

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
July 17, 2021**

DIRECTORS PRESENT: Jackie Schmid, Keith Mobley, Gerhard Beenen, Clark Pedersen, Bill Burke, Mike Gocke, Scott Gillies. Bill Burke and Mark Murray via Zoom

STAFF: James Lewis, Jesus Mendoza & Susan Berger

The Board of Directors meeting was called to order at 9:02 A.M.

OWNERS FORUM: Randy Schneider, 6 Dixie Mtn. Lane stated it has been a tough year for everyone and he supports the wage and appreciation incentive bonuses being proposed for SROA staff.

OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS

GM Lewis reported that Ray Johnson, 4 Muir Lane who provided written comments about the continuing problem of bikes being ridden on roadways. Art Gilbreth, 7 Bachelor Lane spoke about pedestrian use behind his home on SROA Commons adjacent to Lake Aspen and the Natural Resources Department is looking into this issue.

Brad Skinner formerly of 5 Mt. Adams Lane thanked the rest of the Board members for his positive experience while serving on the SROA Board. Cindy McCabe, 13 River Village Condo spoke and submitted a letter thanking the Board and staff for listening to owners concerns and acting on them.

Doug Keep, 8 River Road and Margaret Ward, 6 Lone Eagle Landing presented information to the Board regarding a request to place a gate at the vehicular entrance to Skypark. Mr. Keep and Ms. Ward attended Friday's work session and the Board will consider a motion on this matter at tomorrow's meeting.

Richard Jaccarino, 9 Mulligan Lane submitted a letter expressing his concern about off leash dogs in Sunriver. This item was forwarded to the Covenants Committee and legal counsel for review.

John & Lisa Enyart, 22 Eaglewood Condo submitted a letter expressing their concern about the non-existent general public gate access to SHARC. As they do not participate in the Recreation Plus Program, they feel this puts them at a disadvantage to other pass program participants. Recreation Director Steven Stanfield has responded to the Enyart's letter.

RECAP OF 7/16/21 WORK SESSION

Interim President Mobley reported the Board received updates on recreation staffing, telecommunications, and rules enforcement. GM Lewis provided updates on the progress of the Design Manual revamp and the proposed Sunriver Water rate increase. The Board reviewed and held discussion on the proposed employee wage and appreciation bonus incentives. GM Lewis provided the draft agenda for this year's annual meeting for the Board to review. The Board reviewed the agenda for today's meeting.

ACTION ITEM
BOARD MEETING MINUTES

Director Gocke moved to approve the minutes of the June 18th SROA Board Work Session as corrected. Seconded by Director Beenen, motion passed unanimously.

Director Gocke moved to approve the minutes of the June 19th Regular Board Meeting as corrected.
Seconded by Director Beenen, motion passed unanimously.

FINANCIAL

Treasurer Beenen referenced the financial packets included in the board binders and noted that June was the end of the second quarter, board members received a more in-depth, detailed financial report in their packets this month.

Income Statement

For the month ended June 30, 2021, there was a net operating deficit of \$76,602 which was \$100,893 better than budget. Operating revenues were better than budget by \$16,695 mainly due to Member Preference Program (MPP) sales. Salaries and burden were under budget by a combined \$46,822 mainly due to savings in part-time labor in the recreation department and open full-time positions. In the latter part of June/beginning of July there were two full-time employees added in public works, two in recreation and one in the natural resources department. Materials and services were under budget by \$17,731 for the month Legal fees were over budget by \$9,335 due to the timing of the May legal invoice. \$180,144 was spent on road/pathway projects and Infrastructure Amenities Master Plan (IAMP) projects in the month of June.

Through the first half of 2021, there was a net operating deficit of \$49,216 which was \$389,267 better than budget. Operating revenues were under budget by \$18,072. As of June 30, 2021, MPP and RPP sales were at 90.4% and 101.9% of their respective annual budgets. Salaries and burden were under budget \$270,580 year-to-date due to SHARC closure, departmental savings, and timing of invoices/contract services. Most of this positive variance should continue throughout 2021.

There was a combined operating and non-operating surplus of \$1,071,085 through the first six months of 2021.

Total assets as of June 30, 2021, were \$35,124,007. Cash and investments totaled \$13,056,928, a decrease of \$372,413 from May. As of June 30, 2021, investments included \$7,046,725 in short-term US Treasuries of one year or less, \$1,250,000 in a two-year treasury, and \$2,750,158 invested in the CDARS program. There was \$90,063 in receivables from RPP sales at the end of June Fixed assets placed into service in June were emergency radios, recovery server and SHARC commercial ceiling fan. Construction in progress items included the Member Pool, tennis & pickleball court resurfacing and plaster work at SHARC.

June 30, 2021 (Year to Date Unaudited)	
	<u>ACTUAL</u>
TOTAL REVENUE	\$5,294,803
TOTAL EXPENSES	\$5,344,019
OPERATING FUND SURPLUS	\$ (49,216)

Director Pederson moved to approve the unaudited June 2021 financials. Seconded by Director Burke, motion passed unanimously.

