

**IRONOAKS ASSOCIATION  
BOARD OF DIRECTORS MEETING MINUTES  
June 4, 2008**

**Call to Order:** The meeting was called to order at approximately 9:40 am by President Bob Deken. The meeting was held in Ballroom "C" in the Oakwood Clubhouse. Present were Mr. Deken, Charlie Bunce, Vice President, David Boyne, Treasurer, Tom Jones, Secretary, and Larry Kinnamon, Ray Schwimmer and Carlton Werner, Members at Large. Ken Flynn, General Manager and Lynn Krupnik, legal counsel, were also present.

**Approval of Agenda:** Mr. Jones made a **motion** to approve the agenda with one change. "Fee Waiver" was added to New Business. Mr. Schwimmer seconded. The motion passed.

**Approval of Minutes 5/21/08:** Mr. Jones made a **motion** to accept the minutes as submitted. Mr. Boyne was the second. The motion passed.

**Transition Agreement** – Ms. Krupnik explained that the Transition Agreement is ready to be signed. Key points of the Agreement are as follows:

- Repair items have been completed.
- \$70,000 was contributed by RCI for road repairs.
- RCI granted the Association the right to approve removal of the golf course restrictions. The Association will have the right to approve or disapprove changes to the use of the golf course land.
- A portion of the current maintenance yard by the Champagne gate will be deeded to the Association for use by the HOA Maintenance Department.
- The golf course owner will be required to pay a percentage of the cost for maintenance and landscaping of the Ironwood parking lot. There is already an agreement regarding the Oakwood parking lot.
- Property conveyances back and forth between RCI and the Association were agreed. A survey was done and the results showed that some property that should belong to the Association was owned by RCI and some that the Association owns should belong to RCI.
- RCI will pay \$35,000 towards the cost of the survey and will pay half of the cost of the postage and mailing of the resolution and legal description of the conveyances to all homeowners.
- Additional property around the Ironwood Clubhouse will be conveyed.
- RCI will pay \$17,000 towards the cost of repairing the Oakwood Clubhouse kitchen sewer.
- RCI will install "Bott Dots" at the intersection of EJ Robson Blvd. and Coopers Hawk Drive to slow traffic and promote safety.
- RCI will relocate the cart path and enclose the property south of the seventh green of the golf course west of the EJ Robson/Riggs Road entrance.
- RCI will install two pedestrian access gates at the North Dobson gate and modify the entrances at Mossy Rock and Oakwood Lakes to be similar to the Teakwood entrance.
- RCI will pay \$9,200 towards the trees and signage at the EJ Robson entrance.
- RCI agreed to allow the Association to enter the golf courses as needed for ALC enforcement purposes.

Mr. Deken introduced Duane Pontek, Wayne Divoky, and Chuck Sloan, members of the first Board of Directors who spent many hours on transition issues. He thanked them for helping to bring the agreement to fruition.

Mr. Jones made a **motion** to accept the Transition Agreement and to authorize the President of the Board to sign the Agreement on behalf of the HOA. Mr. Schwimmer was the second.

Harold Hull, Unit 45, asked if the golf cart path along Riggs Road will continue to access the shopping center at Riggs and Glenburn Drive. Mr. Deken said it would.

Fran Applebaum, Unit 31, wanted to know what would be done at the intersection of EJ Robson and Coopers Hawk because it is a dangerous area. Mr. Deken explained that under the Transition Agreement there is a provision by RCI engineers to install raised markings on the street to improve that area. Possibly later the Association will look at this intersection again to see if it can be improved.

Wayne Divoky, Unit 34, said he did not recommend the homeowners or the Board accept this Agreement because a number of the key issues on the original list have not been addressed.

- The fencing proposed will not enclose the community. There is 100 feet that will be left open to the outside.
- The visibility at the Robson gate is a safety issue. The proposed bumps as lane dividers to force traffic to the center of the road will not correct the problem.
- The \$17,000 to repair the kitchen sewer will not cover the grease interceptor. The HOA will have to pay for that.
- The Agreement will give Pima Utilities more control over how the kitchen is run.
- The Agreement releases Robson from any repair on the waterfall on Price and Riggs Roads.
- The survey cost the HOA \$85,000. The majority of problems were caused by errors in RCI's initial surveys. The HOA asked for \$70,000 and got \$35,000.

A homeowner asked if the Agreement had to be approved by vote of the homeowners. Ms. Krupnik explained that the homeowners could object to property transfers and a vote would be required if more than ten per cent objected.

