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HYBRID BHA FINANCE COMMITTEE MINUTES

HYBRID FINANCE 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 AUGUST 18, 2022.

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

2. ROLL CALL:

Present:

(Subchair) Vice Chair Jeff Flood
Commissioner Jaime Forsyth

Commissioner Ryan Burton (alternate)

Absent:

Commissioner Bo Palmer

BHA Staff Present:

Jill Stanton	Executive Director
Sherman Enstrom	Finance Director
Andi Reed	Housing Director
Tim Schanne	CMS Assistant Director
Ron Packer	Accounting Operations Mgr.
Paula Kennedy	HR Manager
Carlita Mendez	CMS Director
Lorna Camacho	Office Manager/Executive Assistant/Minute Taker

3. SUBCOMMITTEE CHAIR COMMENTS: None.

4. COMMISSIONER COMMENTS: None.

5. THIRD QUARTER REPORT FY 2022: Comments by Ms. Stanton.

Third Quarter Finance Report for April 1, 2022 through June 30, 2022 was presented.

Ms. Stanton gave a detailed narrative on the high-level items that call attention to in the third quarter report.

Cash balances are higher than budget expectations as of the end of June because of the \$2 million increase in cash flow which is \$1.4 million favorable variance mostly from the \$1.5 million received from the Department of Commerce for the five Bay Vista Home purchases. Net income actual \$863,222. Annual budget \$24,779,153. With three more months to go we may not reach what we budget due to Bay Vista Home purchases. A breakdown of Cash and Investments shared.

A brief discussion was held regarding the variance different between BHA – Section 8 and Public Housing.

Outstanding Debt Obligations – Revenue Notes, Bonds and Mortgages that we do or do not have to pay back on.

Summary Report (all programs) – Overall \$863,222 reflects the true number without the capital grant. This is a lot closer to the budget had it not been for the IT incident. We will get some of those funds back from the insurance claim. How much we don't know. We will inform the Board how much when amount is made available.

A brief discussion was held regarding vacancies concerns at The Firs. We have seven to nine vacancies due to water damage issues and folks who have passed away. With the increase in the Fair Market Rent (FMR) tenants have the option to move after one year. And folks are wanting to move. It has also been challenging finding a contractor to perform the repair work. We now have a contract to perform the work and is working on getting water sensor pucks in place that will prevent future water damage.

Housing Programs and Properties (does not include CMS) – Vacancies are about the same. Rental income was under budget from less tenant revenue at Bay Vista Commons. The IT incident was a factor for the increase budget for some of the line items. This year we had six to seven REAC inspections. Which increased the budget with added expenses. REAC inspection is part of what determines our scoring with HUD.

Net Operating Income for each program/properties excluding capital grant revenue. This shows us how each of the programs/properties are doing. All programs/properties are doing well with the exception of Bay Vista Commons and Housing Choice Voucher. Capital fund grant revenue for public housing is \$389,000 over budget with \$336,000 from capital revenue drawn down for use in operations.

Housing Choice Voucher (HCV) program was less of a loss than previous quarters due to increase in admin fees. We are expecting to receive \$37,000 in admin fees but probably not until the fourth quarter. We did still end at a loss, but Housing is making great stride. Measurements have been put in place to ensure we reach our goals. Budget spent to provide staff Standard Operation Procedures. It will be better once we get paid for the work that we perform.

Bay Vista Commons (BVC) did submit a Comprehensive Report on how they plan to change things around. They are seeing an increase and the fourth quarter will reflect that. BVC have a marketing strategy in place. They plan to also increase staff wages to retain staff from leaving. Goals is to be at 95% occupancy by October.

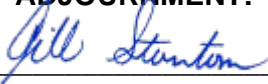
Capital investment is all the different properties and projects that we are spending capital funding on approximately over \$1 million. Majority will be spent on cameras with a few projects carried over from 2021 to 2022 because job was not finished by September 2021.

During the Board meeting, Ms. Stanton will point out anything unusually and/or being acted on such as lower vacancy at The Firs etc.

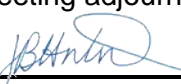
Overall, we have a strong cash position, but will not meet our budgeted projections this year but we do have a combined net profit.

6. **FUTURE FINANCE COMMITTEE MEETING:** The next Finance Committee Meeting – September 15, 2022, at 4:00 PM.

7. **ADJOURNMENT:** There being no further business meeting adjourned at 4:47 P.M.



Executive Secretary



Chairperson of the Board

SEAL

