

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
VIA ZOOM & YOU TUBE LIVE STREAM  
February 20, 2021**

**DIRECTORS PRESENT VIA ZOOM:** Keith Mobley, Jackie Schmid, Gerhard Beenen, Clark Pederson, Bill Burke, Mark Murray, Scott Gillies, Brad Skinner and Mike Gocke

**STAFF:** James Lewis, Jesus Mendoza & Susan Berger

The Board of Directors meeting was called to order at 9:02 am by President Skinner.

President Skinner opened the meeting by announcing the March 15, 2021 deadline for applications for positions on the SROA Board. There will be three positions up for election and materials will go out in early July with an August 7<sup>th</sup> return by date. The positions are for a three-year term, and any Sunriver owner interested in applying can find the necessary information on the SROA website [www.sunriverowners.org](http://www.sunriverowners.org) > Owners > Board, Committees & Minutes > Board of Directors.

President Skinner encouraged owners who interested in the sustainability and resilience of Sunriver to consider running for a position on the Board.

**OWNERS FORUM:** Cindy McCabe, 13 River Village said she listened to Public Works Director Mark Smith's presentation yesterday regarding Mary McCallum Park and is concerned about the compressed aggregate on the walking only path scheduled at Mary McCallum Park possibly not meeting owners' expectations. Ms. McCabe also commented on the signage at the North Pool and is concerned that people will see the new facility and hope they can use it. She recommends including the word "owner" in the name somehow so the message will be conveyed that it is an owner only facility.

**OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS**

President Skinner reported that Cindy McCabe, 13 River Village Condo continues to encourage the Board to fast track improvements to Mary McCallum Park, spoke about the problem in the summer with dust on the canoe take-out road and parking issues in the summer especially in relation to river use. Being the owner of a Class 2 Ebike, she also voiced her support of those being allowed on pathways in Sunriver.

Marilyn Johnson, 4 Muir Lane is concerned about bicyclists and pedestrians along the road especially between Circles 3 & 4 as well as the number of people who ride after dark without the proper equipment.

Scott Brucker, 7 Holly Lane cited his support for the complete review/revision to the SROA Design Manual of Rules & Procedures and thanked the Board for meeting on the weekend making it easier for owners to participate.

**RECAP OF 2/19/21 WORK SESSION**

President Skinner reported the Board held their monthly board work session on Friday. The Board heard monthly updates on the progress at the North Pool Complex, the efforts of the Rules Education & Compliance and Telecommunications Taskforces.

Natural Resources Director Patti Gentiluomo provided an outline for the process that will be used over the coming months to update the Sunriver Ladder Fuels Reduction Plan.

An update on tennis and pickleball improvements planned for 2021 was provided by Public Works Director Mark Smith who also shared an overview of the planned improvements for Mary McCallum

Park that have been fast tracked to this year.

The Board heard a very thorough presentation and recommendations from the Recycle Taskforce and spent a good amount of time discussing concerns, questions, and clarification points. President Skinner noted the Board will take this topic up again at their March meeting.

The Board also held a second reading and held a lengthy and thorough discussion on a proposed change to Section 2.03 of the Sunriver Rules & Regulations which would allow Class 2 Ebikes on Sunriver pathways.

An executive session was held to discuss a legal matter.

### **ACTION ITEM** **MINUTES**

Director Gocke moved to approve the minutes of the January 15<sup>th</sup> Board Work Session as corrected.  
Seconded by Director Burke, motion passed unanimously.

Director Mobley moved to approve the minutes of the January 16<sup>th</sup> Regular Board Meeting as written.  
Seconded by Director Pederson, motion passed unanimously.

### **FINANCIAL**

Treasure Beenen noted that the Board will be reviewing and approving both the 2020 unaudited year-end statements and the unaudited January 2021 statements today.

Mr. Beenen touched on the year-end report noting that while revenues came in well under budget by over \$2 million it was mitigated to some extent by expenses coming in under budget by \$1.2 million leaving a deficit of \$892,483 for the year. This is consistent with predictions over the past several months.

Treasurer Beenen pointed out that while we came in well under budget in relation to revenues, the Association remains in a strong financial position.

