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## BHA FINANCE COMMITTEE MINUTES

FINANCE COMMITTEE MEETING OF THE BOARD OF COMMISSIONERS OF THE BREMERTON HOUSING AUTHORITY (BHA) HELD REMOTELY, AT 4:00 PM ON FEBRUARY 19, 2026.

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

**BHA Staff Present:**

Windy Epps	Finance Director
Paula Kennedy	Human Resources Director
Wendy Westby	HCV Program & Projects Director
Tory Quinn	Development and Acquisition Director
Lorna Camacho	Chief of Staff/Minute Taker

3. **SUBCHAIR COMMENTS:** None.

4. **FINANCE REPORTING:** Comments by Ms. Epps.

4.1 Financial Report for the First Quarter FY 2026

The Finance Committee met on February 19, 2026, to review the first quarter financial performance of the Bremerton Housing Authority (BHA) for fiscal year 2026 (FY 26). Ms. Epps reported that unrestricted cash began the fiscal year at \$22.5 million and totaled \$21.9 million as of December 31, 2025. The net change is primarily due to timing differences in payables and receivables, a \$157,000 payout for prepaid expenses, and activity related to Bay Vista South and Bay Vista West. Restricted cash remained steady at \$7.4 million, with a slight decrease attributable to a reduction in FSS escrow within the voucher program. Debt obligations decreased during the quarter as scheduled principal and interest payments were made, including those related to Wheaton Landing.

Agency-wide, total revenue for the first quarter was \$81.2 million, while total expenses were \$81.17 million, resulting in net operating income of \$35,000. This performance exceeded the budgeted loss of \$180,000 by \$215,000. Administrative expenses were approximately 4% below budget. The agency received more Housing Assistance Payments (HAP) revenue than was disbursed, including HAP earned at CMS. Rental income exceeded budget by \$61,000, including vacancy losses. Grant revenue was above budget, while capital fund grant revenue was under budget. Capital investments totaling \$26,000, which were not originally budgeted, included installation of wall protectors and cabinet door locks at Bay Vista Commons and a bathroom renovation at The Firs that may require correction (Journey Entry). Utilities and maintenance expenses were higher than anticipated, largely due to water damage, asbestos,

and meth decontamination at The Firs, while tenant services were under budget and administrative costs were close to projections.

Tenant receivables were discussed with Ms. Epps noting that balances are currently higher than desired, potentially due to recent personnel changes within the Housing Department. At Summit, the goal is to maintain receivables under 2%; current receivables are at 2.4%. Within the LIHTC portfolio, Ms. Epps reviewed each property and acknowledged that additional work is needed to improve receivable balances, with expectations for improvement in future quarters.

Program-level summaries were also provided. Within the Housing program, renewal and grant revenue were higher than budget, administration costs were slightly higher, and HAP and other expenses increased. Total operating income was \$60,000, performing approximately \$30,000 better than the \$89,000 planned. Utilities and maintenance costs were elevated due to issues at The Firs, while administrative costs remained close to budget.

For the Housing Choice Voucher (HCV) program, the primary focus remains the administrative gain (loss), which reflects the cost to administer the program compared to administrative fee revenue. Year-to-date results show a \$138,000 administrative loss, which is \$77,000 better than planned and significantly improved from the prior year, when losses were closer to \$1 million. Administrative fee revenue is up slightly and FSS revenue is down. Administrative salaries are under budget by \$24,000 due to open positions, and other administrative costs are lower due to inspection and consultant contract costs, while management and bookkeeping fees to COCC and miscellaneous operating expenses are higher. Despite continued pressure, management expressed pride in the HCV team's improved performance.

Within the CMS program, total income was \$69.0 million, including \$66.3 million in HAP earned. Total income exceeded budget by approximately \$45.0 million. Administrative expenses were under budget at \$72,000, and net operating income came in at \$105,000, better than planned. Revenue and expense details were reviewed by line item.

At Bay Vista Commons, total revenue was \$1.1 million, approximately \$60,000 under budget, while operating expenses were \$90,000 under budget, resulting in operating income above projections. Medicaid revenue was lower than anticipated, but tenant rent and other tenant income were higher. Cash on hand is \$859,000, which is \$372,000 higher than the required minimum of \$305,000 equivalent to one month of operating cash, representing a \$67,000 increase during the quarter.

Ms. Kennedy provided a staffing update, noting that the agency began the fiscal year with 119 employees and ended the quarter with 113. Six positions are currently open and posted. Business Solutions, CMS, Executive, and Human Resources are fully staffed. Development is budgeted for three positions, with two currently filled; the Senior Asset Manager position has now been filled, with a new hire starting in March. Housing has four positions to fill.

Subchair Burton expressed appreciation for the inclusion of CMS revenues, tenant receivables, and headcount information in the report and asked about applicant volume. Ms. Kennedy reported that the agency receives an average of approximately 50 applications per position, in addition to internal applicants seeking advancement opportunities.

Overall, Ms. Epps reported that the agency remains financially stable, with strong cash reserves, decreasing debt obligations, improved HCV administrative performance compared to the prior year, and positive operating results despite pressures in utilities, maintenance, and tenant receivables.

**3. FUTURE FINANCE COMMITTEE MEETING:**

May 14, 2026, at 4:00 P.M.

**4. ADJOURNMENT:** There being no further business meeting adjourned at 4:27 P.M.

*Jill Stanton*

Executive Secretary

*Ryan Burton*

Chairperson of the Board

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