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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 JUNE 16, 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 Ryan Burton (alternate)

Absent:

Commissioner Bo Palmer

Commissioner Jaime Forsyth

BHA Staff Present:

Jill Stanton Executive 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. SECOND QUARTER REPORT FY 2022: Comments by Ms. Stanton.

Total beginning cash at \$22.63 million (which includes \$2.22 million of unrestricted replacement reserves) at the beginning of the fiscal year compared to \$20.4 million at the end of the second quarter. This includes purchase of the homes for \$1.5 million.

CMS fees due to funds that we have not collected which will increase our cash.

Outstanding debt obligations to include programs & properties (Housing Choice Vouchers (HCV), Public Housing (PH) and others). This does not include Pendleton Place as we do not own Pendleton Place. There was a shortfall of \$263,000 for the Housing properties. Bay Vista Commons (BVC) had a loss which was an unfavorable variance of \$113,000. Higher maintenance costs at the property's accounts for some of the shortfall. Higher admin cost of \$111,000 which included temporary labor, overtime and higher admin wages and benefits of \$58,000.

Unfavorable budget variance due to the consulting and legal costs due to the technology recovery, and more in losses at Bay Vista Commons than budgeted.

Net operation income allows us to look at our properties on their own. BVC and HCV is a concern but nothing significant to worry about. We had to do capital work due to REAC inspections and maintenance work. We have an insurance claim for The Firs and Winfield which we should receive in the third quarter.

HCV program total loss of \$262,000 for the first quarter and \$80,000 in the second quarter with a combine total loss of \$342,000. Budget loss for the year is \$187,000. Housing Assistance Payment portion of loss is \$79,400 which we will recoup. Admin portion of loss is \$262,000 (\$75,000 less in net income than our budget). Lower lease up rates than budgeted. Ramp up admin costs. HCV program admin fees not able to support expenses. A fully leased program would increase annual admin fee by \$500,000. We are issuing vouchers that we normally have not done, and we do not get paid for doing the work. Resulting in more overtime and hiring additional help. We believe it will get turned around and there is room for improvement. This is a high priority to apply for additional admin fees offered by HUD. We did receive a one-time payment of \$80,000 in May from HUD which will help offset loss. Although, we want to spend more than we receive, we will lose funding in the HAP program held by HUD.

HCV analysis - Family self-sufficiency negative variance due to not being fully staff.

BVC \$64,000 loss for first quarter and \$38,000 loss for second quarter. Cash loss after debt service and reserve payment was \$111,000 for first quarter and \$76,400 for second quarter. BVC has averaged 10 vacancies a month out of 72 units during the quarter and for the year. COVID outbreaks at the facility slowed down the ability to fill the vacant units timely. Private pays averaged 7 out of 11 budgeted. Higher costs for food, supplies, and wages. Operating cash declining. BVC is understaff with significant turnovers. Plan is to turn things around. We may need to consider investing funds into property. Board will need to decide how much and for how long. Or consider selling property who does this type of work. Or increase private pay from 6-7 to 11-12. Program is particularly important to our long-term staffers.

Capital investments does not include purchase of the five homes. Total capital expenditures \$847,000 to include additional cost as follow:


\$44,000 additional costs compared to budget for the elevator at Casa
 \$81,000 of costs at the Summit for the ponding project
 \$40,000 at Wright Court for the fence
 \$15,000 at Shadow Creek for the security cameras
 \$11,000 at Winfield for the security cameras
 \$27,000 at Tamarack for the sewer line repair
 \$4,000 Tamarack for the fence

Overall revenue has a favorable budget variance of \$1.49 million for the second quarter mostly from CMS pass through HAP \$1.69 million over budget.

6. FUTURE FINANCE COMMITTEE MEETING: The next Finance Committee Meeting – August 18, 2022, at 4:00 PM.

7. ADJOURNMENT: There being no further business meeting adjourned at 4:53 P.M.


 Executive Secretary


 Chairperson of the Board

SEAL

