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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 NOVEMBER 17, 2022.

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

2. ROLL CALL:

Present:

(Subchair) Ryan Burton

Chair Jeff Flood

Excused:

Commissioner Bo Palmer

BHA Staff Present:

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

Ms. Stanton reminded committee members of the new Committee meeting process. Prescheduled topics are currently reviewed and discussed at committee meetings and not at regular board meetings. Unless an action item is deemed necessary that requires Board approval and/or significant importance that needs to be shared.

3. FINANCE REPORTING: Comments by Mr. Sherman.

Reviewed and discussed Fourth Quarter Financial Reporting July 1, 2022, through September 30, 2022.

Slide 1: Cash Position 2022 Fourth Quarter Report. Beginning Unrestricted Cash \$22,631,049. Ending Unrestricted Cash \$21,991,461. Net Unrestricted Cash Loss \$639,588 due to the five home purchases of \$1.5 million, \$600,000 computer incident & ongoing consulting and shortfall to Bay Vista Commons and Housing Choice Voucher.

Slide 2: Outstanding Debt Obligation. Although the five home purchases of \$1.5 million show as a loan but is not really a loan. There is a slight increase. Ms. Stanton to report back what the term period of loan is 25 or 30 years.

Slide 3: Income Statement. Net income of Capital Revenue \$547,412 with a variance of \$473,244.

Slide 4: Housing Programs and Properties. Net income \$600,023. This includes \$1.5 million in grant revenue.

Slide 5: Net Operating Income for Major Programs/Properties. There is \$50,000 not budgeted for the Summit, which shows a variance. Capital funds were drawn down for public housing and disbursement made between the different properties. Extra revenue injected. We will have capital fund dollars that we will not spend but need to be obligated by February 2023 per HUDs requirement.

Slide 6: Housing Choice Voucher Program. Entire year loss \$453,000. Authorized overtime which we will begin to cut back slowly. Have over 150 vouchers leased over two years ago. Need to better control costs in FY 2023. We are looking at this monthly and continue to monitor moving forward.

Slide 7: Housing Choice Voucher Program Analysis. Breakdown of cost, overtime, benefits, salary etc.

Slide 8: Bay Vista Commons. Operating cash decline due to vacancy rate. Bay Vista Commons have done a lot of work to increase vacancies. We are seeing improvements and continue to monitor closely.

Slide 9: Staff List. Total budgeted/actual FTEs 92.

Slide 10: Capital Investments. Breakdown of capital investments for each property. Briefly discussed Shadow Creek possibilities. Use reposition and use Shadow Creek as a rehab hotel or do it separately. Add on additional units since the new ordinance recently passed by the City of Bremerton. Ms. Stanton remarked It is important we work closely with the city. We want to analyze if this is the best option going forward. Especially since the city has goals they want to meet too. We should consider every opportunity. We hope to have a decision by next year. As we begin to meet with the city monthly.

Mr. Sherman would like to hear feedback on his financial philosophy presentation from the committee. Subchair Burton appreciates the focus on key elements in the presentation.

4. CMS REPORTING: Comments by Mrs. Mendez.

HUD's PBCA Rebid

During the week of October 24, 2022, HUD announced that they plan to issue a final RFP in January or February 2023. We are taking two paths following HUD's announcement.

- Efforts to show HUD that they can continue with our current PBCA contractual agreement.
- Prepare to respond to a PBCA RFP should it be released in January or February of 2023.

We are working with the Local Housing Administration Coalition (LHAC) on efforts to circumvent HUD from releasing a procurement. Mrs. Mendez will be working closely with our Business Development Analyst, Greg Verin, and our internal rebid team.

Congresswoman Maxine Waters, Chairwoman of the Housing Financial Services Committee sent a letter to HUD expressing concerns about HUD's current draft solicitation for Housing Assistance Payments (HAP) Contract Support Services and its negative impact on mission-driven Performance Based Contract Administrators (PBCAs). In the letter, Chairwoman Waters urges Secretary Marcia Fudge to ensure the final solicitation prioritizes the needs of HUD-assisted residents who rely on the long-term preservation and robust oversight of our county's federally assisted affordable housing stock.

