

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
PRINGLE ROOM @ SHARC
VIA ZOOM & YOU TUBE LIVE STREAM
March 20, 2021**

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

STAFF: James Lewis, Jesus Mendoza & Susan Berger

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

OWNERS FORUM: Ed Pitera, 25 Quelah Lane, reiterated his comments from the owner's forum yesterday asking the Board to act in accordance with the recycling survey and encouraging the Board to have flexibility to adapt to the need's future changes could bring. Mr. Pitera also encouraged using owner members of the taskforce to gather data over the summer as SROA staff members might miss issues that may be important to users. He also feels strongly the facility should only be open to Sunriver owners and their guests and not to the public at large.

OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS

President Skinner reported the Board heard from Cindy McCabe, 13 River Village Condo who continues to press the Board to fast track improvements to Mary McCallum Park and is concerned that the compressed aggregate planned for the walking only loop at the park will not be sufficient for mobility standards, she spoke about the problem in the summer with dust on the canoe take-out road and what she feels is the need for more signs along the river instructing people where they can and can't exit the river.

Ed Pitera, 25 Quelah Lane, talked about the importance of and thanked the Board for authorizing the Recycle Taskforce of which he is a member.

Glennis Kimball, 1 Thrush Lane, offered support for the rule change being considered regarding the prohibition on loading of watercraft to/from vehicles on Sunriver roads.

Jim Tyvand, 2 Thrush Lane offered his support of the change to the rules to address the watercraft/parking issue especially at Cardinal Landing Bridge.

Mark McConnell, 3 Tamarack Lane offered his continued participation in finding solutions to the recycling situation in Sunriver.

RECAP OF 3/19/21 WORK SESSION

President Skinner reported the Board held their monthly board work session on Friday and heard monthly updates on Recreation statistics, the progress at the North Pool Complex and the Telecommunications Taskforce.

Updates on the Comprehensive Owner Survey and, Fir Cone drainage situation were received. Discussion was held on several items on the agenda for action today including contingent 2021 budget items, a second reading of proposed changes to the SR Rules & Regulations, an update on the Rules Education Task Force efforts and a recap, followed by lengthy discussion, of the Recycle Taskforce report and next steps.

The Board held an executive session to discuss a legal matter.

ACTION ITEM
MINUTES

Director Mobley moved to approve the minutes of the February 19th Board Work Session as corrected.
Seconded by Director Gocke, motion passed unanimously.

Director Burke moved to approve the minutes of the February 20th Regular Board Meeting as written.
Seconded by Director Beenen, motion passed unanimously.

FINANCIAL

Treasurer Beenen reminded the group of the change in how the variance is computed noting when one sees a positive number that is good and a negative number in the variance column is not good news. For the month of February, revenues came in at \$871,468 against a budget of \$865,854 a difference of \$5,614 to the good. Department expenses came in \$488,799 against a budget of \$511,904 a difference of \$23,105 to the good. Non-Department expenses came in at \$350,762 against a budget of \$353,260 a difference of \$2,498 to the good. While we were budgeted for a \$690 surplus, we ended the month with a \$31,217 surplus. As has been previously reported, we receive a significant number of owners, approximately half, who pay their annual maintenance fees in full for the year with those payments flooding in during January and February resulting in a strong cash balance of just under \$15 million dollars.

For the month ended February 28, 2021, there was a net operating surplus of \$31,907 which was \$31,217 better than budget. Operating revenues were over budget by \$5,614. Salaries and burden were over budget by a combined \$1,533. Savings from part-time SHARC wages were offset by additional public works labor for snowplowing and deicing roads and pathways. Material and services expenses were under budget by \$24,638 due to timing of invoices and SHARC closure for the majority of February. As of this report date, the February legal bill had not been received.

For the two months ended February 28, 2021, there was a net operating deficit of \$75,114 which was \$72,797 better than budget. Operating revenues were under budget by \$43,360 mainly due to the SHARC closure and Member Preference Program sales trending behind budget. Salaries and burden were under budget by a combined \$19,604 due to savings in recreation. Material and services were under budget \$80,696 from the SHARC closure and timing of invoices/contract services.

Total assets as of February 28, 2021 were \$36,198,585. Cash and investments totaled \$14,921,748, an increase of \$231,993 from January. As of February 28th, investments included \$7,701,905 in short-term US Treasuries and \$4,750,143 purchased through the CDARS program. There was \$116,636 in receivables from Recreation Plus Program sales at the end of February. Construction in progress items included the North Pool Complex.

February 28, 2020 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$1,636,494
TOTAL EXPENSES	\$1,711,608
OPERATING FUND SURPLUS	\$(75,114)

Director Mobley moved to approve the unaudited February 2021 financials. Seconded by Director Schmid, motion passed unanimously.

GENERAL MANAGER'S REPORT

GM Lewis noted this report will be for activities ending February 28th. Mr. Lewis reported on staff activities as they relate to taskforce involvement yesterday so unless there are any specific concerns or questions, that information will not be repeated today.

