



600 Park Avenue
Bremerton WA 98337
(p) 360-616-7241
(f) 360-616-2811
www.bremertonhousing.org

BHA SPECIAL FINANCE/CMS/PERSONNEL COMMITTEE MINUTES

FINANCE/CMS/PERSONNEL COMMITTEE MEETING OF THE BOARD OF COMMISSIONERS OF THE BREMERTON HOUSING AUTHORITY (BHA) HELD REMOTELY, AT 4:00 PM ON MARCH 20, 2025.

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

2. ROLL CALL:

Present:

(Subchair) Ryan Burton
Chair Jeff Flood

Commissioner Susie Beil
Commissioner Diane West

BHA Staff Present:

Jill Stanton	Executive Director
Windy Epps	Finance Director
Paula Kennedy	Human Resources Manager
Tory Quinn	Director of Development & Acquisitions
Lorna Camacho	Office Manager/Executive Assistant/Minute Taker

3. SUBCHAIR COMMENTS: None.

4. FINANCE REPORTING: Comments by Ms. Epps.

4.1 Financial Report for the First Quarter FY 2025

Presented is the First Quarter Financial PowerPoint Reporting for Fiscal Year (FY) 2025. Ms. Epps reviewed and discussed the financial performance of BHA First Quarter of FY 2025 in detail.

Unrestricted cash balance as of December 31, 2024, \$26 million, showing an increase of \$1.5 million since the beginning of the fiscal year.

Primary factors for the increase are due to: \$24.05 million from the sale of six properties to the BBSP LIHTC partnership, offset by \$20.367 million in seller financing; \$474,000 received from Bremerton Bright Start Properties for expenses incurred in the prior fiscal year; \$800,000 in development fees received; \$377,000 drawn from the CFP fund for operations and \$380,000 drawn for the repositioning; CMS net receipts of \$296,000, and \$157,000 net receipts from Bay Vista Commons. These amounts were partially offset by \$4.3 million allocated to a restricted escrow account for construction costs related to redevelopment and long-term property viability, HCV losses of \$375,000 and \$110,000 due to timing of housing assistance payments.

Ms. Stanton confirmed that, after all transactions, the actual unrestricted cash is \$1.4 million higher than the projected amount for this period.

The first quarter of FY 2025 shows a strong financial performance with unrestricted cash exceeding projections of \$1.4 million, largely driven by reimbursements, fees, and effective fund management.

Total Restricted Cash saw a year-over-year increase of \$4.5 million by the end of December. The primary reason for this increase was the deposit of \$4.3 million into the Bremerton Bright Start Properties escrow account, which will be used for construction costs.

This quarter, Capital Investment does not have a lot to report other than office furniture for the Housing Choice Voucher program and magnetic door holders for Bay Vista Commons. However, it's important to note that this excludes capital investments that have not yet been placed into service. Regarding Bay Vista Commons, the capital budget for 2025 is set at \$111,000, with a remaining balance of \$102,000. Total capital budget for 2025 is \$740,000 with \$710,000 remaining.

Debt has remained relatively unchanged. However, we do have the commerce grant, which is a forgivable grant. This grant will need to remain in the books for the term of the grant before it is fully accounted for.

The Income Statement Summary for the year to date shows a Net Operating Income of \$2.042 million. Total revenue is over budget by \$7.6 million, primarily due to higher grant revenue by \$5 million, which includes HAP funding. The Capital Fund Grant is over budget due to the reposition, contributing positively to the financial performance. Miscellaneous income reflects the development fee associated with the reposition project. Additionally, CMS administrative revenue \$575,000 reimbursement for the repositioning.

During the meeting, the Expense Summary was reviewed, showing a \$93,000 decrease in administration expenses. Ms. Epps went through each variance in detail, providing a comprehensive overview of the overall financial picture. This analysis was key to understanding the factors contributing to the reduction in administrative costs and ensuring that all discrepancies were accounted for and clarified.

The Housing Programs and Properties section highlighted a net gain of \$562,000. However, it was noted that the Total Rental Income was under budget by \$137,000. The team then reviewed the variances for other revenue and expenses, going over each item in detail to provide clarity on the differences.

The discussion on Bay Vista Commons focused on the net cash flow, where it was noted that rental income was under budget, offset by higher Section 8 subsidy revenue and Medicaid. Ms. Epps pointed out that the one-month budgeted expenses were a key factor in this variance. Additionally, it was emphasized that operating cash equal to one month of operating expenses is required to remain on hand though it was noted that this has not been an ongoing issue.

The discussion on Housing Choice Voucher Admin Fees and Expenses focused on the variances in both areas. It was noted that the admin fee rate, effective from January to December, had an impact on the budget. When the budget for the quarter was initially created, the total was met, but it was acknowledged that the budget was inflated, which explains the negative variance on the admin side. The costs were also influenced by contract consultants and inspectors, which were one-time expenses for this quarter and are not expected to continue. Additionally, admin salaries came in higher than anticipated. An

upside is expected over the rest of the year, because the team did not foresee receiving the FSS grant at the time the budget was prepared. Moving forward, reimbursements for this grant will begin in the next quarter. Furthermore, it was mentioned that an admin fee increase of 4.6% had been approved for the year, with the HUD pro-rate unknown at this time but is expected to be around 89%. Ms. Stanton noted that, with more vouchers being leased up, a shortfall has already occurred, but this will not affect either the vouchers or the admin fee.

The headcount budget was set at a total of 116.5 positions, with the actual headcount at 111.5 by the end of the quarter, leaving four open positions. Additionally, it was noted that the position of Interim Director of IT Infrastructure was eliminated during this period.

Ms. Stanton raised a question regarding how much cash should be kept on hand, noting that this will be discussed further in the upcoming board meeting and during an executive session. Ms. Stanton mentioned that both she and Ms. Epps are comfortable with the \$18 million currently sitting in cash, though they recognized that having cash available could serve them in other ways. It was clarified that this amount does not represent all the unrestricted cash. Ms. Stanton also indicated that she would reach out to Chair Burton and Commissioner Beil to discuss the shortfall position before next week's board meeting.


5. CMS REPORTING: There are no CMS items.

6. PERSONNEL REPORTING: There are no HR items.

7. FUTURE FINANCE/CMS/PERSONNEL COMMITTEE MEETING:

May 15, 2025

8. ADJOURNMENT: There being no further business meeting adjourned at 4:32 P.M.



 Executive Secretary
 SEAL



 Chairperson of the Board