Duane Pontek, Unit 36A, suggested holding a Town Hall meeting to show homeowners what was asked for on the original list and what was actually agreed to so owners would have a better understanding of the Agreement.

Ken Baker, Ironwood, thought that nothing should be voted on until all the community could participate. During the summer many people are gone. Mr. Jones explained that if the decision were delayed past June 30, the second anniversary of the transition, the HOA would forfeit the right to sue RCI. At that point Mr. Robson would have no incentive to make any concessions at all.

Mr. Divoky asked why the HOA does not file a lawsuit. Mr. Jones responded that the Board has examined its legal positions on all outstanding issues. One of these issues was enclosure. Since RCI promised an enclosed community to individual Oakwood homeowners and not to the HOA, the Board had no standing to sue with respect to this issue. Nevertheless, RCI has been persuaded to complete the enclosure. This was a significant concession on the part of RCI. Although the agreement wasn't perfect, the Board felt it was in the best interests of the homeowners to sign it.

Mr. Werner called the question. Mr. Jones' motion passed unanimously.

Mr. Bunce made a **motion** to permit access to the community for up to 50 Pima Utility, Golf Club and RCI employees. Eligible employees will be sold a gate access device and will be required register it with the Patrol Department. Mr. Boyne was the second. Mr. Deken explained that this agreement merely formalized an understanding that had been in place since transition. The motion passed.

### **Old Business:**

Recommendations of Attorney for Resolutions – Ms. Krupnik explained that for the Association to transfer any property back to a non-public entity like Robson Communities, Inc., the Board has to pass a resolution that they believe that this transfer is in the best interest of the Association. The resolution must include the legal description of the property and must be provided to all the homeowners by mail. If the Association does not receive objections from 10% of the members within a 30-day period, the resolution will

pass. In addition to the pieces of property mentioned before that will be conveyed to RCI, there is a piece of common area that is part of a homeowner's back yard that will be transferred to the homeowner for \$5,500. The second resolution deals with transfer of use of common property, specifically changing the use of Poolside Café. This would be handled in the same manner as the first resolution. The actual resolutions were passed at the last Board meeting.

Recycling Recommendation – Mr. Jones said that there is one change from what was posted originally on the website. Now a homeowner can interrupt service for longer than the original three month period. However, if a homeowner opts out of service for longer than three months, he/she will be required to pay a \$35 reinstatement set-up fee. Mr. Jones made a **motion** to authorize the President to enter into this agreement. Mr. Boyne was the second. Mr. Bunce and Kinnamon voiced their objection to the proposal. Mr. Boyne, Jones, and Deken spoke in favor.

Barbara Kaplan asked who gets the revenue from recycling. Mr. Jones explained that Sun Lakes Disposal will get the income as an offset against landfill dumping fees. The recycler will do the sorting.

Jacque Peterson, Unit 44B, said the cost of recycling is well worth it. She will use the service.

Ann Divoky, Unit 34, asked if it wasn't illegal to force the homeowners to use one vendor. Mr. Jones responded that exclusive trash collection contracts are quite common for HOA's. Mr. Deken said an exclusive contract would enable Sun Lakes Disposal to keep costs down.

Frank Van Overstraeten, Unit 39, speaking for the Sun Lakes Posse, said that newspaper recycling generates 25% of their income. Mr. Jones said homeowners could continue to take their newspapers to the posse if they wished.

Helene Gunther, Unit 37, commended the Board on their forward thinking. An added plus to recycling is that there will only be one garbage collector using the roads.

Duane Pontek, Unit 36A, said he was in favor of the proposal however, last year when this idea came up, the Board was told it was illegal. Mr. Deken said the Board had a written opinion from our attorney explaining our options, included the one the Board was about to adopt.

Bob Cole, Unit 46A, said that this Villas Unit will not join in this project because of the cost. Mr. Flynn said that the fact that the Villas get a better price because units are so close together, which makes the pick up time shorter and the cost lower.

Ken Baker, Ironwood, thought this shouldn't be voted on until all the homeowners are present. The Board should wait and then have a written ballot. If the Board can dictate what garbage collector to use, what else will they tell homeowners to do in the future?

Marcia Weiner, Ironwood, always recycled but felt that there is no leverage when you deal with one company. Mr. Jones responded that the Ad Hoc Committee had negotiated with two companies and that the Board accepted the better deal. Ms. Weiner asked how do we know they won't raise the price in six months? Mr. Jones explained that the agreement is for five years and that annual price increases can't exceed the increase in the Consumer Price Index.