For the year ended December 31, 2020, there was a net operating deficit of \$890,685 which was \$892,483 behind budget. Operating revenues were less than budget by \$2,094,034 for the year. Program revenues were under budget by \$2,017,546 mainly due to shortfalls compared to budget in recreation and Scene advertising. Recreation program revenues (admission, merchandise sales, lessons, etc.) were under budget by \$1,231,984 due to the closure of the SHARC facility due to COVID-19. Recreation Plus Program (RPP) revenues were under budget by \$602,977 due to the 25% credit/refund given to participants that stayed in the plan. Revenue from the Scene was under budget by \$83,186 due to a decrease in advertising and one month of complementary advertising. Total interest income earned for the year was \$111,032 which was \$177,968 below budget. Salaries and burden were a combined under budget by \$688,275 for the year due to COVID-19 layoffs and facility closures. Material and services costs were under budget by \$729,386 due to the reduction in departmental expenditures and SHARC closure. Legal fees were over budget by \$206,726. This variance relates to continued fees for defending SROA's land-use challenge, owners of record and the Fir Cone settlement. There was \$276,198 spent on Ladder Fuel Reduction and \$495,212 on road and pathway projects in 2020.

Total assets as of December 31, 2020 were \$31,131,513. Cash and investments totaled \$11,986,509 and increase of \$1,533,631 from November. As of December 31, 2020, investments included \$6,624,000 in short-term US Treasuries and \$750,000 purchased through the CDARS program. There was \$12,750 in receivables from RPP sales and \$28,230 due for the 4<sup>th</sup> quarter Right of Way (ROW) fees from TDS/Bend

Broadband. Construction in progress for the month included the North Pool Project. Several assets were placed into service including RV storage gate replacement, SHARC climate control system, Mary McCallum Park picnic tables and the new SROA website. Deferred revenue for maintenance fund increased by \$2,051,153 from annual maintenance fee payments received in December.

Director Gocke moved to approve the unaudited December 2020 financials. Seconded by Director Burke, motion passed unanimously.

Moving onto January 2021, Treasurer Beenen reported a slight change in the way the variance will be reflected on the income statements going forward. In the past the variance has simply been the arithmetic difference between actuals and budget. Based on discussions at the Finance Committee level and beginning with this income statement, the variance equation for expenses will now reflect budget minus actual.

Treasurer Beenen noted most of the shortfall in recreation revenue is directly related to the most recent SHARC closure and hopefully now that restrictions are lifting and SHARC can once again accommodate owners there will be more people coming in to update their MPP cards for the year. Some of that shortfall is offset by departmental expenses coming in under budget although part is a timing issue of invoices not being received by months end.

Treasurer Beenen also reminded the group that the 2021 budget was built on the premise that when allowed to operate, SHARC will still be operating at a limited capacity.

It was noted that many owners paid their 2021 maintenance fees in full, and the majority of those checks came in during the month of January.

For the month ended January 31, 2021, there was a net operating deficit of \$107,019 which was \$41,582 better than budget. Operating revenues were less than budget by \$47,974 mainly due to the Recreation Plus Program (RPP), Member Preference Program (MPP) and SHARC revenues being below budget. Salaries are under budget by \$23,117 due to open positions and SHARC facility closure. Burden expense is over budget by \$1,979 due to an annual MASA benefit payment. Material and services expenses were under budget by \$56,058 due to timing of invoices and SHARC closure. As of this report date, the January legal bill had not been received.

Total assets as of January 31, 2021 were \$35,969,035. Cash and investments totaled \$14,689,755, an increase of \$2,703,246 from December. As of January 31<sup>st</sup>, investments included \$5,130,014 in short-term US Treasuries and \$3,750,113 purchased through the CDARS program. There was \$79,646 in receivables from RPP sales. Construction in progress items included the North Pool Project. Deferred revenue for maintenance fund increased by \$1,982,966 from December 2020 due to annual maintenance fee payments received in January.

Director Pedersen moved to approve the unaudited January 2021 financials. Seconded by Director Beenen, motion passed unanimously.

### **GENERAL MANAGER'S REPORT**

GM Lewis noted this report will be for activities ending January 31<sup>st</sup>. Additionally, as he reported yesterday on staff activities relative to the active taskforces and projects, unless there are specific questions, that information will not be repeated today.

After having spent January in the "Extreme Risk" COVID-19 category, Deschutes County was recently

moved back to the “High Risk” category allowing staff to open both the aquatic and fitness sides of SHARC. Details on access can be found at their website; [www.sunrivershare.com](http://www.sunrivershare.com). Additionally, the Member Services Office is open seven days a week by appointment.

As was reported last month, GM Lewis met with the Central Oregon Intergovernmental Council Executive Director Tammy Baney regarding SROA participating on or with their Board as a representative of all Planned Communities in Central Oregon. GM Lewis has applied for an open position which is ultimately approved by the Deschutes County Commissioners. GM Lewis should know the results of his application soon. This would allow a seat at the table from a tri-county perspective.

