



**Canterbury Townhomes**  
Home Owners Association

Managed by TRAC Management, LLC, PO Box 3674, Chapel Hill, NC 27515  
[Trac@tracmanagement.com](mailto:Trac@tracmanagement.com) 919-612-5296 or 919-612-2032  
More information available at: [Canterburycarrboro.com](http://Canterburycarrboro.com)

September 29, 2023

Dear Canterbury Homeowners:

By now, you should have received communications about the plans to begin moving forward with the re-roofing project in 2024.

Fixing our roofs, as well as other deferred infrastructure needs, **requires an investment of over \$1 million dollars at Canterbury over the next three years.**

At the time of this communication, Canterbury has \$120,000 in total reserves.

This, as well as other infrastructure needs, has created the necessity for additional funds from homeowners. Therefore, the Board is calling on all homeowners to attend an important meeting on **Tuesday, October 17, 2023, at 7pm by Zoom**, to discuss the need for a special assessment and increased dues funding package. A vote from all owners is needed, and 75 of the 112 unit owners must vote "Yes" to be able to move forward with these repairs. This is a simple yes/no vote to the proposed funding package below:

**Capital Need Funding Package**

This special assessment will be in the amount of  
**\$6,000 per unit to be paid by February 29, 2024.**

**In addition to the \$6,000 Special Assessment, upcoming dues will be:**

\$280 per month in 2024  
\$305 per month in 2025  
\$340 per month in 2026

These funds will be used to cover the re-roofing project that will begin in 2024 and fund reserves for additional capital repairs outlined in the Giles-Flythe Reserve Study. (Available on the website).

This package of information includes the ballot. If you own more than one unit, you can list each unit on a single ballot. Each unit has one vote. Please complete it and return it as soon as possible and no later than November 1, 2023, so that votes can be counted and verified. The results will be announced at the Annual Homeowners Meeting planned for November 6, 2023. If we do not achieve the necessary approval, we will need to continue the process of meeting and contacting owners to make the case for approval, as there are no other sources of funding available to the HOA.

This letter will try to simply lay out the basic information about the problems, solutions, and the money required to achieve this. Because the infrastructure issues are complex and detailed, we have posted a **slideshow presentation** at this link: [https://www.canva.com/design/DAFuLDG4\\_Rc/6ox2VZBtZOBb0mFRTmVVXg/view](https://www.canva.com/design/DAFuLDG4_Rc/6ox2VZBtZOBb0mFRTmVVXg/view) along with more detailed information on the Canterbury website: <https://canterburycarrboro.com/roofs-and-other-long-term-repairs> including an FAQ page for you to review. Please email your questions to [trac@tracmanagement.com](mailto:trac@tracmanagement.com).

To evaluate all the long-term repair needs, the Board hired Kevin Giles of **Giles Flythe Engineers** to inspect and prepare a comprehensive **Reserve Study in 2021**. This study was updated in **September 2023** to reflect new estimates and the current finances of the community. Both are available on the website. They recommended two alternatives to funding the Long Term-Capital Needs, and the Board has selected Alternative 1 as the best plan for CTHOA.

Excerpt from GF Reserve Study:

**Alternative 1:** Collect a special assessment in the amount of \$672,000 in 2024 to help fund near-term repair needs. Increase the annual reserve contributions to the following amounts: 2024: \$107,520, 2025: \$141,120, 2026 -2043: \$174,720. Note that the Reserve Study should be reviewed and updated in 5 years, so conceivably, after major capital repairs are completed a reduction in annual reserve contribution may be feasible. This alternative is projected to maintain a positive balance through the term (20 years) of this study.

