



Dues Task Force Report

November 2024

Positive Aspects of Bayshore (an HOA)

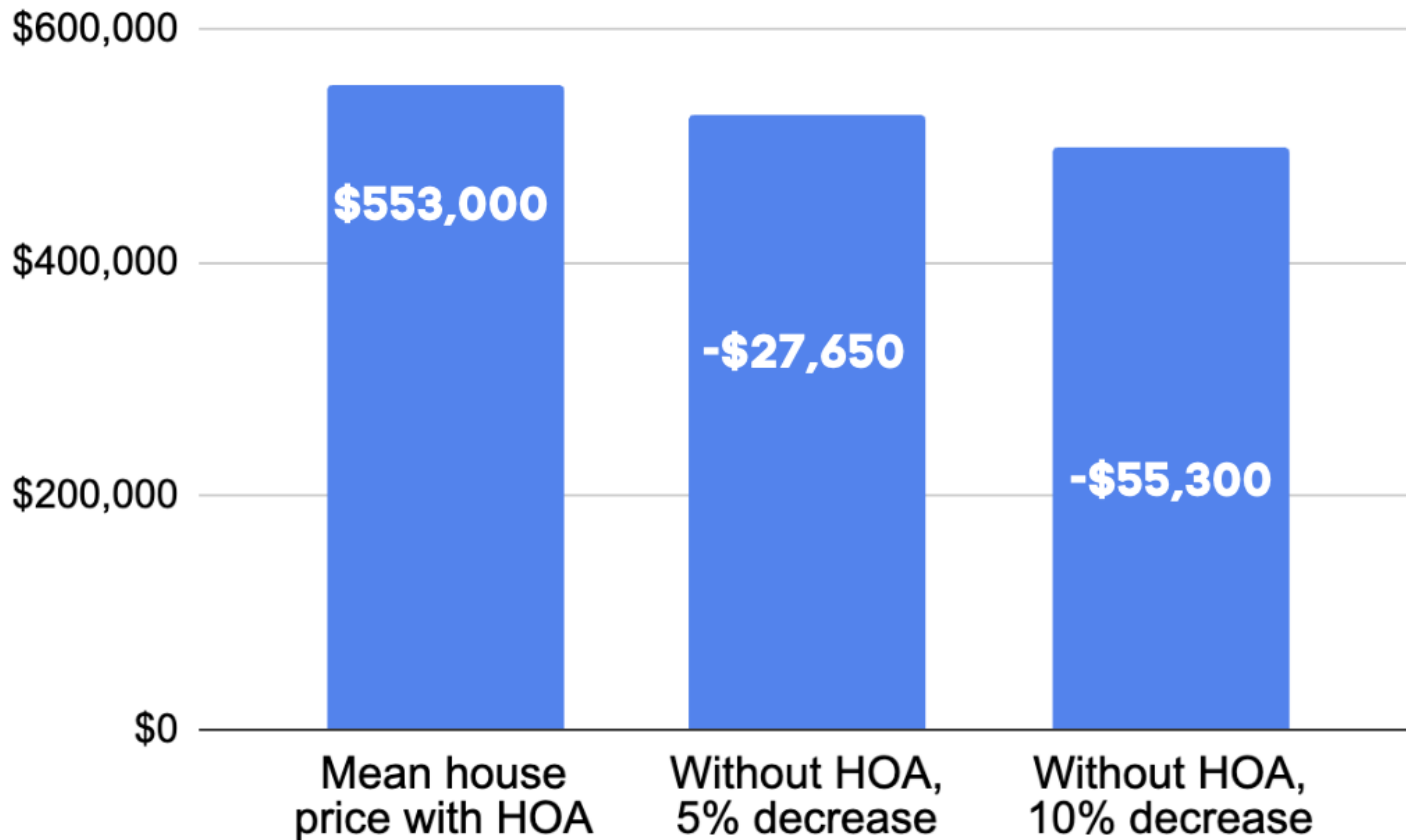
- Members have access to:
 - Pool
 - Rec room
 - Clubhouse facilities, including free classes and use for members' events
 - Social events
 - Tennis court
 - Playground
 - Two other “natural” parks
 - Backyard patio
 - Many beach accesses
 - Planning committee to monitor C&R rules (house conformity, trees, fireworks, etc.)
- Members benefit from the many volunteers who help maintain and improve Bayshore's amenities and facilities
- Members also benefit financially from living in an HOA

