



# ONE IBIS

**Club & POA Merger**  
Jean-Guy Brunelle, President

# Agenda

1. **What Is Being Proposed**
2. **What Does It Mean To Me?**
3. **What Are The Benefits**
  - ▶ **Operational, Governance, Financial**
4. **Why Now?**
5. **What About Non-member Resident?**
6. **Timing & Next Steps**
7. **Tax Savings**
  - ▶ **Sales & Property Tax**
8. **Estimated Year By Year Financial Impact**



# WHAT IS BEING PROPOSED

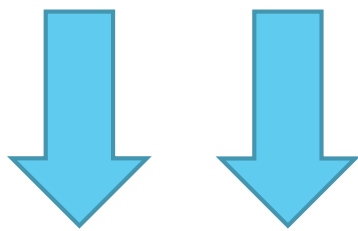
- ▶ Create one entity which would combine the activities of the Club and the POA
- ▶ The Club at Ibis Property Owners Association Inc.
  - ▶ Doing business as “The Club at Ibis”
- ▶ Must use a POA legal entity to obtain the benefits discussed below
- ▶ Two types of residents:
  - ▶ Club member residents
  - ▶ Non member residents



# WHAT IS BEING PROPOSED

## Club

## POA



# One Ibis



# WHAT DOES IT MEAN TO ME?

- ▶ One management team led by Stephen J. LoGiudice
- ▶ No change in Public Safety
- ▶ Club funds and POA funds will be segregated
- ▶ Ultimately
  - ▶ One website
  - ▶ One billing department
  - ▶ One main phone number



# WHAT ARE THE BENEFITS

## OPERATIONAL

- ▶ Single point of contact for all things Ibis (excludes your HOA)
- ▶ Club & POA become aligned - no confusion as to “who does what?”
- ▶ Single systems for employees
  - ▶ Payroll, Health Care, 401K, Benefits
- ▶ One accounting and billing system
- ▶ Cost savings through synergies
- ▶ Better use of buildings and land



# WHAT ARE THE BENEFITS

## GOVERNANCE

- ▶ Currently two boards (9-Club Directors, 7-POA Directors)
- ▶ Proposed is one Board - 11 Directors
  - ▶ Elected by all residents
  - ▶ No weighted voting for the Board
  - ▶ Open Board meetings
- ▶ Weighted voting continues for all Club related issues
  - ▶ Capital expenditures
  - ▶ Club related By-Laws
- ▶ Consolidation of Committees



# WHAT ARE THE BENEFITS

## FINANCIAL

- ▶ Cost savings through synergies
- ▶ No sales tax on Social portion of dues
  - ▶ Approximately \$1 million and growing
- ▶ Property tax eliminated on Club property
  - ▶ Approximately \$1 million and growing
- ▶ Benefits materialize over three years
- ▶ These are annual savings





# WHY NOW?

- ▶ Before turnover Social dues were much lower
- ▶ Before CIP, property taxes were lower
- ▶ Greater number of resident non-members
- ▶ Added complication to turnover



# WHAT ABOUT RESIDENT NON-MEMBER?

- ▶ Note: The tax savings described on the previous slides do not apply to the non-member residents
- ▶ One time/one-year tax bump
  - ▶ Will be reimbursed
- ▶ No other changes
- ▶ Benefit from synergy and operations
- ▶ Benefit from Board alignment



# TIMING & NEXT STEPS

## TIMELINE

- ▶ Member vote will be required
  - ▶ Current plan is March 24, 2021
  - ▶ Coincide with the vote for new Club Directors/Annual Meeting
- ▶ Proposed merger date is October 2021
- ▶ Joint board will operate from November until the next election
- ▶ 11-Member Board elected March 2022

## NEXT STEPS

- ▶ Joint town halls to be held before the vote
- ▶ Documentation will be made available once completed, hopefully by the end of this year



# TAX SAVINGS EXPLAINED

## SALES TAX

- ▶ Currently, Members pay 7% State sales tax on dues
- ▶ As a POA, the lowest level of Club membership annual dues is sales tax free for all members
- ▶ For 2021-22 dues, social member dues, including the service charge, will be approximately \$10,000
- ▶ Therefore, every Club member will save approximately \$700 in sales taxes each and every year



# TAX SAVINGS

## PROPERTY TAX

- ▶ A private club pays property taxes, a POA does not
- ▶ Before merger, Club pays approximately \$1 million in property taxes annually, which is charged to members in dues
- ▶ After merger the Club will be a POA, and as such, the tax bill goes to \$0 which translates into a reduction in annual dues
- ▶ Transition year complex, explanation to follow



# ESTIMATED YEAR BY YEAR FINANCIAL IMPACT

## 2021-22

| November 1, 2021               | <u>Premier</u> | <u>Signature</u> | <u>Tennis</u> | <u>Social</u> |
|--------------------------------|----------------|------------------|---------------|---------------|
| Sales Tax Savings              | \$700          | \$700            | \$700         | \$700         |
| Property Tax Impact - Club     | 0              | 0                | 0             | 0             |
| Property Tax Impact - Personal | <u>0</u>       | <u>0</u>         | <u>0</u>      | <u>0</u>      |
| Net Savings                    | \$700          | \$700            | \$700         | \$700         |



# ESTIMATED YEAR BY YEAR FINANCIAL IMPACT

## 2022-23

| November 1, 2022               | <u>Premier</u> | <u>Signature</u> | <u>Tennis</u> | <u>Social</u> |
|--------------------------------|----------------|------------------|---------------|---------------|
| Sales Tax Savings              | \$700          | \$700            | \$700         | \$700         |
| Property Tax Impact - Club     | 860            | 585              | 409           | 368           |
| Property Tax Impact - Personal | -574           | -574             | -574          | -574          |
| Adjustment for Non-Members     | <u>-76</u>     | <u>-76</u>       | <u>-76</u>    | <u>-76</u>    |
| Net Savings                    | \$910          | \$635            | \$459         | \$418         |



# ESTIMATED YEAR BY YEAR FINANCIAL IMPACT

## 2023-24 and thereafter

| November 1, 2023               | <u>Premier</u> | <u>Signature</u> | <u>Tennis</u> | <u>Social</u> |
|--------------------------------|----------------|------------------|---------------|---------------|
| Sales Tax Savings              | \$700          | \$700            | \$700         | \$700         |
| Property Tax Impact - Club     | 860            | 585              | 409           | 368           |
| Property Tax Impact - Personal | <u>0</u>       | <u>0</u>         | <u>0</u>      | <u>0</u>      |
| Adjustment for Non-Members     | <u>0</u>       | <u>0</u>         | <u>0</u>      | <u>0</u>      |
| Net Savings                    | \$1,560        | \$1,285          | \$1,109       | \$1,068       |

