

**SUNRIVER OWNERS ASSOCIATION  
ANNUAL MEETING  
BENHAM HALL @ SHARC  
August 21, 2021**

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

**STAFF:** James Lewis, Keith Kessariss, Becki Sylvester, Susan Berger, Jesus Mendoza, Leslie Knight, Mark Smith, Patti Gentiluomo & Brad Olson

The Annual meeting of the association's members was called to order at 1:00 pm

Owners in attendance: 30

**WELCOME**

President Mobley welcomed everyone present and those watching via the live stream being provided and thanked them for attending the meeting today. President Mobley noted what an eventful year it has been including the early departure of previous Board President Brad Skinner from the Board due to relocation to Washington state. President Mobley shared the SROA Mission Statement: "Maintaining Sunriver as a premier residential and resort community protecting and enhancing its quality of life, natural environment and property values."

**ELECTION RESULTS**

Secretary Schmid reported she was pleased to announce the results of the election that closed on Saturday, August 14, 2021. Three new board members were elected: Paul Coughlin, Tony De Alicante and incumbent Keith Mobley to a three-year term that commences at the close of this meeting and runs through the close of the Annual Meeting in 2024.

Two measures were also on the ballot. The first measure proposing changes to Section 8.5 of the Consolidated Plan passed with 85% of the votes cast. There were 1,776 votes in favor and 205 votes against the measure.

The second ballot measure, for the proposed recycle center failed with 1,040 votes in favor of the measure and 1,013 votes against. As it did not meet the required 60% of those who vote threshold necessary for the measure to pass the measure fails and the recycle center will remain as is for the foreseeable future.

**BOARD OFFICERS 2020/21**

President Mobley reported the Board elected officers at their June meeting and the officers for 2021/22 will be:

President: Keith Mobley  
Vice President: Mike Gocke  
Treasurer: Gerhard Beenen  
Secretary: Mark Murray  
Assistant Treasurer: Clark Pederson  
Assistant Secretary: Bill Burke

**BOARD SERVICE RECOGNITION**

Vice President Gocke recognized the three Board members finishing their terms: Jackie Schmid, Keith Mobley (who was elected to a second term) and Brad Skinner and thanked them for the time, service,

dedication, and expertise they have given to the to SROA and to the Sunriver community. These folks have worked very hard on behalf of the Association and their efforts are very much appreciated.

### **TREASURERS REPORT**

Treasurer Beenen provided a thorough overview of the financials (via Power Point Presentation) for the Association going back to the fall of 2019 and reported that despite all the challenges we have been presented with, the current over-all financial health of the Sunriver Owners Association is excellent.

Focusing on the 2020 numbers, Treasurer Beenen reported that total revenue was \$9,691,406 and total expenses were \$10,583,223 a difference of (\$891,816), a shortfall that ended up being half of what was originally projected.

These numbers illustrate the effect COVID-19 had on our operations in 2020, with limited or no in person visits allowed at SHARC at different times throughout the year. Additionally, the decision was made to only allow visitors with a current Member Preference Program (MPP) pass, Recreation Plus Program (RPP) pass or a paper guest pass entry thus eliminating gate fees, a significant annual revenue generator.

Additionally, we were not able to host any events at SHARC in 2020 which generate additional revenue. Due to the amount of time SHARC was closed off and on throughout the year, the Board approved a one-time, 25% refund to all RPP participants.

Facing a \$2 million dollar shortfall, GM Lewis and his staff did a commendable job in taking the appropriate actions to reduce expenses to try to make up for the revenue shortfall. Although not able to make up the entire difference, over \$1 million of those dollars were made up leaving us with the shortfall of \$869,816.

On the balance sheet side, total assets at the end of 2020 equaled \$33,131,513 and total liabilities totaled \$3,837,301 resulting in \$29,294,212 in retained earnings/surplus, The change in retained earnings equaled \$879,851.

As far as cash balances, at the end of 2020, the Association had \$3,259,193 in unrestricted cash and \$8,727,316 in restricted cash for a total of \$11,986,509.

Treasurer Beenen provided a breakdown of the income statements reporting that revenues are made up of a combination of owner's maintenance fees, program revenue and other revenue, which are things such as interest income, franchise fees, etc. Also provided was an overview of how the reserves are funded.

