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## HYBRID BHA FINANCE/CMS/PERSONNEL COMMITTEE MINUTES

HYBRID FINANCE/CMS/PERSONNEL COMMITTEE MEETING OF THE BOARD OF COMMISSIONERS OF THE BREMERTON HOUSING AUTHORITY (BHA) HELD AT 4:00 PM AT 600 PARK AVENUE AND/OR REMOTELY, ON FEBRUARY 23, 2023.

**1. CALL TO ORDER:** Meeting was called to order at 4:00 P.M.

**2. ROLL CALL:**

**Present:**

(Subchair) Ryan Burton

Commissioner Joan Hanten

**Excused:**

Chair Jeff Flood

Commissioner Bo Palmer

**BHA Staff Present:**

Jill Stanton Executive Director

Sherman Enstrom Finance Director

Paula Kennedy HR Manager

Carlita Mendez CMS Director

Ron Packer Accounting Operations Manager

Katie Sharp Communications Manager

Lorna Camacho Office Manager/Executive Assistant/Minute Taker

**3. SUBCHAIR COMMENTS:** None

**4. FINANCE REPORTING:** Comments by Mr. Enstrom and Mr. Packer.

Presented is the First Quarter Financial Reporting October 1, 2022, through December 31, 2022. Mr. Enstrom reviewed and discussed the First Quarter Financial Reporting PowerPoint in detail.

Cash Position 2023 First Quarter: Overall the first quarter ended with a cash positive of \$783,551.

Operating Cash and Reserves First Quarter: Total Project Based Voucher Operation Cash \$2,593,664. Total Operating Cash \$3,335,902. Total Replacement Reserves \$3,544,802. Wright Court had bad debt that had driven Wright Court into the negative. Casa Del Sol transfers \$50,000 into reserve.

Outstanding Debt Obligations: Are debt we do not have to pay back. Debt service coverage is in good condition. We have not spent funding based on timing to cover costs. Overall, very strong.

Summary Report – Income Statement: Vacancy is high due to insurance claim and relocation of tenants during repairs. Miscellaneous Income is good. Maintenance Expense is higher due to

insurance claim. Reserve Replacement usage due to unbudgeted items at Tamarack and the Admin building.

Housing Programs and Properties: Housing Assistance Payments (HAP) are higher due to our leasing program leasing up at a higher rate. Grant Revenue shows we are spending more than we are receiving from HUD.

Net Operating Income: Total budget \$282,033 compared to actual \$453,322. This is due to higher rental income than we anticipated. And lower maintenance and administrative wages. Housing Choice Voucher report loss of \$226,088. Charter House negative due to insurance claims for water damage and roof repairs.

Housing Choice Voucher Program: A shortfall of \$122,000 for the first quarter in admin fees received compared to admin expense. We received \$43,000 from HUD in additional admin fees for their reconciliation through June 2022. We should receive an additional \$69,000 in January 2023 for the reconciliation through September 2022. Once we receive funds for the shortfall, we estimated 87% of the budget compared to 89.55% actual we received for 2022.

Housing Choice Voucher (HCV) Program Analysis: Total shortfall is \$121,979 due to admin overtime. A HCV Specialist was on maternity leave and lease up has increased bringing on additional work. Tenant Services is the Family Self-Sufficiency (FSS) Program. FSS serves our tenants and is part of the HCV program.

Bay Vista Commons (BVC): Project based vouchers subsidy increased \$337 for a unit. Effective December 2022, each of the 45 units, there are \$13,000 monthly increases. For the first quarter, there have been five vacancies out of the 72 units. BVC are doing much better and beginning to replenish cash. BVC should have earned operating cash of \$241,000 every month, there was only \$81,000. We expect to close the shortfall in the next nine months.

Staff List: Total headcount for first quarter Actual 90 compared to Budget 98. In January, we hired the DEI Specialist. CMS, Housing, IT, and Business Solutions have two open positions. There is no impact when moving from one department to another.

Capital Investment: Shadow Creek is for information only for the new unit's design. COCC security cameras and a new roof for the admin building was a capital investment but not budgeted. Most capital investment was not able to be drawn from the reserves.

**5. CMS REPORTING:** Comments by Mrs. Mendez.

Washington State Housing Finance Commission – Physical Inspections: On December 5, 2022, we submitted a proposal to the Washington State Housing Finance Commission (“the Commission”), to perform physical inspections for their tax credit program. We were not awarded this contract because we did not have inspection staff hired and readily available to perform physical inspections. The two selected vendors currently have inspectors on staff. There was a total of three vendors who had submitted a proposal.

