BREMERTON HOUSING AUTHORITY

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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 SEPTEMBER 24, 2026.

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

2. **ROLL CALL:**

Present:

(Subchair) Ryan Burton
Vice Chair Susie Beil
Commissioner Nancy Zellers

BHA Staff Present:

Windy Epps	Finance Director
Tim Schanne	Business Solutions Director
Paula Kennedy	Human Resources Director
Tory Quinn	Development and Acquisition Director
Holly Anderson	Senior Asset Manager
Lorna Camacho	Chief of Staff/Minute Taker

3. **SUBCHAIR COMMENTS:** None.

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

4.1 FY 2027 Proposed Budget

The Finance Committee met on September 24, 2026, to review the Bremerton Housing Authority's (BHA) proposed Fiscal Year 2027 (FY 2027) budget. Ms. Epps presented detailed budgets by program area, including operating revenues and expenses, net income and loss by program and property, housing programs, West Park development activities, Contract Management Services (CMS), Support Services and Administration, capital expenditures, BHA subsidies, HOPE VI transfers, and payroll costs.

BHA's FY 2027 budget projects total revenues of approximately $335.1 million and operating expenses of approximately $331.2 million, resulting in revenues exceeding operating expenses by approximately $3.9 million. The budget positions the agency to continue supporting its housing programs, invest approximately $3.5 million in capital and predevelopment activities, meet debt obligations, and increase unrestricted cash by approximately $166,000. The budget is being developed concurrently with BHA's strategic planning process and reflects a focus on both current operations and long-term financial sustainability

Over the next five years, BHA is evaluating significant capital, predevelopment, and strategic investments, as well as opportunities to strengthen locally controlled revenue sources, expand affordable housing opportunities in the Bremerton community, improve operational

efficiency, and enhance service delivery. Areas under consideration include the potential repositioning of Summit at Bay Vista, technology improvements to increase efficiency within the Housing Choice Voucher Program, and additional acquisition, development, and redevelopment opportunities.

Housing Assistance Payments (HAP) are expected to be funded at 100 percent of renewal eligibility, based on FY 2026 expenditures and a 3.07 percent Renewal Funding Inflation Factor. Administrative fee funding, however, is projected at an 88 percent proration rate, resulting in approximately $303,000 less revenue than would be received under full funding. Because administrative funding has not kept pace with the cost of administering the program, BHA has budgeted a $604,000 subsidy for the Housing Choice Voucher Program to maintain operations and service levels for participating families and landlords.

Housing Assistance Payments represent the largest component of BHA's operating expenses at approximately $302.2 million. Personnel costs are the largest controllable expense at approximately $18.3 million, supporting approximately 121 budgeted full-time equivalent positions. Other major non-personnel expenses include administration at $5.8 million, maintenance at $1.1 million, tenant services at $800,000, utilities at $1.1 million, general operating expenses at $1.1 million, and interest expense of approximately $900,000.

The housing portfolio is projected to generate approximately $1.3 million in net operating income in FY 2027, although performance varies among individual properties based on funding structures, operating requirements, and strategic priorities. Blueberry Park is projected to contribute approximately $494,000, Tamarack Apartments approximately $433,000, and Wheaton Landing approximately $159,000, helping offset planned operating losses at other properties. Summit at Bay Vista is budgeted to generate an operating loss of approximately $111,000.

Although occupancy and operations remain stable, the property's Public Housing subsidy structure does not provide sufficient funding to fully support operating costs. If the Public Housing units were funded under a Project-Based Voucher model, annual revenue is estimated to be approximately $500,000 higher. Evergreen Bright Start is budgeted to generate an operating loss of approximately $65,000. The loss is primarily attributable to BHA's $136,000 contribution to Coffee Oasis supportive services, which provide residents with assistance intended to promote housing stability and successful transition to independent living.