In terms of expenses, departmental expenses for 2020 totaled \$6,324,811 and total non-departmental expenses, which are things like contracted services, insurance, and legal expenses, ended the year at \$4,258,412 for a combined total of \$10,583,223.

Through the first six months of 2021, total revenues totaled \$5,294,803 and total expenses totaled \$5,344,019 a difference of (\$49,216). Total assets equal \$35,124,007 and total liabilities equal \$4,758,710, a difference of \$30,365,297 with the change in retained earnings equaling \$362,585. Cash balances through the end of June are \$3,323,589 in unrestricted cash and \$9,733,339 in restricted cash for a total cash balance of \$13,056,928.

Total cash and investments as of June 30, 2021, totaled \$13,056,928 illustrating that we are in sound financial shape regarding liquidity. As far as fixed assets, which include things such as SROA owned buildings and equipment, total \$35,105,672 with accumulated depreciation of (\$13,412,032) and total fixed assets of \$21,693,640 as of 6/30/2021. Total accrued liabilities & deposits total \$722,297 and total deferred revenue is \$3,885,098.

Treasurer Beenen also reviewed the cash balances including the operating fund, reserve replacement/new capital fund, operating reserve “rainy day” fund and SHARC reserve fund. Also reviewed was a recap of the new Member Pool which came in on time and on budget with a deep bow in the direction of Assistant GM Keith Kessararis and Public Works Director Mark Smith for their involvement in this project ensuring things were done on time and on budget.

Treasurer Beenen’s full report will be posted to the SROA Website, [www.sunriverowners.org](http://www.sunriverowners.org).

### **PRESIDENTS REPORT**

President Mobley commented that his level of comfort in serving on this Board is due in part to the expertise of the Finance Committee and the Treasurer and the essential work they do on behalf of the Association.

President Mobley noted from the book, Sunriver, The First 20 Years, the reason August was chosen for the Annual meeting was to allow non-resident owners the opportunity to attend. Approximately 80% of our owners, including President Mobley, are non-resident owners. For President Mobley’s family that meant a well-deserved break between the end of harvest and getting back in the fields to plant again when they could come and enjoy some time in Sunriver.

President Mobley spoke to the Sunriver brand, which was established early, and has been protected and preserved by a succession of Boards of Directors since then. President Mobley took a moment to thank Brad Skinner for his leadership, energy and focus on the Sunriver brand over the past 10 months as President of SROA as well as all board member past and present for their time and dedication to serving the owners in Sunriver.

President Mobley also thanked the SROA staff for the contributions they have made over the past year and will be making in the year ahead. SROA is lucky to have a great group of people who show up everyday and try their best to meet owner expectations.

In closing, President Mobley thanked the community for allowing him to serve as President again. He looks forward to his next three years of service and noted Sunriver is a great place, always made greater by those that are its proud and active owners.

### **GENERAL MANAGERS REPORT**

SROA General Manager James Lewis thanked the Board of Directors for their support and all the time and caring they give to this community. He also thanked his staff and acknowledged those in attendance for their hard work and dedication on behalf of SROA. GM Lewis also thanked everyone for welcoming him to the community as general manager.

GM Lewis spoke to the effect COVID-19 has had on SROA as a business with staff having to frequently change course due to new mandates, mask requirements, social distancing, etc. Staff has adapted well and have striven to provide the level of service our owners expect. Offices had to be closed, board, committee, and taskforce meetings had to go remote, we all learned what Zoom is and everyone has become familiar with the term “You’re on mute!” Throughout that process we have tried to maintain access to our public facilities to the greatest degree possible.

One thing we found, especially in the early days of the pandemic is that many, many people used Sunriver as a refuge to get away from areas where more severe outbreaks of the pandemic were occurring. Facilities may have been closed, but that did not stop people from coming as has been evident by the uptick of people using the pathways, river, etc.

Throughout the past 18-months, as the guidelines changed, we changed with them. We are currently open

for business to the maximum that the guidelines and our staffing will allow. We are holding open meetings again, albeit with masks required. Staff is available by phone, email and in person and are here to assist our owners.

