

RMA Committee Report – December 2022

The **Resident Membership Agreement (RMA)** with the Ironbridge Club is one of the most important decisions IPOA (Ironbridge Property Owners Association) homeowners will consider in the next year.

The passing of a **Transfer Fee** (applicable when ownership of a home transfers to a new owner) is the other major decision that affects the negotiation of the RMA.

The RMA Committee was formed to work with the Club to produce an RMA that is acceptable to both parties (IPOA homeowners & Ironbridge Club).

The RMA Committee of IPOA homeowners has accomplished the following:

- Developed potential strategies and ideas to prioritize (4 meetings)
- Conducted two Town Halls to gain insight from the community on key issues resulting in great feedback upon which to build a formal strategy
- Developed and emailed an RMA Survey to all households (via IMM/Doretta), to gather more input from IPOA members who could not attend the in-person meetings. Please take a few minutes to respond!
- The RMA Committee Chair – Bart Turner and a Board Representative - Bryan Avery have worked together to execute the meeting strategy and tactics to begin negotiations with the Club for a mutually beneficial agreement going forward including:
 - Initial meetings with Wes & Cal to get the ball rolling
 - An agreement presented to the Ironbridge Club to consider an Amendment to the current RMA rather than a totally new agreement
 - Discussed the many facets involved and ideas to be considered
 - Confirmed a great desire on both sides of the table to work out a new agreement.

Transfer Fee

It has become clear, through the Town Halls and the initial Survey responses that it is important for all IPOA homeowners to understand the correlation between the passing of a Transfer Fee and the RMA Agreement. Several homeowners have urged the Committee to clearly state the relationship between these two initiatives.

A Transfer Fee program presents a tool to replace the Activation Fee currently in the RMA which places the IPOA on the hook to paying the Activation Fee in the event someone elects to not join the Club when buying into the neighborhood. The IPOA Annual Budget includes an amount (not to exceed \$75K annually) for this responsibility (this budget line item would be eliminated with the passing of a Transfer Fee).

Currently, there are approximately 21 households that have not joined, which IPOA funds covered (\$157,500 for 21 households).

A Transfer Fee would discontinue the IPOA homeowners from “back stopping” these unpaid fees and provide extra funds to the IPOA at closing. The Transfer Fee is a useful approach to negotiate a lower percentage of a dues increase cap in a new agreement. It could also keep the IPOA annual HOA dues lower as well.

In one scenario, that looks back over the term of the current RMA, a Transfer Fee could have produced \$110,321.00 in Revenue for the IPOA, rather than a loss of \$297,821 from our backstopping. (See attached spreadsheet, 2018 to 2022 YTD)

Please take a minute to review and understand how this benefits IPOA homeowners:

Who would benefit from a Transfer Fee?

- Those that are staying in Ironbridge for a while
- Those that want lower dues
- Those that want our IPOA coffers healthy
- Those that want our neighborhood and roads maintained better
- Those who want to foster a better community, as everyone would be a member of the Club and welcome at all facilities.

Those that may not benefit from a Transfer Fee?

- If you plan to sell right away
- If you are a short-term flipper

NEXT STEPS & RECOMMENDATIONS FOR HOMEOWNERS AT THIS ANNUAL MEETING:

- I. The RMA Committee recommends that the IPOA Board present the **Transfer Fee proposal to the homeowners for a vote by January 31, 2023.**
- II. It is further recommended by the RMA Committee that 100% of the Transfer Fee funds come to the IPOA, to be held in a separate account with no access to any entity without a presentation to and affirmative vote of a majority of homeowners (51%) on spending of such funds.
- III. According to the **fees paid** to Garfield & Hecht, the Board has had a draft of the Transfer Fee language **completed (but not disclosed to the homeowners) since June 2022**, so the documents just need to be updated with the terms and presented to the IPOA homeowners for an affirmative vote of 67% of all homeowners as defined in the Declarations.
- IV. It is recommended that any IPOA homeowners who have **any questions** regarding the benefits of this Transfer Fee or any recommendations regarding the vote, **speak up at this Annual Meeting.**