

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
September 18, 2021**

DIRECTORS PRESENT: Keith Mobley, Mike Gocke, Mark Murray, Gerhard Beenen, Clark Pederson, Bill Burke, Scott Gillies, Tony De Alicante & Paul Coughlin

STAFF: James Lewis, Jesus Mendoza & Susan Berger

The Board of Directors meeting was called to order at 9:00 A.M.

NUMBER OF ATTENDEES: 4

OWNERS FORUM: Randy Schneider, 6 Dixie Mtn Lane, commended the Board on their decision last month to mandate that SROA employees must either receive the COVID-19 vaccine or be granted a religious or medical exemption. Based on the average age of residents in the community as well as the vast array of people that staff can come in contact with, he feels this is a wise decision on the Board's part. Additionally, he volunteered his services for any departments caught short-handed as a result of resignations due to the mandatory vaccine requirement.

Kelli Baker, 12 Elk Lane, spoke in opposition to the mandated policy requiring SROA employees get vaccinated against COVID-19. She is upset that SROA has required a medical procedure of its employees and discussed instances of vaccinated individuals getting COVID-19 despite being vaccinated and of unvaccinated individuals who got COVID-19 and fully recovered. She also conveyed instances of some receiving the vaccine that have had adverse reactions.

OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS

GM Lewis reported a letter was read into the record from Shelly Lindsey, 5 Wolf Lane, expressing concern that the ballot measures in the recent election were listed in reverse order on the ballot than they were in the voter's pamphlet which has been noted for future.

A second letter was from Paul Conte, 8 McKenzie Lane, urging the Board to require SROA employees to be vaccinated considering the recent week-long closure at SHARC due to employees contracting the COVID-19 virus.

T.J. Lindbloom, 17 Juniper Lane, spoke to the Board about his desire to see a pond dedicated to or that allows dog swimming and training. In regard to using the ponds on the golf courses, Mr. Lindbloom was directed to the Resort who owns those properties.

RECAP OF 9/17/21 BOARD WORK SESSION

President Mobley reported the Board met for most of the day on Friday and heard an extensive and informative presentation from Sunriver Service District representatives regarding their desire to remodel the existing fire station.

SROA staff provided an educational and informative presentation on their 2022-2024 budget challenges and opportunities. The Board posed many questions and asked for numerous points of clarification. The Board commended the staff on a job well done.

The Board heard an update on recreation statistics, an update from the Telecommunications taskforce, clarification on the process for removing a committee member and an update on the mandatory vaccine policy for SROA employees.

BOARD ACTION
BOARD MEETING MINUTES

Director Beenen moved to approve the minutes of the August 20, 2021 Board Work Session minutes as corrected. Seconded by Director Gocke, motion passed unanimously.

Director Pederson moved to approve the minutes of the August 21, 2021, Regular Board meeting minutes as corrected. Seconded by Director Burke, motion passed unanimously.

Director Pederson moved to approve the minutes of the August 21, 2021, Annual Meeting minutes as corrected. Seconded by Director Beenen, motion passed unanimously.

BOARD ACTION
FINANCIALS

Treasurer Beenen noted both the Recreation Plus Program (RPP) and the Member Preference Program (MPP) have exceeded their projected budgets with the RPP at 103% and MPP at 113%. Treasurer Beenen thanked staff for their efforts in reaching these amounts. The un-consolidation of two lots in Sunriver resulted in \$64,156 in unbudgeted revenue and due to the diligent work of staff, department expenses are \$629,000 better than budget which has been very helpful.

While currently running at a negative of \$80,017 we are still better than budget by \$678,586. The budget calls for an approximate \$800,000 deficit by year-end but we are doing much better than that and Controller Joe Healy currently estimates we will end the year with a \$200,000-\$300,000 deficit.

President Mobley took a moment to recognize the level of skill and talent possessed by the Finance Committee members and expressed his appreciation for their contributions to SROA.

For the month ended August 31, 2021, there was a net operating surplus of \$15,221 which was \$192,134 better than budget. Operating revenues were over budget by \$61,030. This is mainly due to a un-consolidation of a lot which brought in \$64,156 in back maintenance fees and interest charges. When a lot is unconsolidated the owner must pay the back maintenance fees from the date of consolidation plus interest of 9% per year. Salaries and burden were under budget by a combined \$88,896 mainly due to savings in part-time labor in the recreation department at SHARC, tennis/pickleball and the Member Pool. Materials and services were under budget by \$55,385 due to savings in contracted services, collection of legal fees from delinquent accounts and timing of invoices.

Through the first eight months of 2021, there was a net operating deficit of \$80,017 which was \$678,586 better than budget. Operating revenues were over budget by \$106,799 as a result of MPP and RPP sales and the above-mentioned unconsolidated lot. As of August 31, 2021, MPP and RPP sales were at 112.8% and 103.4% of their respective annual budgets. Salaries and burden were under budget by \$309,227 due to savings in part-time labor and open full-time positions during the first half of the year. Material and services were under budget \$320,307 year-to-date from the SHARC closure, departmental savings, and timing of invoices/contract services. This positive variance in materials and services should continue throughout 2021.

There was a combined operating and non-operating surplus of \$1,414,999 through the first eight months of 2021.

Total assets as of August 31, 2021, were \$34,234,011. Cash and investments totaled \$12,293,003., a decrease of \$263,732 from July. As of August 31, 2021, investments included \$7,198,448 in short-term US treasuries of one year or less, \$1,250,000 in a two-year treasury, and \$2,250,166 invested in the CDARS program. Maintenance fund receivables decreased by \$22,395 due to three accounts in collections that were paid in full. The third and final payments from the Recreation Plus Program were received in August. Construction in progress items included pickleball court conversion and server replacement.