GM Lewis was appointed to the Central Oregon Intergovernmental Council Board of Directors by the Deschutes County Commissioners as the Tourism and Recreation representative which will provide SROA participation on their Board and a voice in the Central Oregon region. There may some grant opportunities that involvement with this agency could provide SROA access and or assistance with.

Staff worked with representatives of Visit Central Oregon regarding alternative transportation service at SHARC to Mt. Bachelor for Sunriver owners and visitors beginning Oregon spring break week and running through Memorial Day.

GM Lewis worked with engineering and legal consultants along with representatives from SRLP to move the design for the Fir Cone Lane drainage issues forward.

Met with SSD Administrator Debbie Baker to review and draft necessary updates to the operating agreements between SROA and the SSD.

Participated in SSD Strategic Planning meetings specifically as it relates to facilities planning.

Met with owners of Skypark regarding their request for a gate at the entrance to the residential portion of their neighborhood citing safety reasons. There are challenges for them in that the Consolidated Plan does not allow for such gating in that area, and they may wish to take the issue up further with the Board at some point in the future. There have been no incidents that have occurred to SROA's knowledge to date.

GM Lewis met with property manager representatives regarding the Rules Education and Compliance Taskforce's efforts and our desire to have them assist in educating their guests of the basic rules that need to be followed as a guest in Sunriver.

Met with Sunriver Resort (SRLP) representatives to discuss dust abatement on Forest Road 600, the Canoe Takeout Road as well as drainage pond designs and the pasture lease.

The Accounting Department prepared and presented the Finance Committee and Board with year-end unaudited financials as well as the January 2021 unaudited financials.

Worked with First Interstate Wealth on investment strategy.

Processed thousands of dollars' worth of maintenance fee payments in February along with a good number of property transactions.

The IT Department added non-paying properties to the Jonas system and Lot/Lane table.

Purchased two virtual servers to replace out of date servers and increased internal resources on servers for virtual server functions.

AlphaCard ID card new software has been installed and configured on new printers.

Set up cell phone, email, desk phone and computer for new Community Development Department employee.

In the Communications Department, Scene advertising was at \$27,658 a slight increase of \$2,626 over last year.

The SROA website, www.sunriverowners.org continues to feature a COVID-19 page, which is updated frequently to ensure the most current information is available.

There were 145 reads of the online February Scene.

The SROA website was visited by 9,900 users in February with popular pages being weather, member preference program and North Pool Complex.

The SHARC website was visited by 9,500 users with popular pages being COVID operations, indoor aquatics, and aquatic hours.

Sunriver Style was visited by 1,800 users with popular searches for horseback riding, pathways and what's going on.

Sunriver Tennis website: 262 views looking a facility information and tournaments.

Social media posts currently promote recreational summer job opportunities and SHARC spring break operations.

Communications staff members also continue to work on making sure all SROA platforms have the most current COVID-19 information posted with necessary links available.

Staff members are also working on educational materials for the Rules Education and Compliance Task Force to be shared with property managers, owners, etc. They will also create a "Sharing My Home" page on the website to house some of these materials for download by owners, etc.

Prepped the materials needed for the mail version of the comprehensive owner survey.

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

Submittal activity remains strong with 6-9 agenda items per meeting. There are currently approximately 280 active projects/building permits (up 30% from the previous month) that have been reviewed/approved by SROA/Design Committee including new homes, major additions, and small-scale projects.

A significant increase was seen in building permit final inspections as projects were completed prior to the onset of winter weather.

Our new compliance officer, Ken Katsuda is on board and getting settled and up to speed on the operations of the department.

The Natural Resources Department mailed postcards regarding ladder fuels reduction (LFR) contract work on commons this summer.

Continued preparation for LFR contract work on commons including finalizing GIS maps and flagging wetland and riparian areas.

Planning is underway for Arbor Day 2021 activities.

Public Works has been busy with a variety of projects including pothole repair, sight marker replacements, install of new gate on wood chip road and crack measuring on all pathways for spring crack seal project.

A few days of inclement weather in February required 24/7 plowing and deicing efforts.

A SHARC, the children's sand feature has been completely removed for conversion to a spray pad situation.

Repaired/replaced the filter system air compressor.

Completed the restroom conversion at the Public Works building.

Outdoor pool boiler repairs were completed.

At SHARC, February was the first month that SHARC was operation since mid-November.

Operations now back up and running include:

- *Re-opened Lap Swim
- *Re-opened Aqua Fitness
- *Re-opened Fitness Center
- *Integrated all lap swim reservation into ActiveNet software.
- *Coordinated with Deschutes County Health Services to schedule a vaccine clinic at SHARC.

RPP and MPP renewal continued with an increase of MPP's after the facility reopened.

Staff addressed one-off RPP refund requests. Issued credit refunds for homes that are no longer rentals.

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 Managing Board held a lengthy session on Thursday. Notable is the strategic plan that has been several months in the works and was accepted by the SSD Board yesterday. If interested in a copy, please contact Director Beenen or Director Schimd.