Washington State Department of Commerce – Physical Inspections and Management & Occupancy Reviews (MORs): The Department of Commerce asked if we are willing to enter into another services agreement to perform MORs and physical inspections as they do not have the staff and/or expertise to do the inspections themselves. We previously performed MORs and physical inspections for the 811 program in 2018 and 2019. We are in the planning stages of

approaching this business opportunity. We are waiting on more data from the Department of Commerce. We do not expect to bring on more than one full-time Inspector to complete the physical inspections. The Department of Commerce is not interested in going through a Request for Proposal at this time.

HUD's PBCA Rebid Update:

In July 2022, HUD published a request for information to collect industry comments on a draft Request for Proposal (RFP). CMS acted on two paths following HUD's announcement.

Preserve our PBCA Contracts – There were severe inefficiencies and barriers with the draft scope of work. We submitted comments and suggestions to HUD and made outreach with key elected officials on this matter. We were successful in obtaining appropriations language that requires HUD to develop a new PBCA rebid approach.

Prepare to win based on the draft RFP – Position ourselves internally to be ready to respond to an RFP.

CMS looked at what the cost was associated with the draft RFP. This allowed us to be prepared to spend similar cost for potential or possible rebid in the near future. We agreed to set aside \$150,000, which you will see in the upcoming CMS budget.

We tracked costs associated with this draft RFP to understand expenses associated with reacting to HUD's latest rebid attempt. Beginning with our FY2024 budget, we will set aside a minimum of \$150k in our CMS budget to cover rebid costs.

**6. PERSONNEL REPORTING:** Comments by Ms. Kennedy.

Presented is the October 2022 BHA Survey Results. Survey results based on Measure of Belonging, Measure of Equitable Processes, and Measure of Inclusive Management and BHA Policies. With the aid of our new DEI Specialist and Communications Manager the data has been compiled and analyzed. Ms. Kennedy provided an overview of the Survey Results PowerPoint in detail.

In 2021, 31% (27 out of 86) of staff participated in the survey. In October 2022, we saw an increase of 62% (58 out of 94) in employee participation in the survey.

The information has been shared with our staff. The Executive Team in conjunction with our DEI Specialist have identified six broad focus areas to initially focus on. Each focus survey area was given a value and then a percentage. Then each focus survey area was reviewed and determined initial focus areas of opportunity. With the aid of the DEI Specialist, we then developed action plans to address issues. The DEI Specialist attended department team meetings, gathering information and feedback. We plan to do more team-building activities to gain employee trust.

- Perceptions on Belonging - 76% agree BHA is fostering an environment of belonging.
- Perceptions on Equitable Processes - 73% agree BHA has equitable processes.
- Perceptions on Inclusive Management and BHA Policies - 68% agree BHA Management and BHA policies are inclusive. This was one of our lower focus areas.
- Perceptions on Recruitment – 75% feel BHA does its best to hire candidates with diverse backgrounds and skills. HR continues to strive to better communicate with staff. Eliminate barriers, review job descriptions eliminating pronouns. There are software programs that will

flag certain words or conduct. When applicants are being screened, we do not see their names etc. We have a list of diverse organizations that we send our job postings to. In addition to posting openings at each of our properties. This is an area we will continue to work on.

Commissioner Hanten commented that we find a way that they are not talking about technical things. Why it takes long to be selected on a committee etc. Do not rule out technical things as well as barriers.

- Perceptions on Retention – 67% feel engaged and satisfied with their positions and potential for advancement.
- Perceptions on Representation – 73% feel they are respected, treated equitably, and included.

In the January Human Resources (HR) Tuesday Talks HR encouraged the use of Red Flag Reporting. The HR Tuesday Talks is a platform that allows HR to share updates, changes etc. and allows staff to share their concerns.

Commissioner Hanten applauds the efforts to get twice as many staff to engage in the survey is huge. Commissioner Hanten would love to see us do more thinking on using nicknames verses sir names for Red Flag Reporting.

**7. FUTURE FINANCE/CMS/PERSONNEL COMMITTEE MEETING:**

May 18, 2023, at 4:00 PM  
August 24, 2023, at 4:00 PM  
September 21, 2023, at 4:00 PM

**8. ADJOURNMENT:** There being no further business meeting adjourned at 4:57 P.M.

*Gill Stanton*

Executive Secretary

*Cliff B. Flood*

Chairperson of the Board

SEAL