Despite the challenges of the pandemic, we have several accomplishments to share as well. The first being the recently completed Member Pool, formerly known as the North Pool. This facility opened in mid-June, and we have seen a record number of owners and their guests utilizing and enjoying the facility. This project came in on budget and in time for owners to enjoy it this summer.

GM Lewis thanked the 65% of owners, 2,608 of 4,029 owners of record, a record number, that responded to the most recent Comprehensive Owner Survey completed earlier this year. These surveys are done every three years and provide a lot of good information. We have now done this survey four times which allows us to go back and see trends and how the community is evolving.

Tennis Hill, which at one time was all tennis courts, was resurfaced and changed to 15 pickleball courts. We have received a tremendous response from the local pickleball community for that change and those courts are packed every Tuesday and Thursday morning with club play. The sport has grown so much in popularity it's now unusual to drive by that area and not seeing anyone playing.

Improvements have also been made to Mary McCallum aka the Owners Park. New concrete pads and tables were installed earlier this summer, a 2/3<sup>rd</sup> mile walking path is being developed, we are in the middle of a land use process that will eventually allow us to replace the picnic shelter and add a restroom facility like the one added at Fort Rock Park a couple years ago.

In listening to our owners, there was a lot of awareness and pressure from them to address getting the message out to visitors prior to their arrival that this is a community with permanent residents and there are rules and regulations that visitors must comply with. To that end, the Rules Awareness & Compliance Task Force was formed. The group was made up of both permanent and non-resident owners, property managers, Sunriver Service District (SSD) Police & Fire staff and SROA staff. This group met regularly for about six months and developed a set of guidelines on how to provide education to guests about our rules & regulations and how do we hold people accountable.

Out of those sessions was developed the Nuisance Property rule (SR Rules & Regulations 5.08). We do have a lot of visitors to this community and SROA works closely with the Police Dept. with whom SROA has an agreement for enforcement of rules and regulations. Unfortunately, people often arrive with what GM Lewis likes to refer to as "vacation brain" and they don't realize this is an active community with full time residents. While the goal is always education and compliance, the Nuisance Property rule can help address a chronic problem with a particular property by holding the owner accountable after a certain number of violations.

Additionally, the fireworks fines were increased from \$250 to \$2500 and additional signage was added at the entrances and throughout property indicating the prohibition of all fireworks. GM Lewis was happy to report there were no reported incidents involving fireworks this year.

Lastly, we heard a lot of complaints about illegal parking especially around Cardinal Landing Bridge and Mary McCallum Park where cars were circling streets, idling on the side of the road, and sometimes pulling into owner's driveways and parking while waiting to pick up people exiting the river. This occurred daily throughout the summer.

A Watercraft rule was added to the SR Rules & Regulations, Section 5.07, prohibiting anyone from stopping, idling, or parking on or along a Sunriver roadway with the purpose of dropping off or picking

up any person who is engaged in loading or unloading a watercraft. This rule has gone a long way in assisting the police department which has written numerous illegal parking citations this summer.

SROA also has a few things in process such as the work of the Telecommunications Taskforce. This group has been tasked with how to best provide better internet access, resolve ongoing chronic problems with Bend Broadband internet connectivity, and develop fiber optics to the home.

Multiple options are being explored including continuing to use TDS, Bend Broadband as the sole service provider for Sunriver or constructing our own system, i.e., our own infrastructure which can then be opened to multiple providers to allow more options and perhaps more competitive pricing.

We are also looking at partnering opportunities to get conduit into the ground, such as with Midstate Electric as they replace their infrastructure at the circles throughout the community.

GM Lewis anticipates a report and recommendation to the Board on this issue in the next five to six months.

Another significant project that has just commenced is the reviewing and revising of the SROA Design Manual of Rules & Procedures. This document has been in place for many years but has not received a thorough review in over 30 years. When the document was produced Sunriver was all new construction that required full review to ensure guidelines were adhered to.

Currently there are approximately 70 vacant lots left in Sunriver and what we are seeing more frequently are remodels and additions. We want to encourage owners to keep their properties up, but the process is currently so cumbersome that some owners just choose to do nothing instead.

