

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: November 18, 2020

Final Decision Date Deadline: November 18, 2020

STATEMENT OF THE ISSUE: As part of the Fiscal Year 2020-21 budget development process, management staff consulted with Kevin Harper, CPA, to implement a series of budgetary best practices for the Rent Program and Rent Board. As Kevin Harper advised in his March 12, 2020, memorandum, "a key element of an effective budget process is monitoring actual results against the budget throughout the year. This is done on a quarterly basis to allow management time to make adjustments if necessary to expenditures, policies or operations." In accordance with Kevin Harper's advice, staff have prepared the report for the first quarter ending in September 2020 for the Board's receipt.

INDICATE APPROPRIATE BODY

- | | | | | |
|---|--|--|--|---|
| <input type="checkbox"/> City Council | <input type="checkbox"/> Redevelopment Agency | <input type="checkbox"/> Housing Authority | <input type="checkbox"/> Surplus Property Authority | <input type="checkbox"/> Joint Powers Financing Authority |
| <input type="checkbox"/> Finance Standing Committee | <input type="checkbox"/> Public Safety Services Standing Committee | <input type="checkbox"/> Local Reuse Authority | <input checked="" type="checkbox"/> Other: <u>Rent Board</u> | |

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|---|--|--|--|
| <input type="checkbox"/> Presentation/Proclamation/Commendation (3-Minute Time Limit) | | | |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> Regulation | <input checked="" type="checkbox"/> Other: <u>CONSENT CALENDAR</u> | |
| <input type="checkbox"/> Contract/Agreement | <input type="checkbox"/> Rent Board As Whole | | |
| <input type="checkbox"/> Grant Application/Acceptance | <input type="checkbox"/> Claims Filed Against City of Richmond | | |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Video/PowerPoint Presentation (contact KCRT @ 620.6759) | | |

RECOMMENDED ACTION: RECEIVE the Budgeted Versus Actuals Revenue and Expenditures Report for the first quarter ending September 30, 2020 – Rent Program (Nicolas Traylor/Paige Roosa 620-6564).

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AGENDA REPORT

DATE: November 18, 2020

TO: Chair Maddock and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director
Paige Roosa, Deputy Director

SUBJECT: FIRST QUARTER (Q1) BUDGETED VERSUS ACTUAL REPORT

STATEMENT OF THE ISSUE:

As part of the Fiscal Year 2020-21 budget development process, management staff consulted with Kevin Harper, CPA, to implement a series of budgetary best practices for the Rent Program and Rent Board. As Kevin Harper advised in his March 12, 2020, memorandum, "a key element of an effective budget process is monitoring actual results against the budget throughout the year. This is done on a quarterly basis to allow management time to make adjustments if necessary to expenditures, policies or operations." In accordance with Kevin Harper's advice, staff members have prepared the report for the first quarter ending in September 2020 for the Board's receipt.

RECOMMENDED ACTION:

RECEIVE the budgeted versus actual revenue and expenditures report for the first quarter ending September 30, 2020 – Rent Program (Nicolas Traylor/Paige Roosa 620-6564).

FISCAL IMPACT:

There is no fiscal impact of receiving this report, other than that it supports the Rent Board's ability to monitor program revenues and expenditures on a regular basis.

DISCUSSION:

Background

As part of the Fiscal Year 2020-21 budget development process, management staff consulted with Kevin Harper, CPA, to implement a series of budgetary best practices for the Rent Program and Rent Board. As Kevin Harper advised in his March 12, 2020, memorandum, "a key element of an effective budget process is monitoring actual

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results against the budget throughout the year. This is done on a quarterly basis to allow management time to make adjustments if necessary to expenditures, policies or operations. The best way to monitor budget vs. actual results is to prepare a quarterly financial report that is reviewed by management and the Board. Although this budget vs. actual report is an internal management document, it should be reviewed by the Rent Board at a public meeting.”

The City of Richmond and Richmond Rent Program operate on a fiscal year schedule which begins on July 1 and ends on June 30. In this scheme, each month is considered a “period,” and there are three periods in each quarter of the fiscal year. The periods and months within each quarter are shown in the table below.