Mr. Jones called the question. Messrs. Boyne, Deken, Jones and Werner in favor. Messrs. Bunce, Kinnamon and Schwimmer opposed. The motion passed.

Phase 1 of Gate Proposal – Mr. Schwimmer read the resolution to rescind the approval to upgrade the Sentex System with a Linear System at Halley, EJ Robson, and Sun Lakes Blvd. gates. The original motion to purchase the Linear System was passed by the Board on May 21, 2008. Mr. Schwimmer made a **motion** to accept this resolution. Mr. Kinnamon was the second. The motion passed.

Time Line for Completion of Phase 1 – Mr. Deken asked the staff to put a plan in place to complete the items approved at the last meeting for changing the gates. Mr. Flynn will set up a time line, post it on the internet, and report it back to the Board.

Villas 37 Wrought Iron Fence Replacement – Mr. Deken said that drawings showed that the wall in question is the responsibility of HOA 3. Mr. Boyne made a **motion** to replace the wrought iron portion of the wall with block to match the rest of the wall, have the actual work done in February 2009, and include this in the 2009 budget. Mr. Schwimmer was the second. The motion passed.

Don Kramer, Unit 37, thanked the Board on behalf of the Board of Villas #37.

Leonard Gold asked if the fence is on the HOA property and not on the Villas property. Mr. Deken said that drawings showed that the wall was always the responsibility of the master Association.

#### New Business:

Special Use Permit – Dave Erwin, Director of ALC, explained that several homeowners in Unit 45C have concerns relative to Risen Savior Lutheran Church which abuts the back of their property. The Church added a second story to their building for use as a school. The Church property is zoned for a church not a private school. On the permit for the second story there was no mention of using the area for a school. A private school requires a minimum of five acres and the Church has 4.2 acres; the set back from the property line to the school should be 100 feet; the building is set back only 29 feet. Mr. Deken said this report was for information and to support the actions of the homeowners. There will be meetings for the homeowners at the Church on June 12 and 29 at 7:00 PM. Mr. Erwin will coordinate information on these meetings.

#### Other Business:

Waiver for Homeowner Mr. Bunce has a petition for a waiver on the part of a homeowner who will have an elderly handicapped person living in their home. According to the CC&R, the Board can grant a waiver so that the homeowner does not have to pay the additional Associate Member Fee for a third party as long as that party meets the criteria of not being able to use any of the facilities. Mr. Bunce made a **motion** to grant this waiver. Mr. Boyne was the second. The motion passed.

Marcia Weiner, Ironwood, was told by a Board member that the vote on changing Poolside and remodeling the Oakwood Clubhouse would be done in June or July. This is unacceptable in her opinion because many people are away at that time. They won't see their mail in time to respond and have their opinion heard.

John Holm, Unit 32, thought that there has been too much change in the restaurants. He has an event set up in the Clubhouse in the fall and is concerned now about what to expect and how the event will be handled.

Fran Applebaum, Unit 31, thought that the Board is not representing the homeowners as they were elected to do. She enjoys eating at Poolside and does not want it closed as a restaurant.

Barbara Book, Unit 39, wanted to know the Board's thinking regarding closing Poolside. Mr. Flynn said that the issue is how to reduce the subsidy. The suggestion has been, for many years, to consolidate services into one building and possibly reduce the deficit by around \$150,000. There are a lot of homeowners, not present today, who complain about the food service subsidy. The Master Plan included many suggested changes but two venues need fixing, Poolside and Ironwood. Labor and lack of facilities are part of the problem.

A homeowner wanted to discuss the North Dobson gate. Her friends enter at North Dobson and the Board is taking away the ability for her guests to enter there. She wanted to know why and said the homeowners should vote on this. Mr. Schwimmer said that at the last Board meeting no one voiced an objection to making North Dobson a resident's only gate. There are people who feel that this gate should not be a major gate to the community. Mr. Kinnamon said the Committee on this issue spent many hours trying to do the right thing for all the community.

Joyce Spantonos, Unit 34, said that prior Boards have tried to close Poolside unsuccessfully before. If it isn't broken, don't fix it.

Ruth Lavin, Unit 35, asked, if there is a deficit, what precludes the Board from raising the dues to cover it? Mr. Jones: The reason these facilities are running at a deficit is not that they lack volume, it is because variable costs, labor and materials, are too high. That means that the more meals we sell the more money we lose. We need a strategy to manage costs better. Mr. Werner: The food revenues have gone up since 2006 by \$160,000. The deficit has gone up \$8,000 in that same time. Homeowners will not agree to raise the dues to support the restaurants. When you take everything into account, the deficit is really \$500,000 a year.

