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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 AUGUST 24, 2023.

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

2. ROLL CALL:

Present:

(Subchair) Ryan Burton
Commissioner Jeff Flood

Commissioner Susie Beil

BHA Staff Present:

Jill Stanton	Executive Director
Windy Epps	Finance Director
Paula Kennedy	HR Manager
Carlita Mendez	CMS Director
Greg Verini	Business Strategy Analyst
Tim Schanne	Business Solutions 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 Ms. Stanton, and Ms. Epps.

4.1 Resolution B23-12 Adding Bank Signer and Authorization

This update is necessary due to the hiring of Windy Epps, Finance Director, as an additional signer with the same authorization formally established for continuity of operations. This will be presented for approval at the August Board meeting.

4.2 Financial Report for the Third Quarter FY 2023

Ms. Epps gave a detailed narrative on the high-level PowerPoint presentation that calls attention to in the third quarter report.

Unrestricted Cash – As of June 30, 2023, unrestricted cash totaling \$24.6 million. Some of the major changes in unrestricted cash include a \$769,000 increase from Contract Management Services (CMS), \$549,000 increase resulting from a draw of CFP funds to assist with operations, and a \$439,000 increase from interest earned from cash invested in the Local Government Investment Pool (LGIP).

Restricted Cash – As of June 30, 2023, restricted cash has increased year-over-year, primarily due to an increase in replacement reserves at the Summit and Bay Vista Commons.

Operating Cash and Reserves – Represents both restricted and unrestricted cash by properties.

Debt – Not a lot of change as most debt is forgivable debt.

Income Statement Summary – Total revenue totaling \$192 million is greater than budget expectations by \$6.1 million. Total expenses higher than budget expectations.

Revenue Summary – Higher due to \$4.4 million in grant revenue. Largely due to the increase in CMS and Housing Choice Voucher (HCV) program pass-through HAP expenses. And capital fund grant drawn from other budgeted items used for operation costs and drawn down into cash.

Expense Summary – Overbudget by \$4.9 million due to the increase CMS and HCV HAP expenses, maintenance expenses, and capital expenditure.

Overall, net income totaling \$1.5 million is \$1.1 million greater than the budget as of the end of the third quarter. Ms. Epps will present the overall cash position to the Board at the August Board meeting.

5. CMS REPORTING: Comments by Mrs. Mendez and Mr. Verini.

5.1 Resolution B23-13 Approve Removal of Sherman Enstrom and Appointment of Windy Epps to the Board of Directors of CMS

This update is necessary due to the hiring of Windy Epps, Finance Director, to remove Sherman Enstrom from the Board of Directors and appoint Windy Epps as his replacement. This will be presented for approval at the August Board meeting.

5.2 Training Content Development

HUD has unveiled its final rule for implementing the Housing Opportunity Through Modernization Act (HOTMA). HOTMA makes numerous changes to the statutes governing HUD's rental assistance programs, including Section 8, as well as public housing, with the goal of streamlining administration and easing the burden on private owners and public housing authorities.

The changes under HOTMA touch upon multiple areas, including standards for income determination, resident self-certification, and interim reexaminations. The various components of HOTMA have different start times, with some of the key rules for determining tenant income and assets not going into effect until January 2024, which gives PHAs, HUD, and owners an opportunity to get up to speed and make changes to their IT systems.

With this new rule, changes are needed to follow HOTMA. In the past five years, we at CMS have offered on-demand affordable housing property management training through our CMS website. After a careful analysis of the training marketplace and our own sales history, we have determined that creating a high quality on demand Certified Multifamily Specialist course that, when backed with a robust marketing plan, could dramatically expand our potential revenue.

By outsourcing our content development, we can not only create a much more compelling product that replaces our text and voice only training with video animation and interactivity but can also do

so at a lower price than updating the content internally. By taking advantage of a professional developer's economy of scale and globally outsourced programmers, we can produce higher quality content for a much higher cost, whereas internal production would have a comparative cost of more than \$100,000 in employee time, salary, and benefits.

Mr. Verini explained in detail a side-by-side comparison of the difference in quality between our current product and the proposed version with a content developer. We see this as an opportunity, as we are already looked upon in the industry as experts. This opportunity will allow us to help Owners/Agents better comply with HUD rules and regulations. Mrs. Mendez will ask for Board approval to allow us to enter into a contract with the content developer at the August Board meeting.

6. PERSONNEL REPORTING: Comments by Ms. Kennedy.

6.1 FY 2024 Pay Increases

We will be recommending a pay increase for FY 2024 in line with our current CBAs.

- OPEIU increase will consist of a step increase of 2% and a COLA of 4.5% for a total of 6.5%.
- Teamsters increase will consist of a step increase of 2% and a COLA of 4.5% for a total of 6.5%.
- For qualified non-union employees the increase will consist of a 4.5% COLA increase and a 2% merit increase for a total of 6.5%.

This will be presented for approval at the September Board meeting as part of the overall agency budget.

6.2 FY 2023 Performance Evaluations

Our recent supervisor performance review training and the staff group meetings "Seat at the Table" resulted in additional ideas and methods to be more consistent with our scoring process and promoting equity and fairness.

HR put together guidelines and examples. The new guidelines eliminated part two of the evaluation process. Leaving all the staff being evaluated on the same nine competencies. HR met with staff at the HR Tuesday Talk on what the expectations are.

6.3 Performance Evaluation for the Executive Director

Discussed the Executive Director's performance review timeline process. The Performance Evaluation Committee Chair, (Chair Flood) will finalize the Executive Director's performance review. Prior to the September board meeting, the Committee Chair will present a final copy of the Executive Director's performance review to Ms. Stanton during their meeting (to be determined). At the September Board meeting the Committee Chair will announce that the Executive Director's performance review has been concluded and that the performance review has been completed.

7. FUTURE FINANCE/CMS/PERSONNEL COMMITTEE MEETING:

September 21, 2023, at 4:00 PM

8. **ADJOURNMENT:** There being no further business meeting adjourned at 5:02 P.M.

Gill Stanton

Executive Secretary

Clay B. Hood

Chairperson of the Board

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