

Dear Homeowners,

The Board of Directors would like to address concerns about recent emails circulated by a homeowner following the last few Board meetings. These emails do not represent the Board's position and contain **inaccurate and misleading** information about our community finances and more. As a reminder, for the most reliable and up-to-date community information and details, we encourage homeowners to visit the [official Baywatch website](#) or contact the management company directly.

Understanding Our Current Financial Situation

The financial challenges facing the Association today stem from past decisions regarding HOA dues. In the previous years, the Board received a professional recommendation from Optimum to increase dues to account to adjust for rising costs and inflation. The options presented at that time were:

- **A 14.83% increase of \$90 per month**
- **A 20% increase of \$121 per month**

However, the President and the Board at that time chose not to implement an increase, prioritizing short-term homeowner concerns over long-term financial stability. As a result, the current Board inherited a significant budget shortfall, requiring both a special assessment and dues increase to ensure the Association can meet its financial obligations.

To illustrate the impact of past financial decisions, had the 14.83% dues increase been implemented as recommended, the Association would have had an additional **\$164,160** in operating funds today. This amount would have mitigated recent budget shortfalls and reduced the need for the current special assessment and dues increase.

As a community, we cannot have it both ways: Avoiding HOA increases while expecting to maintain our aging community, cover the ongoing increase in common area maintenance costs, and simultaneously enjoy a pristine Baywatch with all the amenities we value and enjoy. **Achieving one requires balancing the other.** Responsible financial management ensures that Baywatch stays a well-maintained and desirable community, while also keeping our expenses manageable.

Main Contributing Factors to Our current Financial Position:

1. HOA fees were not adjusted for inflation in 2023–2024, requiring us to catch up financially.
2. The City of Los Angeles recently imposed a 33% increase in Baywatch's water bill, forcing the Board to borrow \$20,000 from reserves to cover the cost.

3. Our aging community requires more frequent and costly repairs and maintenance.
4. The continued rising costs of repair materials and labor due to inflation continue to impact our budget.

Commitment to Financial Oversight

It is Important to understand that decisions made by previous Boards have lasting effects on the financial stability of the Association. As Board members and homeowners at Baywatch, we understand that increasing dues are **never** ideal. However, as elected representatives, Board members have a fiduciary duty to ensure the financial health of the community, rather than a popularity contest.

The Board President and Treasurer are currently working with Optimum's accounting department to review all financials. If any discrepancies are identified, they will be addressed at the next homeowner meeting to ensure full transparency.

Staying Informed

To ensure that homeowners receive accurate information, we encourage all residents to rely on official sources such as the [Baywatch website](#) or direct communication with the management company. If you have any questions or concerns, please do not hesitate to reach out.

Thank you for your understanding and support as we work toward maintaining a financially stable and well-managed community.

Sincerely,

Baywatch Board of Directors