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**Texas Department of Housing and Community Affairs**

**Manufactured Housing Division**

**FINANCE AND AUDIT COMMITTEE MEETING**

**June 18, 2008**

Carlos Amaral, Committee Chair

Michael H. Bray, Member

**Texas Department of Housing and Community Affairs**  
**Manufactured Housing Division**  
**FINANCE AND AUDIT COMMITTEE MEETING**  
**June 18, 2008**

**ROLL CALL**

	<u>Present</u>	<u>Absent</u>
Carlos Amaral, Committee Chair	_____	_____
Michael H. Bray, Member	_____	_____
Number Present	_____	
Number Absent		_____
_____, Committee Chair		

**FINANCE AND AUDIT COMMITTEE MEETING  
MANUFACTURED HOUSING DIVISION  
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
State Insurance Annex, 221 E. 11<sup>th</sup> Street, Room 116  
Austin, Texas 78701  
June 18, 2008                      1:00 p.m.**

**AGENDA**

**CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM**

Chair  
Chair

The Finance and Audit Committee of the Board of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs (TDHCA) will meet to consider and possibly act upon:

**ACTION ITEMS**

- |         |  |             |
|---------|--|-------------|
| Item 1. | Presentation and discussion of the FY 2009 Operating Budget and the execution of amendment to the Administrative Services Agreement for FY 2009 between the Manufactured Housing Division and TDHCA. | Kassu Asfaw |
| Item 2. | Presentation and discussion of the FY 2010 - 2011 Legislative Appropriations Request.  | Kassu Asfaw |

**PUBLIC COMMENT**

Chair

**ADJOURN**

Chair

*To access this agenda or request information, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Sharon Choate, TDHCA, 507 Sabine, Austin, Texas 78701, 512-475-2206, [sharon.choate@tdhca.state.tx.us](mailto:sharon.choate@tdhca.state.tx.us).*

*Individuals who require auxiliary aids, services or translators for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.*

## Committee Action Item No. 1

**Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Manufactured Housing Division  
For FY 2009 and 2008**

**D R A F T**

Budget Categories	FY 09 Budget (a)	FY 08 Budget (b)	Variance (a-b)	Percentage Change
Salaries and Wages	\$ 3,278,066	\$ 3,121,363	\$ 156,703	5.0%
2 % Salaries Increase For FY '09 & '08	65,561	62,428		0.0%
Payroll Related Costs	936,216	891,461		0.0%
Travel In-State	200,000	200,000	0	0.0%
Travel Out-of State	0	0	0	0.0%
Home Owner Consumer Claims ( Rider # 13 )	300,000	300,000	0	0.0%
Professional Fees	209,000	209,000	0	0.0%
Materials and Supplies	146,790	146,790	0	0.0%
Repairs/Maintenance	55,000	55,000	0	0.0%
Printing and Reproduction	56,000	56,000	0	0.0%
Rental/Lease	55,000	43,000	12,000	27.9%
Membership Dues	802	802	0	0.0%
Registration Fees	36,978	36,978	0	0.0%
Texas Online	19,120	19,120	0	0.0%
Professional Liability Insurance	10,000	10,000	0	0.0%
Employee Tuition	0	0	0	0.0%
Advertising	250	250	0	0.0%
Freight/Delivery	1,500	1,500	0	0.0%
Temporary Help	100,000	100,000	0	0.0%
Furniture/Equipment	12,150	16,500	-4,350	-26.4%
Communications/Utilities	107,000	107,000	0	0.0%
Capital Outlay	32,566	40,625	-8,059	-19.8%
State Office of Risk Management	10,000	10,000	0	0.0%
Subtotal	5,631,999	5,427,817	156,294	2.9%
Indirect Support	498,552	498,552	-	0.0%
<b>Total Manufactured Housing *</b>	<b>\$ 6,130,551</b>	<b>\$ 5,926,369</b>	<b>\$ 204,182</b>	<b>3.4%</b>

FTE's	64	64	-	0%
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**Method of Finance:**

General Revenue	19,120	19,120	-	0.0%
Appropriated Receipts	5,811,431	5,607,249	204,182	3.6%
Federal Funds	300,000	300,000	-	0.0%
<b>Total Method of Finance</b>	<b>\$ 6,130,551</b>	<b>\$ 5,926,369</b>	<b>\$ 204,182</b>	<b>3.4%</b>

**\* NOTE: Breakdowns of the total budget:**

1. \$ 4,630,222 - Total Direct Strategies Appropriations to MHD
2. \$ 65,561 - An additional direct appropriation request due to 2% salary increase, per 80th Legislature
3. \$ 936,216 - Payroll related costs - an indirect appropriation, which is a state-wide allocation by the Comptroller; it's included here for assessment or information purposes
4. \$ 498,552 - Administrative Support costs - an indirect appropriation, which is the service contract fees with the TDHCA; it's included here for assessment or information purposes

Texas Department of Housing and Community Affairs  
 Manufactured Housing Division  
 Operating Budget Allocation to Direct Strategies  
 For FY 2009

Description	Expenditures	E.1.1. SOL & Licensing	E.1.2. Inspections	E.1.3. Enforcement	E.1.4. Texas Online	Total Budget
Salaries and Wages	\$ 3,278,066	\$ 1,154,446	\$ 1,136,036	\$ 987,584	\$ -	\$ 3,278,066
2 % Salaries Increase	65,561	23,089	22,721	19,752	-	65,561
Payroll Related Costs	936,216	329,710	324,452	282,054	-	936,216
Travel In-State	200,000	7,000	135,100	57,900	-	200,000
Travel Out-of State	0	0	0	0	-	0
Home Owner Consumer Claims ( Rider # 13 )	300,000	0	0	300,000	-	300,000
Professional Fees	209,000	125,400	43,890	39,710	-	209,000
Materials and Supplies	146,790	87,982	29,175	29,633	-	146,790
Repairs/Maintenance	55,000	20,900	19,250	14,850	-	55,000
Printing and Reproduction	56,000	39,000	56,000	15,000	-	56,000
Rental/Lease	55,000	12,000	34,240	8,760	-	55,000
Membership Dues	802	442	160	200	-	802
Registration Fees	36,978	18,378	9,730	8,870	-	36,978
Texas Online	19,120	0	0	0	19,120	19,120
Professional Liability Insurance	10,000	2,040	5,000	2,960	-	10,000
Employee Tuition	0	0	0	0	-	0
Advertising	250	100	100	50	-	250
Freight/Delivery	1,500	950	500	50	-	1,500
Temporary Help	100,000	97,500	0	2,500	-	100,000
Furniture/Equipment	12,150	8,000	2,800	1,350	-	12,150
Communications/Utilities	107,000	48,893	56,500	1,607	-	107,000
Capital Outlay	32,566	8,388	7,042	17,136	-	32,566
State Office of Risk Management	10,000	3,800	3,500	2,700	-	10,000
<b>\$</b>	<b>5,631,999</b>	<b>1,988,018</b>	<b>1,832,196</b>	<b>1,792,666</b>	<b>19,120</b>	<b>5,631,999</b>

FTE's 64 29.66 18.47 15.87 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One	1,988,018	0	1,988,018	1,988,018
Strategy Two	1,832,196	0	100,000	1,832,196
Strategy Three	1,792,666	0	200,000	1,792,666
Strategy Four	19,120	19,120	0	19,120
<b>\$</b>	<b>5,631,999</b>	<b>19,120</b>	<b>300,000</b>	<b>5,631,999</b>

Indirect Support:

	F.1.1.	F.1.2.	F.1.3.	Total
Financial Administration	190,160	190,160		190,160
Information Resource Technologies	160,696	160,696		160,696
Operating Support	147,696		147,696	147,696
<b>\$</b>	<b>498,552</b>	<b>190,160</b>	<b>147,696</b>	<b>498,552</b>

Method of Finance:

Appropriated Receipts	\$ 498,552	\$ 190,160	\$ 160,696	\$ 147,696	\$ 498,552
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**Manufactured Housing Division  
Revenue Summary and Projections  
For FY 2009-08**