The goal of this review and subsequent revisions are to streamline the review process, both the criteria and the timeline. SROA has engaged a consultant that we will be working with over the next six months or so. The consultant will be aided by a stakeholder's group that includes Sunriver permanent and part-time owners, Design Committee members, contractors, realtors, architects, designers, SROA staff and SSD staff as necessary. We anticipate having the revisions complete and ready to go to the Board by the end of 2021 with implementation set for 2022.

The SROA Ladder Fuels Reduction Plan is also being reviewed and updated. While this review started in the spring, it was paused during the summer months as that is the busiest time for many of the agencies that SROA partners with including Oregon Department of Forestry, US Forest Service, Deschutes County, Project Wildfire, and our local fire department. This review will ramp back up in the fall.

While currently legally compliant with all statutory laws, we are seeking to both maintain that compliance but also employ the latest science technology so we can possibly go a step above to ensure Sunriver is as safe as possible.

Currently Sunriver's Ladder Fuels Reduction Plan is held as a model throughout the state for others to look at and consider implementing in their area.

Another plan that is receiving a review and updates is the Pathway Master Plan. In every survey conducted by the Association, the pathways have always been rated the number one amenity in Sunriver. Placement of future pathways, safety issues, connectivity, etc. will all be explored and considered as part of this review and update.

Tunnels will also be reviewed as a part of this process. While we were scheduled to replace a tunnel this year, that project has been deferred until next year when the Fort Rock tunnel is scheduled for replacement.

Also in process is the Cinder Storage shed which is part of the planned Public Works yard improvements. This covered storage area will expedite our response time (e.g., snow removal), reduce operational impacts such as noise and dirt and most importantly provide a safer experience for employees, owners and guests.

Looking ahead, we will be working on a 2030 Strategic Plan similar to the Vision 2020 Plan with goals, policies, and action plans. We will involve community members and stakeholders to help achieve implementable and discernable results.

Also, in 2022 will be the creation of a Parks Master Plan where all Sunriver parks will be looked at holistically. IAMP priorities will be reviewed, new parks could be considered and improvements to existing parks will be explored. The goal is to create a 10-year plan to guide capital project development while recognizing changes in recreational desires.

The Public Works yard is set to receive some long-deferred improvements to increase function and safety. Currently the crews are housed in a severely deficient former sewage treatment/containment facility that is over 50 years old. These improvements have been in the Conceptual Master Plan for development over time and will include a new shop and office facilities for the Public Works staff.

GM Lewis spoke to each of the SROA departments briefly noting that the Recreation Department has had major challenges this year finding enough lifeguards. Despite those challenges SHARC offered 2-3 swim sessions per day accommodating approximately 1500 owners and visitors daily at the SHARC facility.

The Member Pool formerly known as the North Pool was opened in June of this year, and we have been able to accommodate up to 200 people per session with two sessions offered per day. We have seen more owners and their guests using the new pool than in any time since it became an owner only pool.

Pickleball continues to grow in popularity as is evidenced by the number of players that gather twice a week at Fort Rock Park to play. The Sunriver Pickleball Club has well over 100 members who are most enthusiastic about their sport. Tennis also continues to be a popular sport in Sunriver, and courts are being used consistently by those players.

The SROA Boat Launch has been extremely busy over the past two summers due to the limitations on the number of people allowed at the pools at one time and peoples desire to be on or in the water. We continue to deal with challenges on river access and takeout. And Education is an ongoing challenge, but the new rule implemented earlier this summer regarding loading of watercraft has definitely helped.

The Natural Resources Department was happy to notify the Board on Friday that Sunriver has been chosen as a Tree City USA for the 41<sup>st</sup> year in a row. Sunriver remains the only unincorporated area in Oregon included due to our early involvement in the program.

As was mentioned earlier, the Ladder Fuels Reduction Plan is receiving an update. Also noted was that we are in the 21<sup>st</sup> year of our ongoing War on Weeds efforts. Communication and education also remain a key component of the Natural Resources departments efforts.

Our Communications Department, led by Communications Director Susan Berger, has done an outstanding job over the past 18 months in communicating with our owners. It will come as no surprise that the Scene remains the primary means of communication with owners. We are facing printing challenges as the number of printed newspapers dwindles across the country and printing presses close. This situation is constantly monitored closely.