Staff reviewed the final draft of the comprehensive owner’s survey with consultant JD Cornutt from DRC Research prior to it being emailed out earlier this month. Anyone not signed up to receive emails from SROA or who is signed up but does not complete the online version, will be sent a hard copy which will be due back by the end of March.

GM Lewis worked with Natural Resources Director Patti Gentiluomo to develop an outline for a review and update to the Sunriver Ladder Fuel Reduction Plan to be completed in 2021. While Sunriver’s program is compliant with all county and federal requirements and in fact is a model for other communities, staff wants to ensure best practices are in place in an effort to make Sunriver is as safe as possible.

GM Lewis met recently with SSD Administrator Debbie Baker to review several agreements between SROA and the SSD which require periodic review.

GM Lewis continues to participate in the monthly Sunriver/LaPine Economic Development (SLED) board meetings regarding coordination with south county efforts as part of the Economic Development for Central Oregon (EDCO) efforts.

The Accounting Department processed over \$2 million dollars’ worth of maintenance fee payments in January as well as processing a significant number of property transactions. The 2021 budget has been entered into the accounting software for all cost centers of all SROA departments.

The IT Department provided necessary password changes and updates to guard against security threats. Annual backup of external servers is complete and security updates have been completed on the network. We continue to improve our GIS capabilities making field work for most departments much easier.

Cameras have been relocated at the North Pool Complex project and necessary items for IT functionality at the three North Pool buildings have been identified with the contractor.

In the Communications Department, Scene advertising was at \$26,857 a significant increase over last year due to two advertisers paying for a year in advance.

The SROA website, [www.sunriverowners.org](http://www.sunriverowners.org) continues to feature a COVID-19 page, which is updated frequently to ensure the most current information is available.

The SROA website was visited by 10,000 users in January with popular pages being weather, member preference program and COVID-19.

The SHARC website was visited by 7,900 users with popular pages being tubing hill, COVID operations, aquatic hours, and member fitness.

Sunriver Style was visited by 1,300 users with popular searches for weather, pathways, play.

Sunriver Tennis website: Although the season is over, we had 215 views of that site mostly looking at facility information and tournaments. This site will be revamped this spring in anticipation of Tennis Hill switching over to Pickleball Hill.

The Communications Department messaged SHARC's reopening status for fitness, lap swims and aqua fitness via the websites and social media.

The SROA website is a year old, and Communications staff are reviewing all areas of the site and refreshing/updating as needed.

GM Lewis pointed out that the Communications staff does way more than just produce the Scene noting some of the projects they have been or are assisting with include the final report of the Recycling Task Force, working with the recreation staff to promote virtual hiring opportunities and formulating a campaign of educational materials to assist the Rules Education & Compliance Task Force.

At the request of Director Mobley, GM Lewis identified the Communications staff members Susan Berger and Linda Donohue and IT staff members Brad Olson and Jesus Mendoza. Director Mobley noted that when one hears the word "department" the tendency is to think there are an array of people which is not the case here. Director Mobley noted the level of productivity and results that these two departments are able to achieve is pretty incredible and deserving of commendation, a sentiment echoed by the group.

The Community Development Department continued their protocols for safe electronic submittals of applications/plans and for applicant meetings/contacts.

There are currently approximately 205 active projects/building permits that have been reviewed/approved by SROA/Design Committee including new homes, major additions, and small-scale projects.

Overall activity for the month of January dropped slightly from December and is consistent with previous years and the end of the active construction season.

The Natural Resources Department performed administrative tasks including closing out paperwork for 2020 and planning for 2021.

Staff processed private property ladder fuel reduction inspection data and entered it in GIS. Staff continues preparation for ladder fuel reduction contract work on commons. Planning for 2021 Arbor Day has started.

The Public Works Department continues ongoing trash rounds, restroom cleaning and park checks.

Staff continues to collect rounds of wood from hard to get to areas and move it to the area next to the recycle center for owners to pick up.

While up to five cords of wood is free to owners, a firewood gathering permit and load tags are required. The free permit can be requested via the SROA website, [www.sunriverowners.org](http://www.sunriverowners.org) > I Want To > Collect Firewood in Sunriver. Staff will prepare the permit and owners can make arrangements to pick them up in the unlocked foyer of the Administration office.

GM Lewis took a moment to applaud the efforts of the Public Works staff in regard to their excellent snow removal practices. They do a fantastic job on the roads and pathways every time it snows.

Fleet services performed routine facility maintenance including repairs to indoor pool heaters, bathroom repairs at public works and moving the cameras at the North Pool.

