

HEATHER WAY CONDOMINIUM ASSOCIATION

677 Royal Palm Blvd, Vero Beach

The Board of Directors

To: **DiSalvo And Company, P.A.**

Attention to: Deborah Coté

Date: November 20th 2024

2025 Financial policy

1) Proposed 2025 Budget implications

At the meeting of November 29th 2024 the board of directors decided to raise the quarterly fees from **\$ 1,130.00 to \$ 1,250.00**

The quarterly 2025 assessment will be finalized when the 2025 insurance and utility information has been received. These figures are expected by the end of the 2024 fiscal year (December 31, 2024). Any further adjustments, should they be needed, will be equalized with the April 2024 (Q2) assessment.

2) Quarterly Assessment Billing Cycle

A 30-day payment period for accounts due is common business practice. Payment on invoices received AFTER 30 days are noted as past due. Effective December 1, 2024, invoices for quarterly assessments will be mailed on the first day of the month prior to the day of the following monthly quarter. This proposed change will not affect the date when payments must be received.

The first invoice for the 2025 Q1 assessment will be dated December 1st, 2024.

3) Late Payments

Payments must be received **no later than ten (10) days** after the payment due date.

A later payment fee will be applied to all late payments. The late fee, as defined in the Declaration of the Condominium, will be amended, to comply with current Florida State Statutes, defined as follows.

The state of Florida allows HOAs and COAs to charge fines, late fees and interest as long as such charges are consistent with parameters outlined by the state's HOA and COA statutes and the association's governing documents.¹

The State's statutory interest rate is 18% and late fees are statutorily set at \$25 or 5% of the past-due payment, whichever is greater.²

The time required for assessing a "late fee" is **10 calendar days** after the issued written payment due date notification printed on the invoice. Florida Statutes will be followed to collect payments due on delinquent accounts which are more than thirty days past due.

¹ See Florida Statutes 720.3085(3).

² Ibid.

4) Rule Regarding Application of Late Fees

The Association’s current account administrator DiSalvo & Company, P.A., under the ruling of 15 U.S.C. §1692, will continue to be responsible for collection of the quarterly/monthly assessments and any applicable late fees.

The administrator is instructed, without request, to further notify the board with a “monthly aging report” of all owners.

Without a request the administrator will submit a quarterly copy of the general ledger in the form of a spreadsheet. This information will be distributed, in a synopsis form, to all owners, via the Associations website.

5) Reserve Fund Adjustments to Definitions

A minor revision to the description of how reserve funds may be used is desired. To date, the Association has refrained from recommending or commissioning a formal “reserve fund study” for the Association’s common property.

Reserve funding for common elements such as the lifespan of rooves and paint can be easily determined. Other elements, such as concrete repairs/improvements, water and sewage piping or various electrical components can be defined as: maintenance, deferred maintenance or as a “planned” replacement.

The Association’s response to deferred maintenances, which often result in repairs, is most often unplanned. The Board proposes to release applicable reserve funds (electric, plumbing, etc.) to expand the list of these activities to cover the following:

- Replacement of Roof
- Painting of Building
- Repairs and updates of concrete elements
- Repairs of common walls, 2nd level walkways and walls of other improvements
- Repairs to common infrastructure to include plumbing and piping for water and sewage, electrical systems including the FPL feeder and main distribution panel up to the distribution panels in the unit and electrical systems/panels in the common areas.

Based on a decision of the board, the underlaying bids and related invoices will be earmarked by the board to pay either from the operational budget or the reserve fund.

6) Monthly Transfer to Reserve Fund

The current reserve fund, as of November 12th 2024 is **\$101,413.00**.

During the past year, reserve finds have been transferred from the Association’s operational account to the reserve fund at the rate of **\$2,083.33** per month.

It is decided to reduce the monthly transfers to **\$1,500.00**. By January 1st 2025.

Signed by President HWCA

Mary Wilmoth

Signed by Secretary HWC

Catherine Dailey