<b>FEE TYPE</b>	<b>FY 2009 Projected (c)</b>	<b>FY 2008 Act/Est. (d)</b>	<b>Variance (c-d)</b>	<b>Percentage Change</b>
Training	117,517	117,517	-	0.0%
SOL - Titles	4,356,201	4,356,201	-	0.0%
Licenses	1,197,209	1,197,209	-	0.0%
Inspections	1,284,011	1,284,011	-	0.0%
Admin. Penalties	34,383	34,383	-	0.0%
Public Information	4,600	4,600	-	0.0%
Reimbursement - HORTF	291,862	291,862	-	0.0%
Returned Check Charge	-	-	-	0.0%
	<b>7,285,783</b>	<b>7,285,783</b>	-	0.0%
Federal Fund	570,290	570,290		
<b>Total</b>	<b>\$ 7,856,073</b>	<b>\$ 7,856,073</b>	<b>\$ -</b>	<b>0.0%</b>

*\* Note: The assumptions for FY 2009 revenues use the actual/estimates for FY 2008 and modified historical trends.*

**Texas Department of Housing and Community Affairs  
Manufactured Housing Division  
Budget and Expense Status  
From September to August  
For FY 2008**

<b>Budget Categories</b>	<b>Annual Budget (a)</b>	<b>*1 YTD Act/Est. Expenses Sep - Aug (b)</b>	<b>YTD Variance Sep - Aug (a-b)</b>	<b>Remaining Budget As of August</b>	<b>Remaining Budget Not Used %</b>
Salaries and Wages	\$ 3,183,791	2,903,374	280,417	280,417	8.81%
Payroll Related Costs	891,461	834,085	57,376	57,376	6.44%
Travel In-State	200,000	200,000	0	0	0.00%
Travel Out-of State	0	0	0	0	0.00%
Home Owner Consumer Claims ( Rider # 13 )	300,000	288,873	11,127	11,127	3.71%
Professional Fees	209,000	208,097	903	903	0.43%
Materials and Supplies	146,790	144,404	2,386	2,386	1.63%
Repairs/Maintenance	55,000	50,251	4,749	4,749	8.63%
Printing and Reproduction	56,000	49,983	6,017	6,017	10.74%
Rental/Lease	43,000	38,347	4,653	4,653	10.82%
Membership Dues	802	510	292	292	36.41%
Registration Fees	36,978	33,552	3,426	3,426	9.26%
Texas Online	19,120	17,065	2,055	2,055	10.75%
Professional Liability Insurance	10,000	9,880	120	120	1.20%
Employee Tuition	0	0	0	0	0.00%
Advertising	250	0	250	250	100.00%
Freight/Delivery	1,500	1,424	76	76	5.07%
Temporary Help	100,000	85,325	14,675	14,675	14.68%
Furniture/Equipment	16,500	15,163	1,337	1,337	8.10%
Communications/Utilities	107,000	103,357	3,643	3,643	3.40%
Capital Outlay	40,625	40,525	100	100	0.25%
State Office of Risk Management	10,000	9,478	522	522	5.22%
Subtotal	5,427,817	5,033,693	394,124	394,124	7.26%
Indirect Support	498,552	456,813	41,739	41,739	8.37%
<b>Total Manufactured Housing</b>	<b>\$ 5,926,369</b>	<b>\$ 5,490,506</b>	<b>\$ 435,863</b>	<b>\$ 435,863</b>	<b>7.35%</b>

\* 1 YTD expenses column represents actual expenditures from September to April, and projected expenditures from May to August.

**Exhibit A**

**Manufactured Housing  
Administrative Support Schedule  
Fiscal Year 2009**

<b>Support:</b>	<b>FTE's</b>	<b>Salaries</b>	<b>Payroll Related Costs</b>	<b>Total</b>
Executive Office	0.10	\$ 10,716	\$ 2,465	\$ 13,181
Internal Audit	0.40	24,857	5,717	30,574
Policy and Public Affairs	0.30	17,892	4,115	22,007
Human Resources	0.70	41,144	9,463	50,607
Purchasing and Facilities Management	1.10	53,559	12,318	65,877
Information Systems	2.08	130,647	30,049	160,696
Financial Administration:				
Director, Financial Administration	0.15	14,407	3,314	17,721
Payroll	0.30	18,536	4,263	22,799
Accounting Manager	0.10	8,728	2,008	10,736
Travel	0.30	15,103	3,474	18,577
Payables	0.25	15,661	3,602	19,263
Program Accountant	1.00	54,076	12,438	66,514
<b>Total Support, Manufactured Housing</b>	<b>6.78</b>	<b>\$ 405,326</b>	<b>\$ 93,226</b>	<b>\$ 498,552</b>



**DRAFT**

**ADMINISTRATIVE SERVICES AND COST REIMBURSEMENT**

**AGREEMENT AMENDMENT NO.9**

SECTION 1. The **Texas Department of Housing and Community Affairs**, a public and official department of the State of Texas ("TDHCA"), and the **Manufactured Housing Division**, an independent entity within TDHCA ("MH Division") do hereby contract and agree to amend their original agreement as initially executed by the Executive Director of TDHCA effective September 1, 2001 through August 31, 2009 for the performance of administrative services.