GENERAL MANAGER'S REPORT

GM Lewis noted this report will be for activities ending June 30th. GM Lewis is working with our lobbyist to produce a presentation that could be given to other planned communities in Central Oregon to encourage the creation of a consortium to provide for a stronger collective voice when it comes to legislative issues in Salem.

GM Lewis completed negotiations with Deschutes County and Cascade Disposal regarding a Recycling Center Agreement and is available for public review on the SROA website, www.sunriverowners.org > Owners > Capital & Reserve Projects > Recycling Center Proposal.

GM Lewis provided a presentation to the Sunriver Citizens Patrol about what SROA is currently working on and what is planned going forward.

GM Lewis is working with legal counsel on the proposed water rate increase.

GM Lewis continues to work with SSD Board members and staff regarding their facility site search.

A consultant has been chosen for the review of the Design Committee Manual of Rules & Procedures and they will begin their work in the coming weeks.

The pond design for the drainage issue on Fir Cone Lane has been finalized and an RFP has gone out. That work will occur in the fall after the Woodlands course closes for the season.

GM Lewis along with Director Pedersen and Director Burke participated in the Recycling Town Hall virtual event sponsored by Sunriver You and the Owner Enrichment Committee. It was a very successful event and generated a number of questions that have been answered and/or added to the FAQs on the website.

GM Lewis continues to meet with the Central Oregon Intergovernmental Council staff to seek a Cascades East (COIC) Transit route from Bend to Sunriver to entice workers from the Bend population base. The survey conducted earlier this year indicates there would not be enough ridership to make it a viable option at this time.

The Accounting Department finalized the annual SROA audit and presented statements to the Audit Committee, Finance Committee & Board of Directors.

Staff revamped the billing schedule for long-term RV storage, sent out new contracts and invoices to over 300 lessees.

Controller Healy worked on draft changes to the SROA Financial Policies as part of the Finance Committee's periodic review of that document.

The IT Department completed the IT work, fiber, computers, phones, cameras, and access points at the Member Pool. Fiber from Bend Broadband will be installed September 20th.

IT Staff worked with McKenzie Cascade to install conduit from the Administration Building to Fort Rock Park. Staff is working with Sunriver Water on installing conduit from the Member Pool to the wastewater facility. Using Sunriver conduit, with Sunriver Water doing the installation, SROA will keep five inner ducts and Sunriver Water will have two inner ducts.

In the Communications Department, Scene advertising was at \$20,198; previous year was \$16,975.

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 253 reads of the online June Scene.

The SROA website was visited by 13,000 users in June with popular pages being member pool, Member Preference program, weather & news.

The SHARC website was visited by 30,000 users with popular pages being swim sessions, reservations, and aquatic hours.

Sunriver Style was visited by 4,600 users with popular searches for river, pathways, aquatics & horseback riding.

Sunriver Tennis website: 2,100 views looking at tennis and pickleball facilities, lessons, and contact us.

Social media pages continue promoting recreational summer job opportunities as well as Sunriver's common rules and pathway rules.

Projects for the Communications staff included making of new signs for the Member Pool, heavily promoting pathway and other Sunriver rules included in the Safekeeping Sunriver on the SROA website and social media, sharing the Safekeeping Sunriver information with property managers, etc. Communications staff also installed the rules/pathway messaging on all 20 pathway kiosks.

Voter ballot packets were finalized, printed, and went out in the mail the first week of July.

The Communications Department is losing Linda Donohue who is moving with her family to Eastern Oregon.

The Community Development Department continued their protocols for safe electronic submittals of applications/plans and for applicant meetings/contacts. There are currently 284 active projects/building permits. Active permits generally decrease during the summer months when homes are consistently rented.

A significant increase was seen in building permit final inspections as projects have been completed and with the addition of the new compliance officer.

Many compliance letters have been mailed out for design rule violations and in response to owner complaints.

The Natural Resources Department hired a new Natural Resources Specialist, Lauren Street.

Staff prepared and mailed ladder fuel reduction deficiency letters and completed numerous site visits regarding tree removal requests and ladder fuel reduction compliance on private properties.

Noxious weed inspections on private property have started and noxious weeds on commons were treated.

Preparations for the 2021 War on Weeds, WOW, which runs from August 1st through August 14th are underway.

Public Works has seen a big increase in the number of brush/limb piles they are chipping every month. Owners can stack branches and limbs (4 inches in diameter or smaller) and bitter brush on the edge of their property next to the road between the months of April and October. The Public Works crews go down every street once a month and chip the piles. The increase in the number of piles this year indicates

more owners are dealing with the ladder fuels on their property which is a positive sign.

The Fort Rock Pickleball conversion is 70% complete and the sound wall is 100% complete. Herb's Courts aka, the Ranch Cabin Courts, are 100% complete and on budget.

Spring road projects including crack seal, slurry and micro seal are 100% complete and on budget.

Excellent progress has been made on the cinder storage facility. GM Lewis noted that SROA crews are doing the construction of the building saving the Association significant dollars.