Quarter	Periods (Months)
1	1-3 (July, August, September)
2	4-6 (October, November, December)
3	7-9 (January, February, March)
4	10-12 (April, May, June)

Description of Significant Variances

In his memorandum, Kevin Harper explained that a central purpose of the budgeted versus actual reports is to identify, explain, and document, significant variances between budgeted and actual amounts. He further noted that it is important to quantify those variances that are explained, and that it is more advantageous to thoroughly research and explain very large variances than to do a more cursory explanation of many variances. Following this recommendation, staff members have researched and prepared explanations of variances at or below 25 percent in the report.

The greatest variances between budgeted and actual expenses in the first quarter of the 2020-21 fiscal year are due in large part to the ongoing effects of the Covid-19 pandemic. The pandemic has significantly impacted the nature of our work; for example, all workshops and community events are now held remotely, eliminating the need for refreshments, promotional materials, and supplies. The pandemic has also delayed the process of filling vacancies in the Public Information Unit as well as projects that were budgeted to occur in the first quarter, such as the printing and mailing of the Guide to Rent Control. Management staff are working diligently to fill vacant positions and make progress on projects that have been delayed by the pandemic. As such, at this time staff members do not recommend making any amendments to the existing budget.

DOCUMENTS ATTACHED:

Attachment 1 – Q1 Budgeted Versus Actuals Report

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ATTACHMENT 1**

**RICHMOND RENT PROGRAM
BUDGET VS ACTUAL REPORT - REVENUES AND EXPENDITURES
QUARTER ENDED SEPTEMBER 30, 2020**

	QUARTER ENDED 09/30/2020			YEAR-TO-DATE 09/30/2020			VARIANCE EXPLANATION (a)
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	
REVENUES							
Fees (includes revenue from collections agency)	\$ 1,826,339	\$ 1,868,836	\$ 42,497	\$ 1,826,339	\$ 1,868,836	\$ 42,497	
Investment Income	-	7,785	7,785	-	7,785	7,785	Budget did not account for interest income
TOTAL REVENUES	1,826,339	1,876,622	50,282	1,826,339	1,876,622	50,282	
EXPENDITURES							
Salaries & Wages							
SALARIES & WAGES/Executive	168,096	166,762	1,334	168,096	166,762	1,334	
SALARIES & WAGES/Mgmt-Local 21	75,968	42,506	33,462	75,968	42,506	33,462	Two vacant housing counselor positions
SALARIES & WAGES/Local 1021	49,779	47,498	2,281	49,779	47,498	2,281	
SALARIES & WAGES/PT- Temp	10,759	5,363	5,396	10,759	5,363	5,396	Hours for one admin student intern significantly decreased
OVERTIME/General	1,500	265	1,235	1,500	265	1,235	Employees opted for comp time in lieu of OT pay
OTHER PAY/Bilingual Pay	3,060	2,455	604	3,060	2,455	604	
OTHER PAY/Auto Allowance	1,050	1,050	-	1,050	1,050	-	
OTHER PAY/Medical- in Lieu of	612	-	612	612	-	612	Category not included in budget
COMP ABSENCES/WC-Prof-Mgt-Tec	1,047	-	1,047	1,047	-	1,047	No expenditures this quarter
Subtotal Salaries & Wages	311,870	265,899	45,972	311,870	265,899	45,972	
Benefits							
P-ROLL BEN/Medicare Tax-ER Shr	4,155	3,887	268	4,155	3,887	268	
P-ROLL BEN/Health Insurance Be	37,864	31,324	6,540	37,864	31,324	6,540	
P-ROLL BEN/Dental Insurance	4,196	3,651	545	4,196	3,651	545	
P-ROLL BEN/Employee Assistance	124	109	15	124	109	15	
P-ROLL BEN/Professional Dev-Mg	1,041	-	1,041	1,041	-	1,041	Budgeted estimate was conservative
P-ROLL BEN/Vision	548	483	65	548	483	65	