Benefits of Living in an HOA



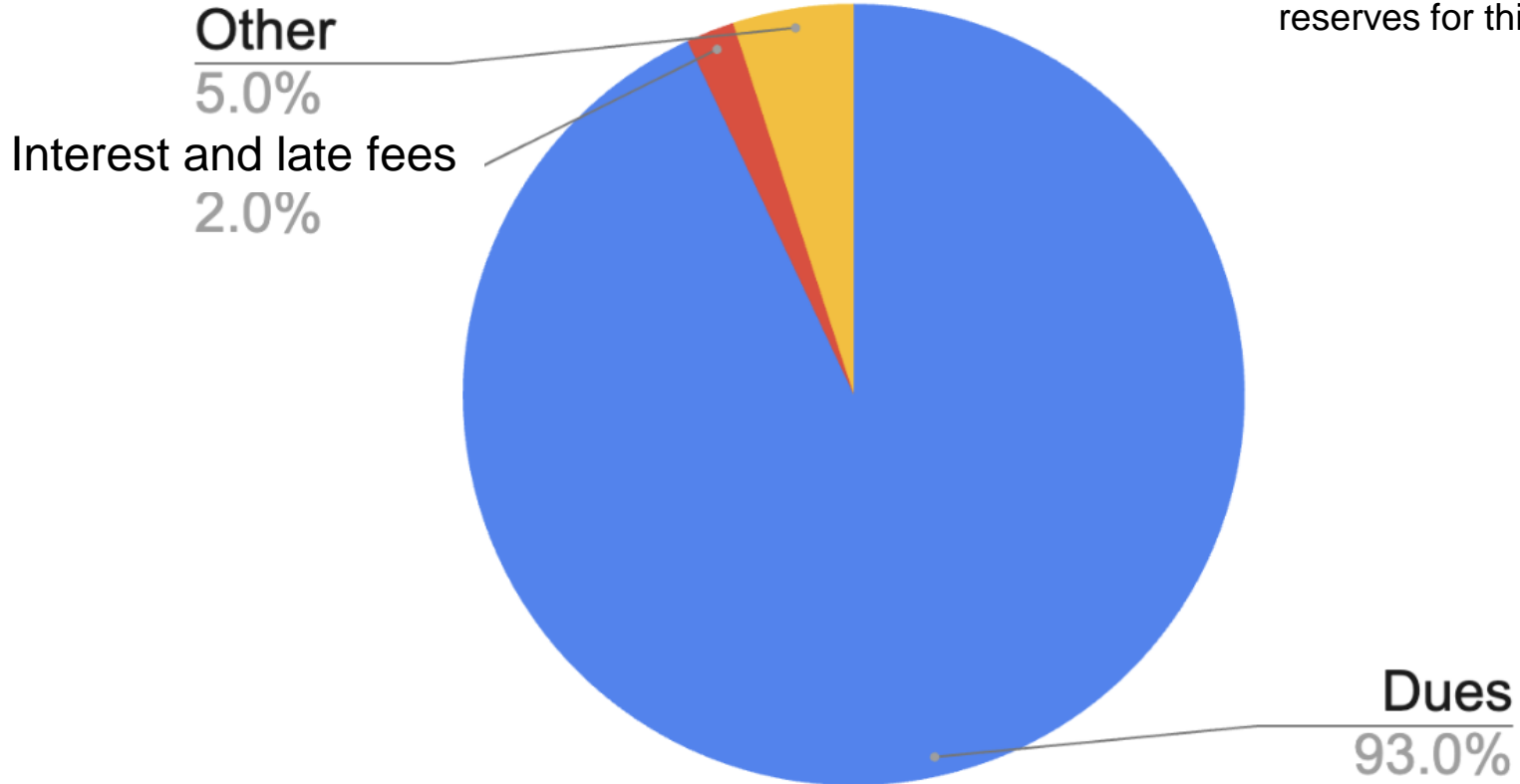
**Homes sold in
an HOA
community sell
for an average
of 5-10% more**

HOA Increases Home Value



Income

Total budget = \$294K; Does not include the \$85K from reserves for this year



Other: diaper sales, pool fees, transfer fees...