It was noted that some of the projected property losses are also affected by unexpected capital work, with the expectation that certain properties may move toward break-even operations in future years.

West Park Development activities are projected to generate approximately $86,000 in net operating income in FY 2027. This category reflects project-specific development and grant activities, including HOPE VI resources, rather than the ongoing operations of the Development Department, which are budgeted within Support Services and Administration. Contract Management Services (CMS) are projected to generate approximately $2.3 million in net operating income. CMS continues to provide an important source of unrestricted revenue that supports housing programs, resident services, capital investments, and other strategic agency initiatives. The Committee also discussed the role of locally generated resources in supporting BHA's broader "One BHA" vision and the importance of maintaining

a clear understanding of how development-related activities and revenues are reflected within the budget.

HOPE VI transfers included in the FY 2027 budget include approximately $116,000 for Community Support Services and $7,000 for the resident Computer Lab. Community Support Services funding supports programs designed to promote housing stability, self-sufficiency, and community engagement, while Computer Lab funding supports resident access to technology and digital resources.

Housing Programs are projected to generate a planned operating loss of approximately $866,000. The largest contributor is the Housing Choice Voucher Program, with a budgeted operating loss of $604,000 resulting primarily from administrative fee proration. Other planned losses include approximately $116,000 for Community Support Services and $200,000 for the Bremerton Rental Assistance Program. BHA continues to support local rental assistance initiatives to address housing instability and meet needs that are not fully served by federal housing programs. BHA's contribution significantly increases the resources available through the City's investment and allows additional households to receive rental assistance.

Support Services and Administration are projected to generate approximately $1.0 million in net operating income before capital expenditures. This category includes the Central Office Cost Center, Local Fund activities, and Bremerton Bright Start administration and supports agency-wide functions such as executive leadership, finance, procurement, human resources, business solutions, information technology, and development and acquisitions. The Development and Acquisitions Department remains an important component of BHA's long-term development and repositioning strategy. During FY 2027, BHA expects to recognize approximately $2.7 million in development fees related to BBSP Phase I and approximately $675,000 in development fees related to Phase II activities, with approximately $475,000 in associated Phase II costs.

The budget also includes a $1.0 million transfer from Support Services and Administration to support capital and predevelopment investments, including work associated with the Max Hale Building, Oyster Bay, Sheridan, and future repositioning efforts.

BHA has budgeted approximately $3.5 million in capital and predevelopment expenditures for FY 2027. Planned capital investments include approximately $231,000 at Bay Vista Commons, $334,000 at Summit at Bay Vista, $150,000 at Evergreen Bright Start, and $769,000 for improvements to the 600 Park administrative building. An additional approximately $2.0 million is budgeted for predevelopment activities associated with the Max Hale Building, Oyster Bay, Sheridan Site, and the anticipated repositioning of Firs and Tamarack. These investments are intended to preserve existing properties while advancing future development and repositioning opportunities.

The FY 2027 staffing plan includes a net increase of 3.0 FTEs, increasing total budgeted staffing from 118 to 121 FTEs. Total payroll costs are projected at approximately $14.3 million, representing approximately 78 percent of total personnel costs of $18.3 million. Year-over-year changes in payroll are primarily attributable to a reduction in the Department of Retirement Systems employer contribution rate from 9.21 percent to 5.58 percent, generating approximately $390,000 in savings; a 2.7 percent cost-of-living adjustment of approximately $277,000; step increases totaling approximately $205,000; and the addition of 3.0 FTEs,

contributing approximately $350,000. Most staffing additions are concentrated in Housing and Finance to address operational needs, portfolio growth, and increasing compliance requirements.

The proposed budget for FY 2027 aligns with available resources, supports the planned programs and activities, and advances BHA's long-term strategic priorities while maintaining financial stability.

5. FUTURE FINANCE COMMITTEE MEETING:

November 19, 2026, at 4:00 P.M.

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

Executive Secretary

Chairperson of the Board

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