P-ROLL BEN/Life Insurance	1,113	874	239	1,113	874	239	
P-ROLL BEN/Long Term Disabilit	2,591	2,370	221	2,591	2,370	221	
P-ROLL BEN/Unemployment Ins	1,633	1,330	303	1,633	1,330	303	
P-ROLL BEN/Personal/Prof Dev	197	1,500	(1,303)	197	1,500	(1,303)	Increased professional development expenses due to remote work
P-ROLL BEN/Worker Comp-Clerica	2,569	4,016	(1,448)	2,569	4,016	(1,448)	Budgeted estimate underestimated WC costs
P-ROLL BEN/Worker Comp-Prof	15,937	18,675	(2,738)	15,937	18,675	(2,738)	
P-ROLL BEN/OPEB	11,036	10,663	373	11,036	10,663	373	
P-ROLL BEN/PARS Benefits	134	2	132	134	2	132	Budgeted estimate was conservative
P-ROLL BEN/PERS-Misc	35,487	35,220	267	35,487	35,220	267	
P-ROLL BEN/PERS-Misc (UAL)	60,098	62,430	(2,333)	60,098	62,430	(2,333)	
Subtotal Benefits	178,724	176,536	2,188	178,724	176,536	2,188	
Professional & Administrative Services							
PROF SVCS/Professional Svcs	4,375	1,713	2,662	4,375	1,713	2,662	Covid-19 pandemic delayed projects such as Guide to Rent Control
PROF SVCS/Legal Serv Cost	52,500	-	52,500	52,500	-	52,500	No need for legal assistance in Q1
PROF SVCS/Info Tech Services	-	-	-	-	-	-	
AD & PROMO/Advertising&Promo	50	280	(230)	50	280	(230)	Funds spent on "boosting" social media posts as a means of outreach
AD & PROMO/Community Events	878	-	878	878	-	878	No community events held in person due to Covid-19
ADM EXP/Program Supplies	881	292	589	881	292	589	No community events held in person due to Covid-19
Subtotal Professional & Admin Services	58,685	2,285	56,400	58,685	2,285	56,400	
Travel, Training & Professional Dues							
TRAVEL & TRNG/Meal Allowance	51	-	51	51	-	51	No travel due to Covid-19
TRAVEL & TRNG/Mileage	306	-	306	306	-	306	No travel due to Covid-19
TRAVEL & TRNG/Conf, Mtng Trng	-	-	-	-	-	-	
TRAVEL & TRNG/Tuition Rmb/Cer	-	-	-	-	-	-	
DUES & PUB/Memberships & Dues	-	-	-	-	-	-	
DUES & PUB/Subscription	-	-	-	-	-	-	
Subtotal Travel, Training & Professional Dues	357	-	357	357	-	357	
Other Operating Expenditures							
OFF EXP/Postage & Mailing	6,358	3,063	3,295	6,358	3,063	3,295	Covid-19 pandemic delayed projects such as Guide to Rent Control
OFF EXP/Printing & Binding	6,795	1,326	5,469	6,795	1,326	5,469	Covid-19 pandemic delayed projects such as Guide to Rent Control
OFF EXP/Copying & Duplicating	-	236	(236)	-	236	(236)	
RENTAL EXP/Equipment Rental	2,000	186	1,814	2,000	186	1,814	Remote work significantly decreased printing activity
MISC EXP/Misc Contrib	-	-	-	-	-	-	
MISC EXP/Misc Exp	731	-	731	731	-	731	Budgeted estimate was conservative
OFF SUPP/Office Supplies	1,699	1,096	603	1,699	1,096	603	Remote work significantly decreased use of office supplies
OFF SUPP/Computer Supplies	-	-	-	-	-	-	
UTILITIES/Tel & Telegraph	71	-	71	71	-	71	Budgeted estimate was conservative
PROV FR INS LOSS/Ins Gen Liab	8,865	7,915	950	8,865	7,915	950	
COST POOL/(ISF)-Gen Liability	23,272	17,376	5,896	23,272	17,376	5,896	Budgeted estimate was conservative
COST POOL/(CAP)- Admin Charges	13,120	12,862	258	13,120	12,862	258	
COST POOL/(IND)Civic Ctr Alloc	11,991	12,570	(579)	11,991	12,570	(579)	
NONCAP ASST/Comp Hrdware<5K	-	-	-	-	-	-	
NONCAP ASST/Furniture <5k	-	-	-	-	-	-	
Subtotal Other Operating Expenditures	74,902	56,630	18,272	74,902	56,630	18,272	
TOTAL EXPENDITURES	624,538	501,349	123,189	624,538	501,349	123,189	
EXCESS OF REVENUES OVER (UNDER) EXPEND	\$ 1,201,801	\$ 1,375,273	\$ (72,907)	\$ 1,201,801	\$ 1,375,273	\$ (72,907)	

(a) Variance explanations are provided where the actual figure varies from the budgeted figure by twenty five percent or more.

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