



P.O. Box 206 Corolla NC 27927

Information Regarding 2021 HOA Dues Increase

Our HOA had not had a dues increase since 2007. Obviously, in twelve years, the cost of conducting the business of the community had increased. In that time, utility rates had increased several times, the cost of labor and materials increased, cost-of-living pay raises accrued, and every few years contractors raise their rates. Our community is now 32 years old and many of the core components are at the end of their life span.

Monteray Shores continues to charge one of the lowest HOA fees on the Northern Outer Banks. For example, the fees at Villages of Ocean Hill are \$1940.00. Crown Point charges a base fee of \$1200.00. Buck Island fees range from \$3,200.00 to over \$7,000.00. Corolla Light and Currituck Club operate along a resort model and different neighborhoods pay additional fees. The base fee in Currituck Club is \$3,290 in addition to any neighborhood premiums and exclusive of the golf course. The base fee in Corolla Light is \$3,329 in addition to any neighborhood premiums.

At our annual meeting in 2018, the need for a 3% increase in 2020 dues and a possible 8 to 10% increase for 2021 was discussed, in order to allow homeowners a year to prepare for the increases. Again at the 2019 annual meeting, when the 3% increase was finalized, the membership was apprised of the possibility of an 8-10% increase for 2021.

In 2020 the Board contracted for a reserve study, conducted by Miller Dodson Associates, a financial consulting firm specializing in community associations financial planning. Their preliminary recommendations were discussed at the 2020 annual meeting. When the final version of their study is submitted, it will be posted on the Owner's pages of the website for owners to review.

Their draft analysis indicated a need for a larger dues increase than the Board was ready to propose for this year. However, we anticipate a need for moderate dues increases over the next few years to meet the financial obligations of the Homeowners Association as recommended by both Miller Dodson's analysis and the Board's analysis of our financial situation. We will continue to have the reserve study updated annually to guide the Board in making financial decisions that insure the HOA remains fiscally sound and meets all legal obligations to fund both routine repair and maintenance and reserve projects. Although we have a current reserve of almost one million dollars, the projected costs over the next four years would result in a negative balance. This would require a special assessment which we want to avoid.

We will continue to work with Miller Dodson, our certified public accountant, Matthew Hewes, CPA, PLLC, and the independent account auditing firm of Barnes, Brock, Cornwell & Painter, PLC, that provides an annual financial audit and financial projections as well. As owners we are not excited about the dues increase. As Board members, we are required to act in the best interest of the corporation and the entire community.

The Board remains committed to making decisions based on appropriate expert input, within legal parameters, and in the best interests of the entire community. We encourage you to review the financial reports that are provided with the annual report and to review the final version of the reserve study when it is posted on the website. If you have other questions or concerns, please contact the Board at monterayshoresbod@gmail.com or by mail at P.O. Box 206, Corolla, NC 27927.

Sincerely,

Monteray Shores Board of Directors

Bob Scott, President/Acting Treasurer

Barry Richman, Vice President

Valerie Flannery, Secretary

Jon Pawlow, Member -at- Large