Income and Expenses for This and the Next Eight Years

Reminders:

- 93% of our income comes from from dues (this year dues total = \$274,050)
- Our current reserves are \$426,886
- Bayshore has a 30-year maintenance plan for maintaining its property, facilities, and equipment. We are approximately four years into that plan.
 - For the next eight years combined, the estimated costs for upkeep of property, building facilities, and equipment is **\$500,000**.

Income and Expenses for This and the Next Eight Years

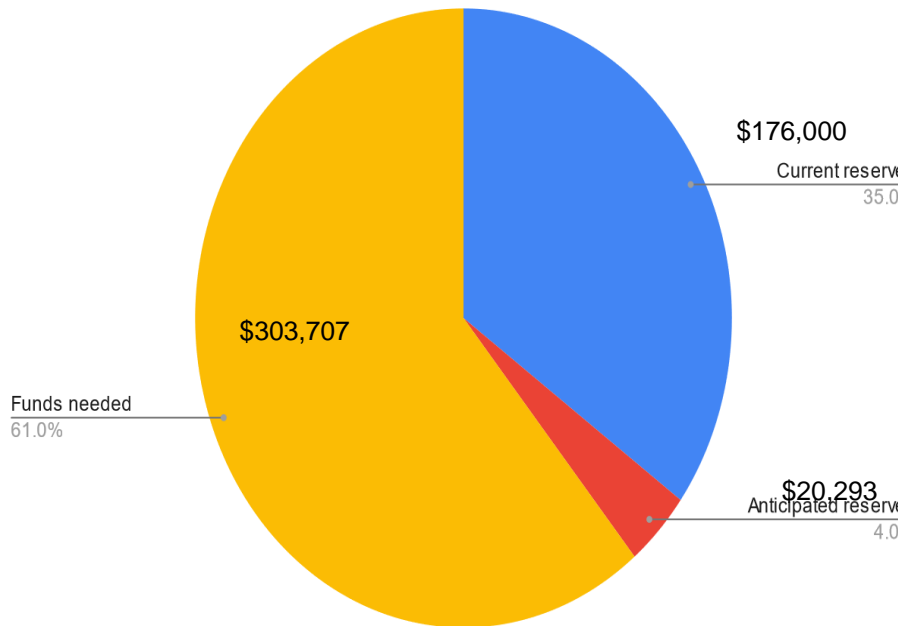
Reminders:

- Based on projections (0-7%) of the current budget and after paying routine expenses, Bayshore may have an average of \$2,537 in discretionary funds for each of the next fiscal eight years (approx. \$20,000 across eight years)
- Fact: Along with our current reserves, there are not enough funds to pay for the **planned maintenance jobs (much less unplanned jobs)**

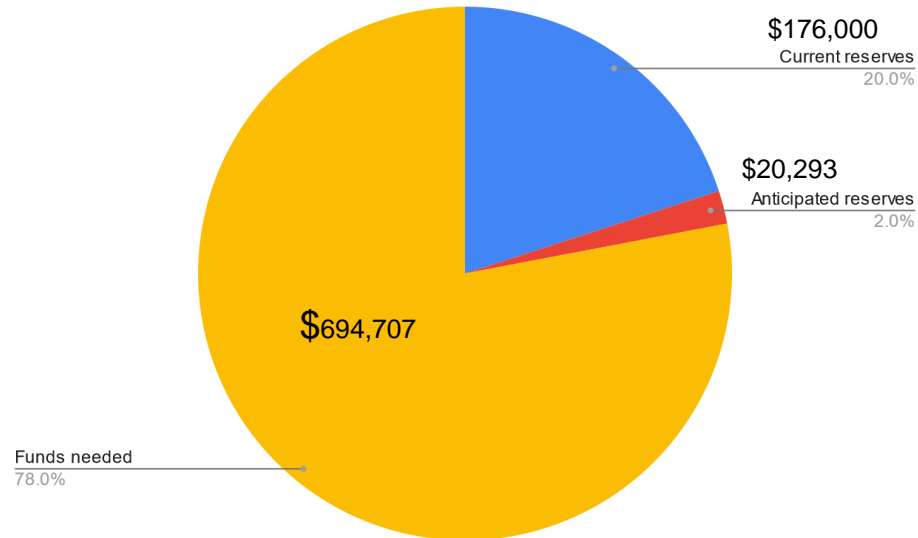
How Does Bayshore Meet Its
Financial Needs/Obligations?

Could We Just Use
Bayshore's Reserves?