New Partnership Opportunity

We were contacted by a national training organization that focuses on empowering property management staff through online courses and assessments. They would like to partner with CMS for our HUD training program which will be added to their online training platform. For now, the potential partner asked that we keep this arrangement private until we are ready to sign a contract and launch. If we come to a contractual agreement that works best in our favor, we will bring forward a board resolution to the board at a later meeting to approve this partnership agreement.

Mr. Schanne is excited about the diversity revenue opportunity. Although we need to work through the terms, we are looking at a potential profit of \$500,000 a year of unrestricted funds.

Thank you, Mr. Schanne, for your hard work. As we are now seeing a return on investment from years of hard work. More details will be provided to the board when a draft agreement and details are in place.

WSHFC RFP

On November 10, 2022, the Washington State Housing Finance Commission ("the Commission"), released a Request for Proposals for physical inspection services for tax credit properties. Proposals are due December 5, 2022. As part of our new business capture planning, we are currently conducting our "go/no-go" process.

The initial agreement term is one-year, with up to three one-year renewal periods with a four-year contract potential. Inventory includes 1,180 properties that includes 4,100 units. Each property will be inspected once every three years and the contractor would perform approximately 350 property inspections per year. Inspections must be conducted between March 1st through October 31st each year.

We performed physical inspections for the Commission from 2018 to 2019. While we performed this work for the Commission in the past, this opportunity is not straightforward for BHA. There are barriers we need to overcome and plan to bid successfully.

If performing this work proves beneficial for BHA, we will bring forth a board resolution to the November 28, 2022, board meeting to pursue this contract. We will take part in their question & answer process. After we review their posted answers, we will know better if this is a good fit for BHA.

5. PERSONNEL REPORTING: Comments by Ms. Paula.

Changes in the Personnel Policy Manual reflected updates to the union negotiations, and clarification to existing language throughout. In addition, there are other revisions to the personnel policy manual that are proposed to reflect current practice and legal requirements relating to employment. It will also reduce duplicate or unnecessary language and provide greater clarity and ease of use for employees and managers as we continue our strategic efforts to build a positive, equitable and healthy workplace culture.

The committee went through the policy manual and discussed the changes. Significant changes embodied in the proposed revision to the policy include:

Chapter 1: Removed definition for Probationary Review Period. Change Working Test Period to Probationary Period for consistency throughout and alignment with Union Collective Bargaining Agreement's (CBA). Probationary for new hire and subsequent probationary periods is changed to 120 days for all staff non-union and union. Opportunity to extend as needed.

Chapter 2: Added storage as electronic records for Employee Personnel Records in ADP.

Chapter 3: Removed Leave of Absences During Initial Working Test Period as this no longer applies. Will not allow PTO and Bereavement to be taken during probationary period, consistent with CBA's. Removed department manager scheduling exit interviews. This is the responsibility of HR.

Chapter 4: Added language for people working less than 40 hours/week that Overtime should be approved by their supervisor. Added Washington State Paid Family and Medical Leave under employee and management responsibilities. Added that employees keep BHA up to date of Notification of Change of Address.

Chapter 5: Clarified beginning pay rate for non-union and union employees. Updated Compensation Upon Termination.

Chapter 6: Added Juneteenth to BHA Holidays. Changed Columbus Day to include Indigenous People's Day. Removed Holiday Eve and changed to one Floating Holiday to be determined by each individual employee with supervisor approval. Removed requirement that an employee must complete their probationary period to be eligible for Paid Time Off (PTO) or Bereavement. Added two additional days of leave for Bereavement. Added public transportation passes provided by BHA may be taxable.

Chapter 8: Changed required Leave without Pay approval from HR Manager to Executive Director. Changed Family Medical Leave Act (FMLA) working to "may" from "must" for use of paid leave accrued while on FMLA. Removed language around FMLA being a Voluntary Plan.

Chapter 14: Remove all policy related to procurement.

Chapter 15: Moved purchasing items from Chapter 14 and created its own Chapter.

A resolution to amend our current Personnel Policy Manual will be forthcoming at the November Board meeting.

6. FUTURE FINANCE/CMS/PERSONNEL COMMITTEE MEETING:

February 23, 2023, at 4:00 PM
May 18, 2023, at 4:00 PM
August 24, 2023, at 4:00 PM
September 21, 2023, at 4:00 PM

7. ADJOURNMENT: There being no further business meeting adjourned at 4:59 P.M.

Jill Stanton

Executive Secretary

Jeff Flood

Chairperson of the Board

SEAL