Ann Divoky, Unit 34, wouldn't want to lose Poolside as an amenity. Homeowners want quality and enjoyment and Poolside has been that way the last several years.

Arnie Gluck, Unit 39, felt that these kinds of decisions shouldn't be made when so many people aren't here. Mr. Werner said that the Board was elected to govern 12 months of the year. Mr. Gluck said everyone should be heard. The Board is deliberately excluding the percent of the people who are gone.

Fran Applebaum, Unit 31, said that most all communities have a food and beverage deficit. There are other ways to make up the deficit besides closing the restaurant.

Mr. Boyne: The information on the subsidy is directly addressed on the IronOak Connection. It says that we do not expect the food and beverage operation to make a profit or that it will break even. It says that a subsidy in the range of 10% is reasonable. We need to get the subsidy under control.

Ann Divoky, Unit 34, thinks that if a vote needs to be taken it should be on a ballot that has a longer period of time than 30 days. Many people would not go into the Clubhouse to eat dressed casually.

Leonard Gold said 30 days is not enough, possibly 60 or 90 days would be best. He is a CPA and cannot understand how revenue and the deficit could both go up. He is in favor of increasing dues and giving homeowners a food punch card where they would use or lose it.

Dorothy Duffler, Unit 34, said that the food and service has been good. She is in favor of the "use or lose" concept. She was concerned that the library will be converted into a conference room and the pool room will be made into offices. Mr. Deken said that the pool room change has not been approved by the Board.

Harold Hull, Unit 45, said he thought the Board made a good effort to communicate with the homeowners. Information is passed from the Unit Captains almost daily. He asked if mailings going out now would go to a secondary address if people had another home. Mr. Deken said that mail goes to the address of record that is provided by the homeowner. Many people change their address or have their mail forwarded. Mr. Hull encouraged everyone to sign up on the IronOak in order to get email messages.

Rose Hull, Unit 45, said the Board can't put business on hold for the summer but there is merit to the idea of giving more than 30 days to take a vote in order to include those who are away. She thanked the Board for their 12 month a year work.

A homeowner from Unit 34 said most of his visitors use the North Dobson gate. Visitors do not want to go around to Riggs Road. North Dobson is the most convenient gate. Mr. Jones gets many emails and on this issue it is running five to one for less traffic at that gate. The homeowner asked who exactly is coming through the gate. Mr. Jones: The expression from the emails is, we don't want outsiders, period. The Board is trying to respond to what people want and Mr. Jones is hearing from more who want to shut it down than open it up to more traffic.

Barbara Gluck, Unit 39, asked when the letters on Poolside will go out. Mr. Deken said probably within the next two weeks. Ms. Gluck: Then how many days to return it? Mr. Jones: 30 days from the date it is postmarked, per the CC&Rs. Mr. Flynn: This has to be a written response, no email. The homeowners will be notified of the results.

A homeowner asked if the [governing] documents say what facilities are supposed to be available to homeowners. Mr. Flynn: The letter that is going out is for the change of use of common property. Poolside would be considered a change of use so the Board is following proper procedures which are listed in the CC&Rs.

A homeowner asked for a breakdown of revenue. Mr. Flynn: Revenue for the first four months for the restaurant, not banquets, was down \$60,000 as compared to the year before. There is a lot of competition from other restaurants close by and food costs have gone up dramatically. Homeowner said everyone understands the rise in costs. People here today are saying that the Board and Mr. Flynn should look at other options because when they bought here they bought these amenities. Mr. Flynn said that this is being done. Homeowner: Homeowners are using the facilities and they don't mind paying for them. There is a good foundation going now, the Board should take that and build on it, not change it.

George Casper, Unit 32, wanted a percentage breakdown of residents who are using the dining facilities. Mr. Flynn: On the average 30% is outside usage for banquets; restaurants have about 35% of the homeowners dining; possibly 15% is walk-in business maybe once a year; 40 to 50% of the homeowners do not use the restaurants at all. The Ambassador Program is geared to bringing people back to the restaurants and it has been very successful. Mr. Casper: Are you loosing money on outside banquets and parties? Mr. Flynn: No.

**Adjournment:** Mr. Jones made a **motion** to adjourn. Mr. Bunce was the second. The meeting concluded at 12:20 PM.

Recorded & Transcribed by Karen Jorgensen