Using All But \$250K of Bayshore's Reserves



30-year plan only: \$500K est.



Including tabled items: \$891K est.

The Use of Bayshore's Reserves Doesn't Meet Financial Needs

Member Dues Could Be
Increased

Bayshore Dues History

- In 1963, dues were set at \$20/year. That is equivalent to \$205 in today's economy.
- There have been 61 opportunities to raise the dues.
 - If each opportunity was taken, dues currently would be \$630/year (\$52.50/mo.)
- Dues were raised* 25 times (57%) to get to our current \$270/year.
- Current dues are \$270/year or \$22.50/mo.

*Dues were reduced one year

What Does It Take to Increase the Dues?

- Bayshore's dues structure is written into the C&Rs.
- To change the C&Rs, 2/3 of all members must approve the change.
- Some members suggest that a change to the C&Rs is impossible; that not enough members will vote for a change.
 - We will never know if a change is possible until we try.
 - Members have shown their support for and have gone out of their way to support Bayshore numerous times in the recent past (e.g., Artisans, Weed-Whackers, extra dues donors, donors to the beach access project).

Potential Change to C&Rs Language

“Dues shall be raised each year no less than 4% and no more than 10% above the current dues”

Percent Increase per Year	Cost of Dues for First year	Additional Dues for First Year – Year/Month (compared to 2024-2025)	Additional Revenue for Bayshore Across 8 Years	Covers estimated \$500K for Long Range Plan	Covers estimated \$900K for Long Range Plan and Clubhouse Renovation
\$10/yr	\$280.00	\$10/\$0.84	\$24,805	No - \$475,195	No - \$875,195
4%	\$281.00	\$11/\$0.92	\$93,170	No - \$406,830	No - \$806,830
5%	\$284.00	\$14/\$1.17	\$214,785	No - \$285,215	No - \$685,215
6%	\$286.00	\$16/\$1.33	\$342,150	No - \$157,850	No - \$557,850
7%	\$290.00	\$20/\$1.67	\$475,523	No - \$24,477	No - \$424,477
8%	\$292.00	\$22/\$1.83	\$615,170	Yes +\$115,170	No - \$284,830
9%	\$294.00	\$24/\$2.00	\$716,370	Yes + \$216,370	No - \$183,630
10%	\$297.00	\$27/\$2.25	\$914,411	Yes + \$414,411	Yes + \$14,411

Dues Task Force Analysis

- Bayshore could increase the dues by 10% next year and continue to increase dues by 10% the following 7 years
- If the dues were increased as such, Bayshore would be back on a much more solid financial foundation including having funds to cover the renovation and some unplanned jobs
 - Some unplanned jobs could be covered with some of the current reserves as well
 - **Dues after 8 years will have gone up an additional \$309 (\$26/mo.)**
- Note: The current average HOA membership fee for a single-family home in Oregon is **\$300** per month (**\$3,600** annually).

Member Suggestion

Shut Down the Pool
Permanently

Effect on Budget with Shutting the Pool Down Permanently

- Would save an estimated \$46K a year in costs: personnel, chemicals, regular repairs, and estimated costs for propane
- Without pool:
 - Would result in \$471,000 for reserves across eight years (vs. \$20K)
 - Bayshore's 30-year maintenance plan for property, facilities, and equipment for the next eight years combined would be an estimated \$448,000 (vs. \$500K)
- Across eight years, the estimated annual costs (Bayshore's annual budget) plus funds put into the reserves result in an extra \$23K of discretionary funds.
- Numbers above do not include funds for unplanned jobs (this year: \$78,000) or tabled jobs (i.e., clubhouse reno, tennis court = approx. \$391K)

Cons to Shutting Down the Pool Permanently

- Pool is what attracted many members to purchase in Bayshore
- Most real estate ads for homes in Bayshore include mention/picture of pool
- Pool is used notably in summer
 - For an average week, there were 686 visits/uses (93% were members and their families; 7% were renters of Bayshore homes)
- There were positive comments re: the pool in the 2021 member survey

Results of 2021 Survey re: Pool

- Pool was fourth on list re: greatest hope of maintaining Bayshore's facilities
- Top item for "Three issues about what Bayshore offers that should be addressed (improved)"
- Bottom line: Closing pool permanently does not help Bayshore address tabled jobs, unplanned jobs, and rising costs of living.

Questions?