Some significant expenditures are expected over the term of the study. Some of the more notable examples are listed below:

- Replace the building roofs
- Repair and resurface asphalt paved private streets
- Paint/repair the exterior siding/trim
- Replace building gutters/downspouts

**Funding Alternative 1 - \$672,000 Special assessment in 2024, increases to contributions in 2024-2026**



| Year | Starting Balance | Reserve Account Contribution | Average Per Unit/Month | Return on Investments | Repair Expenses | Special Assessments | Year End Balance |
|------|------------------|------------------------------|------------------------|-----------------------|-----------------|---------------------|------------------|
| 2024 | \$100,000        | \$107,520                    | \$80.00                | \$3,233               | \$233,000       | \$672,000           | \$649,753        |
| 2025 | \$649,753        | \$141,120                    | \$105.00               | \$2,047               | \$381,472       | \$0                 | \$411,448        |
| 2026 | \$411,448        | \$174,720                    | \$130.00               | \$247                 | \$536,690       | \$0                 | \$49,725         |
| 2027 | \$49,725         | \$174,720                    | \$130.00               | \$1,097               | \$4,949         | \$0                 | \$220,593        |

At the time of this communication, Canterbury has \$120,000 in total reserves. The two Emergency Repair Reserves need to be held apart from the Long-Term Capital Repairs Reserve. All new funds not used for the immediate roof repairs will be deposited to this account to fund the repairs outlined in the Reserve Study.

| CTHOA Bank Accounts                                 | Balance (as of September 29, 2023) |
|---|------------------------------------|
| Truist Operating Account                            | \$31,356                           |
| Truist Reserve (Emergency Repairs)                  | \$10,000                           |
| Truist Reserve (Emergency Plumbing)                 | \$10,000                           |
| Bank of America Reserve (Long-Term Capital Repairs) | \$100,005                          |
| <b>TOTAL FUNDS</b>                                  | <b>\$151,361</b>                   |

The re-roofing project will most likely take place over 2024-2025 and there is no way to know how much repair will be needed to the roof structure until the shingles are removed. For this reason, our estimates have included repairing and/or replacing all roof elements- not just shingles. Multiple estimates and types of roofing were considered over the past few years, including metal roofs, but it was determined to be cost prohibitive. New technologies in roofing have allowed us to select shingles that are rated to last 35 years. More information about the roofing project can be found on the website.

There have been some questions about why the Board is asking for this money after raising dues and the change to the individual water meters. The short answer to this is that dues were held flat or low for several years and the rapidly

rising inflation costs, especially in labor and materials have eaten into the HOA Reserves – triggering a financial reset. The installation of the individual water meters was needed to address water bills that were costing the HOA \$10,000 to \$12,000 per month. While the water meters have significantly dropped the cost to the community and helped to identify and stop costly leaks, these savings are not building fast enough to provide the funds needed for the repairs.

The good news here is that the value of your unit at Canterbury has gone up dramatically in the past ten years. However, **this trend will not continue if the property is not properly maintained.** Also, the rise in inflation over the past few years shows us that repairs will only get more expensive as time goes on.

The Board and Long Range Planning Committee understand that the Special Assessment amount of \$6,000 is a large amount. We know that some owners may not be able to easily write a check for this full amount. We want to encourage those folks to contact their bank or financial advisor to determine options for paying this. You may want to consider a **Home Equity Loan** for the specific amount or a **Home Equity Line of Credit** that is more open-ended, using your equity in the townhome to secure payment for this home improvement. Through Truist Homeowners Association Services, we can also accept credit card payments.

Canterbury Townhomes provides a wonderful neighborhood that continues to be highly valued in today's competitive market. For a variety of reasons, neighborhoods such as this with a large amount of open space, surface parking, large trees, and convenient proximity to Chapel Hill and Carrboro are no longer being created. It is in the interest of all owners to work together and rise to meet the challenges of caring for the infrastructure of the property.

Please plan to attend the **meeting on October 17, 2023**, and send your questions in advance if possible so that we can fully address them for everyone. View the slide show presentation found in the Members Section of the website and see the other related documents provided, especially the most recent update of the engineer's Reserve Study for Canterbury.

Thank you for voting and providing the approval for the funds that will be used to preserve your property.

Sincerely,

CTHOA Board  
Long-Term Planning Committee  
TRAC Management