Our new website that was launched in February of 2020 offers a wealth of information and links and

came online at the perfect time. The number of people using the website has skyrocketed and many forms, applications, etc. have been added to the website to make things as easy as possible for owners. GM Lewis encouraged owners to check out and explore the site which offers a wealth of information.

We have also ramped up our email blasts that are the fastest means of conveying important information to owners. Owners must opt-in/sign up to receive the notifications and they can do so on the website, [www.sunriverowners.org](http://www.sunriverowners.org) > Owners > E-notification sign up.

The Public Works Department has primary responsibility for overseeing maintenance and capital improvements for existing and new infrastructure and amenities. As was mentioned earlier, the Cinder Storage shed is under construction. This work is being done by our own Public Works department employees saving the Association significant dollars.

Among a host of other things, this department is responsible for making sure roads are plowed in the winter, potholes are repaired in the spring and streets and pathways are kept in good working condition.

Additionally, crews have installed new gates, tables, and picnic pads at Mary McCallum Park, installed power gates on the RV storage areas, converted several tennis courts to pickleball courts, completed the rebuild of Circle 11, assisted as needed with the Member Pool and picked up/chipped a record number of brush and limb piles so far this year.

The Accounting Department is responsible for the day-to-day financial management and asset protection of the Association. The Association received a clean 2020 audit thanks in part to the efforts of Controller Joe Healy and his team. Also undertaken were updates to the SROA Financial Policies, revamping the RV storage billing process, completing the reserve study and wage analysis, and tracking home sales which totaled 330 last year and is on pace to equal or exceed that this year.

Our IT Department implemented a network upgrade including new firewalls, backup software and increased internet bandwidth. Work continues on expanding internal fiber optic network between SROA facilities. Department Director Brad Olson is also participating as a member of the Telecommunications Taskforce exploring the option of SROA constructing and building their own network.

Our Community Development Department has seen a significant increase in the number of applications for a variety of projects since mid-2020. We found that many of the owners who chose to take refuge in Sunriver in the early days of the pandemic found items around their Sunriver property they wished to update or change. There are also some new homes being built on the approximately 70 remaining vacant lots out of 4,175 total. The majority of the applications submitted have been for remodels, additions, and general maintenance.

The SROA Human Resources Department is SROA's most important resource. GM Lewis noted the length of time a number of employees have been at SROA and took a moment to recognize HR Director Leslie Knight who will be retiring in October after 26 years with SROA. Her dedication to SROA has been immeasurable and she will definitely be missed.

Worker safety is paramount at SROA and due to the safety practices employed, we have been able to reduce the workers compensation mod over the past six years to our current mod of .60 which is unheard of in the industry, and which has provided SAIF dividends back to SROA equaling \$90k over the last four years.

We work hard to provide a work environment that fosters trust and communication. Employees stay longer, lowering recruitment and training costs. Current full-time staff accounts for 352 years of experience with an average tenure of 9.5 years.

GM Lewis also acknowledged and thanked all the owners in Sunriver who volunteer on SROA committees, taskforces, and work groups. Our committees currently include Covenants, Design, Election, Finance, Nominating and Owner Enrichment. Additionally, there are a number of work groups and taskforces undertaking important projects on behalf of the community. There is a lot of expertise that these folks share and their efforts on behalf of the community don't go unnoticed.

Lastly GM Lewis spoke about SROA's Code of Civility which is included in the SR Rules & Regulations. In interactions with both staff and volunteers, owners are expected to treat staff and volunteers with respect and consideration.

In closing, GM noted we must all work together to keep Sunriver an outstanding community that continues to live up to our Mission Statement.

### **OWNERS FORUM**

Cindy McCabe, 13 River Village Condo, thanked the Board for the improvements and support regarding the recent improvements to Mary McCallum Park. Ms. McCabe also thanked Public Works Director Mark Smith and his team for all their assistance in making the annual owner's picnic in July a success.