SECTION 2. The parties hereto agree to amend the agreement identified in Section 1 above so that Exhibit A is revised hereafter to read as given in Exhibit A to this amendment.

SECTION 3. The parties hereto agree that this amendment shall become effective on September 1, 2008.

SECTION 4. The parties hereto agree that all of the terms of the agreement identified in Section I above shall remain in effect and shall continue to govern except to the extent that they conflict with the terms of this amendment.

SECTION 5. By the signing of this amendment, the parties hereto expressly understand and agree that this amendment shall become a part of the agreement identified in Section 1 above as though it were set forth word for word herein.

**WITNESS OUR HANDS EFFECTIVE SEPTEMBER 1, 2008.**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

By: \_\_\_\_\_  
Michael G. Gerber  
Executive Director

**MANUFACTURED HOUSING DIVISION**

By: \_\_\_\_\_  
Joe A. Garcia  
Executive Director

# DRAFT

## ADMINISTRATIVE SERVICES AGREEMENT AND COST REIMBURSEMENT AGREEMENT

### Exhibit A

Manufactured Housing  
Administrative Support Schedule  
Fiscal Year 2009

	FTEs	Salaries	Payroll Related Costs	Total
Support:				
Executive Office	0.10	\$ 10,716	\$ 2,465	\$ 13,181
Internal Audit	0.40	24,857	5,717	30,574
Policy and Public Affairs	0.30	17,892	4,115	22,007
Human Resources	0.70	41,144	9,463	50,607
Purchasing and Facilities Management	1.10	53,559	12,318	65,877
Information Systems	2.08	130,647	30,049	160,696
Financial Administration:				
Director, Financial Administration	0.15	14,407	3,314	17,721
Payroll	0.30	18,536	4,263	22,799
Accounting Manager	0.10	8,728	2,008	10,736
Travel	0.30	15,103	3,474	18,577
Payables	0.25	15,661	3,602	19,263
Program Accountant	1.00	54,076	12,438	66,514
Total Support, Manufactured Housing	6.78	\$ 405,326	\$ 93,226	\$ 498,552

## Committee Action Item No. 2

**Texas Department of Housing and Community Affairs  
 Manufactured Housing Division  
 Legislative Appropriations Request  
 For FY 2010 and 2011**

**D R A F T**

Budget Categories	FY 10 Budget (a)	FY 11 Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 3,419,065	\$ 3,590,018	\$ 170,953	5.0%
Travel In-State	200,000	200,000	0	0.0%
Travel Out-of State	0	0	0	0.0%
Home Owner Consumer Claims ( Rider # 13 )	300,000	300,000	0	0.0%
Professional Fees	44,000	44,000	0	0.0%
Materials and Supplies	120,000	120,000	0	0.0%
Repairs/Maintenance	88,692	88,692	0	0.0%
Printing and Reproduction	49,000	49,000	0	0.0%
Rental/Lease	67,000	67,000	0	0.0%
Membership Dues	1,000	1,000	0	0.0%
Registration Fees	33,400	33,400	0	0.0%
Texas Online	19,120	19,120	0	0.0%
Professional Liability Insurance	10,000	10,000	0	0.0%
Employee Tuition	2,000	2,000	0	0.0%
Advertising	300	300	0	0.0%
Freight/Delivery	1,900	1,900	0	0.0%
Temporary Help	67,000	67,000	0	0.0%
Furniture/Equipment	15,500	15,500	0	0.0%
Communications/Utilities	138,000	138,000	0	0.0%
Capital Outlay	44,340	79,967	35,627	80.3%
State Office of Risk Management	10,000	10,000	0	0.0%
Total	<b>\$ 4,630,317</b>	<b>\$ 4,836,897</b>	<b>206,580</b>	<b>4.5%</b>
FTE's	64	64	-	0%
<b>Method of Finance:</b>				
General Revenue	19,120	19,120	-	0.0%
Appropriated Receipts	4,311,197	4,517,777	206,580	4.8%
Federal Funds	300,000	300,000	-	0.0%
Total Method of Finance	<b>\$ 4,630,317</b>	<b>\$ 4,836,897</b>	<b>\$ 206,580</b>	<b>4.5%</b>



