.

Line 49 – Janitor/Maintenance Payroll.

\$ 5,965

The project will continue to employ a part time maintenance man. We estimate having a maintenance employee on site for 15% of the employees time at a cost of \$5,965 per year.

Line 50 - Payroll Taxes.

\$ 845

Payroll Taxes are computed at .0765 of total payroll or \$845.

Line 51 – Workers Compensation.

\$ 566

Workers compensation insurance costs are estimated to be \$566.

Line 52 – Health Ins. & Employee Benefits.

\$ 3,340

Costs for this line item are based on the estimated hours employees will spend at the project and our current health insurance and pension costs. Expenditures continue to increase due to the substantial annual increases in health insurance premiums. We estimate total costs to be \$3,340.

Line 54 – Real Estate Taxes.

\$ 9,000

The project was recently successful in having the assessed value of the property decreased. Based on this new lower valuation we anticipate tax escrow payments to be \$9,000 during the coming year.

Line 55 – Property & Liability Insurance.

\$ 3,960

Based on our most recent policy renewal we anticipate escrow payments to be \$3,960 during the coming year.

Line 66 – Investor Service Fee.

\$ 3,000

Line 74 – Reserve for Replacement Deposit.

\$ 9,258

Based on the PHFA provided schedule we anticipate payments to the replacement reserve to be \$9,258 during the coming year.

Line 75 – Reserve for Replacement Withdraw.

\$ 6,000

We anticipate performing various capital improvements funded through the replacement reserve.

Line 81 – Capital Improvement/Equipment Purchases.

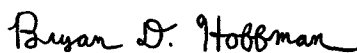
\$ 6,000

We anticipate performing various capital improvements as listed on the budget attachment.

Quittapahilla Commons has been operated very efficiently since its initial occupancy. Our proposed budget reflects our commitment to keeping operating costs to a minimum without sacrificing the desirability or livability of this building.

We respectfully request approval of this proposed operating budget. If you need additional information or have any questions, please contact me.

Sincerely,
LEBANON COUNTY HOUSING AUTHORITY AGENT FOR
QUTTAPAHILLA COMMONS



Bryan D. Hoffman
Executive Director

PENNSYLVANIA HOUSING FINANCE AGENCY

Rental Housing Program

Annual Operating Budget - DRAFT 08/29/2014

Name of Development: Mifflin Mills

PHFA NO: O-1124

Fiscal Year Ending: December 31, 2015

of Units: 20

ACCOUNT			1	2	3	4	5	6	
Account No.			Actual 2011	Actual 2012	Actual 2013	2014 Budget	2014 Projected	2015 Budget	
1	Rental Income	+	5120	144,576	137,914	151,290	151,440	151,440	149,280
2	Stores and Commercial Rent	+	5140				0	0	0
3	Other Rental Income	+	5190	9,627	3,102	2,799	2,000	2,880	2,000
4	Rent Concessions	-	5250				0	0	0
5	Total Rental Income			154,203	141,016	154,089	153,440	154,320	151,280
6	Vacancies - Apartments	-	5220	(5,669)		(0)	1,262	0	1,500
7	Vacancies - Commercial	-	5240				0	0	0
8	Total Vacancy Loss			(5669)		(0)	1,262	0	1,500
9	Net Rental Income			148,534	141,016	154,089	152,178	154,320	149,780
10	Supportive Service Income		5300			3,744	3,744	3,744	3,744
11	Interest Income-Operations		5410	856	490	353	350	380	350
12	Grant Income		5510				0	0	0
13	Service Income		5910				0	0	0
14	NSF and Late Fees		5920				0	0	0
15	Miscellaneous Income		5990		32		500	100	500
16	Total Other Income			856	522	4,097	4,594	4,224	4,594
17	Total Property Income			149,390	141,538	158,186	156,772	158,544	154,374
18	Advertising & Renting Expense		6210				0	0	0
19	Office & Telephone Expense		6311	765	336	661	750	700	750
20	Model Apartment Expense		6312				0	0	0
21	Management Fee (9.9 %)		6320	13,442	14,150	15,505	15,677	15,572	15,437
22	Legal Expense		6340			1,697	500	0	500
23	Audit Expense		6350	5,300	6,140	5,106	5,850	5,850	5,840
24	Administrative Fee (Section 8 only)		6351				0	0	0
25	Bad Debts		6370	5,308		4,164	1,500	750	1,500
26	Misc. Administrative Expenses		6390				1,000	500	1,000
27	Total Administrative Expenses			24,815	20,626	27,133	25,277	23,372	25,027
28	Fuel		6420				0	0	0
29	Electricity		6450	301		0	250	125	250
30	Water		6451	5,573	6,042	7,202	6,500	5,875	6,500
31	Gas		6452	325		0	250	125	250
32	Sewer		6453	5,136	6,161	7,759	6,700	7,095	7,500
33	Total Utility Expenses			11,335	12,203	14,961	13,700	13,220	14,500
34	Janitor/Maintenance Supplies		6515				0	0	0
35	Operating/Maintenance Contracts		6520				0	0	0
36	Rubbish Removal		6525	2,805	3,306	3,640	4,400	3,060	3,060
37	Security Payroll/Contract		6530	300	1,120	1,380	0	0	0
38	Repairs Material		6541	13,349	5,967	3,980	6,500	6,020	6,500
39	Elevator Maintenance		6545				1,500	1,500	1,500
40	Heating & Air Cond. Maint.		6546	799	196	444	2,500	1,200	2,500
41	Grounds Maintenance/Snow Removal		6548	605	173	350	1,000	1,510	1,250
42	Painting and Decorating		6560				1,600	1,600	1,600
43	Vehicle Operation & Repairs		6570				500	500	500
44	Misc. Operating & Maint. Exp.		6590				500	500	500
45	Total Oper. & Maint. Expenses			17,858	10,762	9,794	18,500	15,890	17,410

