



## Agenda Item: 2022 Fees

*A proposed agenda item to be presented by Treasurer for board decision at the 15-Nov-21 board meeting. This item is being presented because decisions that directly affect the finances of association members should be reviewed periodically and adjusted as appropriate.*

*The intent of this presentation is to conduct the periodic review and adjustment, if appropriate, in conjunction with budget deliberations.*

Motion Title: **2022 Disclosure Fee**

Proposed Motion:

**Set the disclosure fee at \$75.00 for 2022.**

Alternate Motion(s):

**Set the disclosure fee to \$\_\_\_\_\_.00 for 2022.**

**Set the disclosure fee to \$78.75 for 2022 to adjust for 5% inflation.**

Motion Title: **2022 Late Fee**

Proposed Motion:

**Set the late fee set at \$15.00 for delinquent accounts.**

Alternate Motion(s):

**Set the late fee to \$\_\_\_\_\_.00 for delinquent accounts.**

**Set the late fee to \$15.75 for delinquent accounts to adjust for 5% inflation.**

## Information/Arguments:

### Late Fee

- State law maximum for late fee is \$15.00 or 10% of annual assessment, whichever is higher.
- The late fee is punitive and not necessarily driven by inflation costs. However, the motivational value of the punitive measure will be affected by the economic context over time.
- Our late fee has been \$15.00 since approved earlier in 2021.
- Our current policy levies the fee upon delinquency. The late fee occurs at step 3 in our escalation of non-payment measures:
  - 1 - Due date reminder (email 15-10 days before due date)
  - 2 - Overdue Notice (Letter 10-20 days past due date)
  - 3 - Delinquency and Late Fee Notice (Letter 10-20 days past delinquency (55-65 days past due date))

### Disclosure Fee

- Our disclosure fee has been \$75.00 for several years.
- State law maximum for disclosure fee is \$400.00
- Previously when under association management by Cadden, our disclosure fee was \$350.00
- Our current policy is for owners only to pay the fee once -- it does not apply to purchase of a multiple lots at one time or multiple purchases at different times.
- If we increase the disclosure fee for inflation, the results are as follow:
  - Using the projected 2022 BLS inflation rate of 5.3% (as of Oct 2021), it increases to \$78.98
  - Using the projected 2022 COLA rate of 5.9% (as of Oct 2021), it increases to \$79.43

## Additional Information: