



Dear Bay City Property Owners,

September 20, 2007

The purpose of this mailing is to advise you of the Finance Committee's evaluation of BCPOA finances and provide by-laws change opportunity with the enclosed ballot to bring our Association into financial and organizational balance.

Please support these necessary changes. Additionally, checkout our member donated new web site at baycityneighbors.org for the latest BCPOA agendas, meeting minutes, construction rules and by-laws.

Since March 2007 BCPOA has used the deposited bulkhead reserve funds and the maintenance reserve to repair the broken bulkhead at Bayside Park. Additionally, we have taken bids for repair rip/rap stone protection on the southern portion of the bulkhead. We have investigated financing and have received a local bank offer to obtain the necessary money which can be paid back at a maximum fixed rate of 8.5% over 20 years. The payback amount of \$606 per month is less than the monthly amount we are budgeted (and are setting aside) in the bulkhead reserve. This bank loan will also be sufficient to complete the necessary restoration and durable replacement of the playground equipment.

In my March 30, 2007 blue paper letter (which is printed below) , the announcement was made that the elected Board voted to bring up for community endorsement an increase to \$130 to make up for the \$14,000 shortfall in projected 2007 income. The finance committee reviewed that recommendation in August and introduced a motion to increase membership dues to \$135, beginning in 2008. That motion was passed at the September 7 board meeting and is provided for community endorsement/vote with the attached ballot. Property owners who paid the requested (but not mandatory) \$130 for 2007 have a \$30 credit in their account.

In addition to bring the budget into balance, the extra money will

- a) make up for the expiration of the court mandated restitution income,
- b) provide for a separate playground equipment reserve account, and
- c) a \$3,000 emergency reserve.

The other by-law ballot changes motions document the need to:

- a) establish the Finance Chair as an elected (vice appointed) two year (non officer) position,
- b) update the mileage reimbursement rate,
- c) codify the requirements for formal officer/board approval before any BCPOA assets may be replaced or repaired, new legal proceeding initiated, and require a 2/3 membership vote before any BCPOA property is sold.

March 30,2007

Dear Bay City Property Owners,

The letter from Kelly Wong, the Chair of the independent BCPOA Finance Committee, advises us that the budget is out of balance by \$14,000 and that it is necessary and prudent to increase the BCPOA annual payment to \$130. Budgets based on \$100 and \$130 annual amounts are presented on the reverse in the far right two columns. Accordingly, the Board voted to bring up for community endorsement an increase to \$130.

Property owners are invited to pay \$130 (but only required to pay \$100) with this billing.

Since the voted increase in 2003, BCPOA has:

- Partially dredged and made improvements to the boat ramp area,
- Protected community assets with long term insurance,
- Improved the safety of the playground, park benches, and our streets,
- Recovered BCPOA funds, paid all delinquent taxes, and hired a local CPA accounting company to audit and prepare our taxes,
- Began providing for budgeted long term maintenance of our properties.

Specifically changes are required since:

The Restitution Income Payment of about \$800 per month has not been consistent.

All reasonable expenditure cuts have been made.

Some Property Owners are not (yet) meeting their obligations to pay back dues and it will take time to initiate legal small claims court actions to collect the over \$20,000 which is owed from owners who have not made a payment in the last three years. Last year, letters were sent to these owners and some have responded. (Attorney collection letters are in preparation as of Sept. 2007.)

We will not impose (and have never imposed) a hardship on a property owner who is in a difficult financial situation.

With appreciation for our community,

John McKim, President