The canoe takeout road has been treated for dust control and it has made a significant difference. It is impossible to completely eliminate dust on a dirt road, but the product applied has greatly diminished the amount of dust generated.

The Recreation Department hosted approximately 300 people at the Member Pool Open House event. The Member Pool officially opened on June 19th and has been very well received by owners and their guests. There are already calls for more shade structures to be added but overall users are happy with the facility.

The Fort Rock Refreshments stand is open for the season for grab and go snacks and beverages.

Recruiting efforts for additional recreation staff continue. Seven lifeguards were graduated in June. Two new aquatics facility supervisors have been hired and are in training.

The new splash pad flooring has been installed in the Tot Pool area. Toys were installed and all plumbing is complete.

The café at SHARC is not operational this summer due to staffing challenges by the operator SROA is contracted with. Additional grab and go items and beverages are being added to what is available for purchase from SHARC.

The change in COVID-19 restrictions allowed us to accommodate more people to the recreation swim sessions in the second half of June.

Pickleball is becoming more and more popular. Recent and planned conversions will result in a total of nineteen pickleball and eighteen tennis courts. Consideration of how the reservation system will operate in future was briefly discussed.

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 Schmid reported the SSD Board is very focused on their quest for a new facility. They have determined a remodel of the existing Fire Station location to accommodate both the fire and police departments is the best option available. They are now focused on funding options as well as which entity, SROA or the SSD is in a better position to get the necessary approvals to carry out the work.

Director Beenen added the proposed facility would be approximately 28,000 square feet. The facility would continue to use the existing fire bay but would expand towards Circle 4. The estimated expense for

the facility is approximately \$15 million and that does not include the land and the existing facility. As SROA owns the land and the building there have been discussions that perhaps SROA should simply give the land and the building to the SSD but that would present some challenges for SROA as there is currently a revenue stream associated with the lease of those buildings to the Fire and Police departments.

A recent appraisal of the building and land which totals 90,000 square feet, came in at \$2.7 million dollars. This is a complicated issue that will require full vetting from both SROA and the SSD. Additionally, should one of the options come to a vote, only Deschutes County residents would be eligible to vote as you must be registered to vote in Deschutes County to be included in such a vote.

Police Chief Darling reported a very quiet 4th of July holiday, the quietest since he has been here and an indication that increased messaging is having an effect. Bike Patrol officers are contacting significant numbers of people this summer educating them about Sunriver pathway rules. The Bike Patrol can issue parking citations only. For any other situations, a Sunriver Police Officer must be called in.

The approved minutes of the May 13, 2021, meeting are included in the board binders.

BOARD ACTION
COMMITTEE RESIGNATION

Director Burke moved to approve the resignation of Francie Ishmael from the Nominating Committee and further move to thank her for her service to SROA. Seconded by Director Gocke, motion passed unanimously.

BOARD ACTION
EMPLOYEE WAGE & APPRECIATION INCENTIVE

Director Beenen stated he remains opposed to this proposed incentive as he believes it is bad policy as we are deciding something today that may have significant longevity and may not be appropriate five or ten years down the road. It's very hard to pull something like this back once it is out there. Additionally, Director Beenen feels it is not a self-correcting policy like a raise in wages is because we have regular wage and salary surveys conducted. Further, Director Beenen thinks this policy will have limited impact on employee retention. While not opposed to the concept, he is opposed to this policy. Director Murray added that PERS is the perfect example of a policy similar to this that has not turned out well for the taxpayers of Oregon.

Director Gillies moved to approve the employee incentives discussed and agreed to in principle at the June 18, 2021, Board Work Session, with the direction to approve said incentives at the July 17, 2021, Board Meeting. Seconded by Director Burke.

After further discussion, Director Schmid moved to amend the motion to impose a three-year time limit on the incentives at which time the program will be re-evaluated. Seconded by Director Gocke.

After further discussion, Director Schmid moved to amend the amended motion to include that the loyalty portion of the incentive will sunset at the end of 2023, subject to a revisitation of the issue by the Board at that time. Seconded by Director Gillies, motion passed with 6 yea and 1 nay votes.

Call for the question on the original motion: the motion passed with 6 yea and 1 nay votes.

BOARD ACTION
2nd QUARTER CAPITAL TRANSFER

Director Beenen moved approval of the transfer of \$880,047.25 from the Reserve Account to the

Operating Fund for the 2021 second quarter acquisitions. Seconded by Director Murray, motion passed unanimously.

OTHER BUSINESS
SKYPARK OWNERS GATE

Died for lack of a motion. As afforded in the SROA Bylaws, the petitioners may proceed to obtain the required number of voting member signatures, which is five hundred (500), to have the matter placed on the ballot for the next regularly scheduled election.

OTHER BUSINESS
EBIKES/ADA

Director Pederson recommends we make it clear to owners that if they have a disability, they are allowed to use Class 2 Ebikes on Sunriver pathways. Discussion regarding how that disability is identified followed including the feasibility of a registration program for those with ADA exemptions.

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

The meeting adjourned at 11:06 A.M.

Respectfully Submitted,

Jackie Schmid, SROA Secretary