**Texas Department of Housing and Community Affairs  
 Manufactured Housing Division  
 Appropriations Request Allocation to Direct Strategies  
 For FY 2011**

Description	Expenditures	E.1.1. SOL & Licensing	E.1.2. Inspections	E.1.3. Enforcement	E.1.4. Texas Online	Total Budget
Salaries and Wages	\$ 3,590,018	\$ 1,292,406	\$ 1,256,506	\$ 1,041,106	\$ -	\$ 3,590,018
Travel In-State	200,000	7,000	141,000	52,000	-	200,000
Travel Out-of State	0	0	0	0	-	0
Home Owner Consumer Claims ( Rider # 13 )	300,000	0		300,000	-	300,000
Professional Fees	44,000	16,280	15,781	11,939	-	44,000
Materials and Supplies	120,000	73,530	32,529	13,941	-	120,000
Repairs/Maintenance	88,692	32,816	30,155	25,721	-	88,692
Printing and Reproduction	49,000	37,500	3,500	8,000	-	49,000
Rental/Lease	67,000	12,000	38,500	16,500	-	67,000
Membership Dues	1,000	370	340	290	-	1,000
Registration Fees	33,400	17,900	8,500	7,000	-	33,400
Texas Online	19,120	0	0	0	19,120	19,120
Professional Liability Insurance	10,000	3,700	3,400	2,900	-	10,000
Employee Tuition	2,000	1,500	250	250	-	2,000
Advertising	300	111	102	87	-	300
Freight/Delivery	1,900	703	646	551	-	1,900
Temporary Help	67,000	65,000	700	1,300	-	67,000
Furniture/Equipment	15,500	10,000	3,000	2,500	-	15,500
Communications/Utilities	138,000	51,060	57,020	29,920	-	138,000
Capital Outlay	79,967	28,788	27,988	23,191	-	79,967
State Office of Risk Management	10,000	3,700	3,400	2,900	-	10,000
	<b>\$ 4,836,897</b>	<b>\$ 1,654,364</b>	<b>\$ 1,623,317</b>	<b>\$ 1,540,096</b>	<b>\$ 19,120</b>	<b>\$ 4,836,897</b>

FTE's 64 29.66 18.47 15.87 64

**Method of Finance:**

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One:	1,654,364	0	1,654,364	1,654,364
Strategy Two:	1,623,317	0	200,000	1,623,317
Strategy Three:	1,540,096	0	100,000	1,540,096
Strategy Four:	19,120	19,120	-	19,120
	<b>\$ 4,836,897</b>	<b>\$ 19,120</b>	<b>\$ 300,000</b>	<b>\$ 4,836,897</b>

**Texas Department of Housing and Community Affairs  
 Manufactured Housing Division  
 Revenue Summary and Projections  
 For FY 2010-2011**

<b>FEE TYPE</b>	<b>FY 2010 Projected (c)</b>	<b>FY 2011 Projected (d)</b>	<b>Variance (c-d)</b>	<b>Percentage Change</b>
Training	117,517	117,517	-	0.0%
SOL - Titles	4,356,201	4,356,201	-	0.0%
Licenses	1,197,209	1,197,209	-	0.0%
Inspections	1,284,011	1,284,011	-	0.0%
Admin. Penalties	34,383	34,383	-	0.0%
Public Information	4,600	4,600	-	0.0%
Reimbursement - HORTF	291,862	291,862	-	0.0%
Returned Check Charge	-	-	-	0.0%
	<b>7,285,783</b>	<b>7,285,783</b>	-	<b>0.0%</b>
Federal Fund	570,290	570,290	-	0%
<b>Total</b>	<b>\$ 7,856,073</b>	<b>\$ 7,856,073</b>	<b>\$ -</b>	<b>0.0%</b>