A representative from Systems Design EMS who is the ambulance fee collection agency the District uses was on hand to discuss fees, various user demographics, insurance, etc.

Facilities discussions are gaining momentum. \$50,000 has been included in the current budget for design work and \$75,000 is being proposed to the 2021/22 budget for further design work. This impacts SROA

as the owner of the buildings that currently house both the fire and police departments. The SSD may want to consider a purchase of the building from SROA, a remodel/expansion or complete rebuild of the existing structure or they may come to SROA wanting SROA to do it for them as they do not have the funding available to do so. Director Schmid commented there are several issues that are out of compliance at the Fire Department that will need to be addressed to meet their needs.

There was a discussion regarding state-wide wildfire zones that are currently being defined and discussed at the state level.

The Lapine Rural Fire District has made the decision to stay with the older radio system that is a different one than Sunriver, Bend and Redmond are now using. This could present challenges if there is a fire outside of Sunriver proper and we are not able to communicate efficiently with that agency.

The 2021/22 budget process is underway, and a series of budgets have been put together for the SSD Managing Board to consider. Their reserve budget is currently underfunded, and they are trying to determine the best way to deal with that shortfall. They have several big pieces of equipment, such as fire engines, that are due for replacement between 2028 and 2031 and they will need that time to figure out how to fund their reserves adequately to accommodate those purchases. Additionally, Chief Moor wants to add another full-time firefighter/paramedic which, will cause them to run at a deficit. One way to manage that would be to increase the millage rate. Also mentioned is the fact that while Sunriver generates the lions share of the transient room tax, Sunriver really sees nothing in return for that.

Copies of the approved minutes from the January 12, 2021 SSD Board meeting were included in the Board binders.

BOARD ACTION
COMMITTEE APPOINTMENTS

Director Murray moved to approve the resignation of Dixon Freeman as an alternate member on the Design Committee and thank him for his service to SROA. Seconded by Director Pederson, motion passed unanimously.

BOARD ACTION
RECYCLE TASK FORCE FINAL REPORT

Director Pederson moved acceptance of the 2021 Recycle Center Taskforce Report. Seconded by Director Burke, motion passed unanimously.

Director Pederson moved to approve the study and assessment of issues that would lead to an owner's ballot measure related to Recommendations #2 or #3 as described in the February 10, 2021 Report of the Recycle Taskforce. From now through December 31, 2021 SROA shall conduct on-site surveys for the following purposes:

- To determine the percentage of users from outside Sunriver that use the recycling center;
- To fill data gaps and answer facility management questions, thereby reducing the uncertainty about the potential size and cost of a new recycling center before submitting a ballot measure for a vote of the owners to expend reserve funds or assessments;
- To afford the continued evaluation of recommendations #2 & #3 of the Report as to whether the recycling center should be open to the general public in addition to Sunriver owners and guests, or a private facility open only to Sunriver owners and

- guests; and
• To account for any state-wide recycling regulatory/law changes that could affect a final recycling center design.

Seconded by Director Burke, motion failed with 6 nay votes and 3 yea votes.

Director Murray moved to amend the motion to only investigate Recommendation #2. Seconded by Director Schmid, amended motion failed with 1 yea and 8 nay votes.

Director Beenen moved to proceed with negotiations with the County and the carting company and put forward to the ownership a question to support the building of the recycling center with reimbursement by the County at the amount we are able to negotiate, as a public facility. Seconded by Director Murray, motion passed with 7 yea votes and 2 nay votes.

President Skinner thanked everyone involved for their hard work on this issue.

BOARD ACTION

SUNRIVER RULES & REGULATIONS SECOND READING SECTIONS 2.02, 4.03 & 5

Director Beenen moved approval of the proposed changes to the Sunriver Rules & Regulations Sections 2.02, 4.03 and 5 as presented subject to approval by legal counsel. Seconded by Director Mobley, motion passed unanimously.

BOARD ACTION

FIR CONE ENGINEERING CONTRACT

Director Mobley moved the Board approve the Agreement for Professional Services between Jacobs Engineering and Sunriver Owners Association pursuant to the Scope of Services inherent thereto, and to authorize the Board President to sign the agreement. Seconded by Director Beenen, motion passed unanimously.

BOARD ACTION

CONTINGENT BUDGET ITEMS

Director Murray moved approval of authorizing the expenditure of 2021 contingent budgeted funds totaling \$245,111 for the following: filling an additional Natural Resources Department position (up to \$41,777); filling a Database Administrator position (up to \$78,334); implementing an evaluation and update of the Design Review Process to include the hiring of a consultant (up to \$75,000); and, expending up to \$50,000 for engineering design for tunnel replacement. Seconded by Director Beenen, motion passed unanimously.

OTHER BUSINESS

Director Burke commented on the recently held Town Hall Session with the GM and President Skinner noting it was well attended with 142 attendees.

The Board held their meeting debrief.

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

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

The meeting adjourned at 11:36 A.M.

Respectfully Submitted,

Jackie Schmid, SROA Secretary