At SHARC, the new year rang in with a continued closure. The Member Services office was available by phone and email and maintained a great pace updating Member Preference and Recreation Plus Program renewals. Staff prepared a report for the Board summarizing SHARC operations and staff workloads as a result of the most recent COVID-19 closure.

Staff started preliminary work on 2021 capital and reserve item projects.

The tubing hill remained open Friday-Sundays throughout the month of January and was very popular.

Copies of GM Lewis' full report were included in the board binders.

### **LIAISON AND COMMITTEE REPORTS**

Copies of the minutes received from committees that met last month were included in the Board binders.

### **SUNRIVER SERVICE DISTRICT (SSD) REPORT**

Director Beenen reported the SSD continues work on their strategic plan. This effort has been going on for a few months and is being facilitated by former SROA and SSD Board member Jim Fister. Teams have been formed to address different aspects of the plan and the plan should be ready to bring to the SSD Managing Board in the next month or so. The plan addresses where their emphasis is going to be on public safety, financing, facilities, and additional resource opportunities as well as other longer-term issues.

Budget planning for fiscal year 2021/22 has started. The SSD budget runs from July 1<sup>st</sup> through June 30<sup>th</sup>. The preliminary data available shows a modest increase in spending, along the order of 2-3%. There was some discussion of a possible increase in millage rate that is currently set at \$3.33 per \$1,000 assessed value. The maximum the rate can be raised without a vote is \$3.45 per \$1,000 assessed value.

Facilities remain a frequent topic of discussion and the direction is squarely focused on a public services building that would house both the fire and police departments. This could be a new structure or a major remodel of the existing fire station, a building the district currently leases from SROA. An architect has been retained to expand on the renderings that were commissioned last year to provide a clearer path forward. Financing remains unknown currently.

Director Beenen is encouraging the SSD Board to have further and more frequent dialogue with the Deschutes County Commissioners regarding the possibility of Transient Room Tax (TRT) dollars. Sunriver contributes well over 50% of the money that goes into that fund but does not see much in the way of return. Given that this project relates to public safety of both residents and tourists, perhaps some assistance could be considered.

Director Beenen noted that both the police and fire departments have completed their annual reports and they are excellent. He encouraged the SROA Board members to read the reports which are available on the SSD website > [www.sunriversd.org](http://www.sunriversd.org) > Sunriver Fire & Police.

Director Schmid reported that Director Beenen has been elected Treasurer of the SSD Managing Board.

Copies of the approved minutes from the December 17, 2020 SSD Board meeting were included in the Board binders.

**BOARD ACTION**  
**COMMITTEE APPOINTMENTS**

Director Beenen moved to approve the resignations of Ann Byers from the Design Committee and Randy Schneider from the Nominating Committee. Further move approval of the appointments of Kevin Sonney & Corey Wright as alternate members of the Finance Committee. Seconded by Director Schmid, motion passed unanimously.

President Skinner thanked both Ann Byers & Randy Schneider for their service to SROA and the Sunriver community.

**BOARD ACTION**  
**4<sup>TH</sup> QUARTER CAPITAL ACQUISITIONS TRANSFER**

Director Beenen moved to approve the transfer of \$803,133.82 from the Reserve Fund to the Operating Fund for the 2020 fourth quarter acquisitions. Seconded by Director Mobley, motion passed unanimously.

**BOARD ACTION**  
**SKYPARK RESERVE TRANSFER**

Director Beenen noted that owners in Skypark pay an additional amount per month beyond their regular maintenance fees and contribute that money to a reserve account that SROA manages for them. The Skypark reserve account is for maintenance of their assets and mostly consists of maintenance of the tarmac. Additionally, the final payment on the Skypark loan was due this year.

Director Beenen moved approval of the transfer of a deficit of (\$-18,566.07) from the operating account to the Skypark Reserve Account for the year ending December 31, 2020. Seconded by Director Gocke, motion passed unanimously.

**BOARD ACTION**  
**SR RULE & REGULATIONS SECOND READING PROPOSED CHANGES SECTION 2.03**

President Skinner noted the Board, having received the comments submitted by owners in advance of the work session, held a lengthy and thorough discussion on this issue yesterday.

President Skinner called for a motion and hearing none, the item fails for lack of a motion. Section 2.03 of the Sunriver Rules & Regulations will remain as it currently is.

The Board held their meeting debrief.

There being no other business, President Skinner asked for a motion to adjourn the meeting.

Director Schmid moved to adjourn the meeting. Seconded by Director Beenen, the motion passed unanimously.

The meeting adjourned at 10:50 A.M.

Respectfully Submitted,

Jackie Schmid, SROA Secretary