Sue Patterson, 5 Loon Lane, appreciates all the endeavors pursued regarding the recycle center. Ms. Patterson questioned why the issue became so divisive and what has been learned moving forward on projects that require approval from the owners. Director Murray noted one thing that seemed to be a real sticking point for a lot of owners was the fact that the recycle center is, and always has been, a facility open to more than just the owners in Sunriver. Residents and guests from Caldera, Crosswater, and other neighborhoods outside the confines of Sunriver have always been allowed to use the facility. GM Lewis added that prior to this being forwarded to the owners for a vote, there was a taskforce made up of owners on both sides of the measure that did not hold back in voicing their opinions. Cost, eligibility for use, side-yard recycling options, etc. were all debated and discussed at length but at present we do not know why owners voted the way they did however, that's something that could possibly be addressed by surveying the owners at some point in the future. Director Pederson, who was a member of that taskforce, noted that as things stand now, we will just continue with the recycle center we currently have with some possible minor modifications. The location is not ideal with large pieces of public works and fire equipment entering and exiting that location on a frequent basis. Some fencing and gates will most likely be added in the future to create a safer experience for users of the recycle facility as well as public works staff.

Scott Hartung, 1 Lost Lane complimented the SROA staff for their efforts and response to questions and or issues especially over the past 18 months. Mr. Hartung also questioned if there is a review planned of the effects, positive, negative, or otherwise that COVID-19 has had on the governance of Sunriver. Director Pederson noted the Board has been thinking about and reacting to COVID-19 related issues every month for the past 18 months, so it is not as if they are not talking about and discussing the effects the pandemic is having on a constant and regular basis. Many adjustments have been made in the way SROA operates to accommodate owners to the best ability possible throughout the pandemic. GM Lewis added that throughout the pandemic a COVID-19 taskforce that included representatives from fire and police met on a regular basis to ensure SROA and the SSD were complying with all mandates and instructions, and we have continued to evolve as things have changed. GM Lewis offered to meet with Mr. Hartung to further discuss his concerns.

Sue Black, 44 Red Cedar Lane spoke to violations she sees in the community such as log fortresses, hammocks, etc. and wonders if staff looks for violations or if they are only acted on when an owner calls something in. GM Lewis noted the Community Development department was down an employee for several months and that coupled with the significant uptick in the number of owners doing projects on their homes has resulted in a backlog of some of these type items but SROA staff are on the lookout for these type violations and do not just rely on violations called in by owners. Additionally, regarding



hammocks, lots of times the offender is a vacationer and by the time the issue is investigated, and the owner is notified, the renter has left, and the hammock is gone. The department will continue to work on these proactive measures as time and staff allow. Also being considered is dropping the number of cords of wood allowed per owner from five down to two or three as fewer owners heat their homes entirely with wood and that would significantly cut down on the amount of wood and potential fire hazards on a given property.

Roger Ervin, 16 Mugho Lane, complimented the Board for their focus on telecommunications infrastructure. Mr. Ervin feels this has one of the biggest impacts on home values in Sunriver now and going forward. He urged the Board to move quickly and deliberately to address it. Mr. Ervin noted he worked from home in Sunriver for several years and the internet was bad then and is even worse now. This really hampers the ability for someone to work from home in an expeditious manner. Mr. Ervin does not support continuing with Bend Broadband and very much supports a fiber to the home option with the owners owning the system.

Chuck Walker, 26 Tokatee Lane, questioned the operating hours and length of season at the Member Pool. He would like to see that pool kept open later in the year for permanent residents that would like to continue to use the facility. GM Lewis responded that the Member Pool was closed when he started working here and just opened in June, so his history is simply that's how it's historically been done but it primarily has to do with staffing. Finding lifeguards has been a real challenge this year and as most of the lifeguards we do have are students they go back to school after Labor Day. While we must have lifeguards at SHARC consideration could be given to having the Member Pool open without a lifeguard on duty in the future.

President Mobley thanked those in attendance both in person and via the live stream for taking part in today's meeting.

Meeting adjourned at 2:50 p.m.

The Annual Meeting is available for viewing on You Tube > sroa admin > SROA Annual Meeting, August 21, 2021, or on the SROA website > [www.sunriverowners.org](http://www.sunriverowners.org) > Owners > Board, Committee & Minutes > Annual Meeting.

Respectfully submitted,

Jackie Schmid, Secretary