The final payment for the Member Pool construction will be made in September and placed into service.

August 31, 2021 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$7,307,666
TOTAL EXPENSES	\$7,387,683
OPERATING FUND SURPLUS	\$ (80,017)

Director Pederson moved to approve the unaudited August 2021 financial statements. Seconded by Director Murray, motion passed unanimously.

GENERAL MANAGER'S REPORT

GM Lewis reported this recap is for activities in August.

GM Lewis continues to participate as a member of the Central Oregon Intergovernmental Council Board of Directors and recently met with Executive Director Tammy Baney and Community Development Director Scott Aycock regarding possible grant assistance for the Sunriver Service District (SDD). They agreed to do some research on the matter.

GM Lewis continued phone and letter correspondence with McKenzie Architects regarding the Oregon DEQ penalties from the Member Pool for an unneeded permit and responsibilities for costs. This may culminate in a decision to enter mediation.

As a member of the Telecommunications Taskforce, GM Lewis submitted a letter to the Deschutes County Commissioners on behalf of the Association requesting American Rescue Plan Act (ARPA) funds to explore and study the feasibility of SROA building their own system to provide fiber to the home. The response received to the request was that ARPA funds might not be the best source of funds due to some apparent restrictions on how those funds can be distributed. It was suggested by one of the commissioners that Transient Room Tax (TRT) dollars or general funds be requested instead, so a new letter has been sent doing just that. A response had not been received in time for this meeting.

All the necessary easements are in place for the Fir Cone drainage project which will commence shortly after the Woodlands Golf Course closes for the season in October.

GM Lewis continued to monitor the reports and use of the Incident Reporting Database for nuisance properties. The Rules Education Taskforce will be regrouping in the near future to review how things went over the summer with some of the new methods employed to educate visitors to Sunriver about the rules and regulations that apply to them.

In the Accounting Department, budget packets and instructions were delivered to all department heads. Staff processed 25 property transfers putting the total number of properties that have changed hands this year over 300. A new accounting clerk, Lawrie Dieckhoff, has been hired and will start training soon. The IT Department assisted the Election Committee in getting set up to enter all ballots received during this year's election into the system.

IT staff worked with SROA staff to change some email passwords that may have been compromised due to bad/spam emails.

IT staff members worked with Public Works staff on getting the fiber installed between the Admin building and Fort Rock Park and with the Police Department on tweaking the incident reporting tool.

IT staff also assisted in updating owner information and printed the new RV space ID cards and addressed the vandalism at the River Access gate.

Department Director Brad Olson created an RFP for Fiber to the Home design specifications with proposals due back by September 10th.

In the Communications Department, Scene advertising was at \$17,358; previous year was \$16,336.

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 156 reads of the online August Scene including two from South Korea and one from Canada.

The SROA website was visited by 10,000 users in August with the most popular pages being for weather, member pool, tennis & pickleball and job opportunities.

The SHARC website was visited by 15,000 users with the most popular pages being for swim sessions, aquatic hours, outdoor aquatics and plan your visit.

Sunriver Style was visited by 2,900 users with the most popular searches being for pathways, river, weather, and horseback rides.

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

Erin Mohr has been hired to replace Linda Donahue who relocated to Baker City. Erin and Susan are working on an update to the Owner Guide/Directory, creating signage for Recreation's COVID closure and are working on the 2022 budget.

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

There are currently 365 active projects/building permits, consistent with the previous month. The leveling off of active permits is typical for this time of year. There has been a continued push for final inspections as projects have been completed and as the end of the construction season approaches.

The Department is actively advertising for the Compliance Officer and Design Review Planner positions. One was already an open position, and one was lost due to a recent staff member resignation.

Community Development Department staff assisted the consultant for the Design Manual update by preparing a list of identified problems with the current processes that have been noted.

In the Natural Resources Department, staff is happy to report the 2021 Virtual War on Weeds was a great success with over 55 volunteers participating and over 150 bags of noxious weeds being collected throughout Sunriver. A huge thank you to everyone who participated in this ongoing effort to keep noxious weeds under control in the community.

Staff sprayed and pulled noxious weeds on commons.

Ladder fuels reduction efforts on commons are underway and will continue into the fall months.

Staff performed site visits regarding noxious weeds and tree removal requests on private property.

Staff continued bullfrog monitoring.

The Public Works crews completed the new courts at Fort Rock Park on time and on budget. SROA now has 15 new and 3 resurfaced Pickleball courts for a total of 18.

A new drinking fountain and bike racks were installed at the Fort Rock tennis courts.

Signage near Aspen Lake regarding a restoration area was installed.

Trees and stumps were removed at Mary McCallum Park in anticipation of the new walking only pathway.

The walkway on Cardinal Landing Bridge has been painted and sealed.

Staff helped Midstate Electric with a road closure for a vault replacement and installed rail fencing at the Abbot tunnel.

A schedule for fall road projects has been developed.

Fleet Services staff made several repairs on SSD vehicles.

The Recreation Department experienced a several days closure at SHARC due to a COVID-19 outbreak among staff. That was followed by a filter for the indoor pool going out forcing the indoor pool to be closed, which did provide the opportunity to perform the yearly maintenance for the pool earlier than normal eliminating an additional closure later in the season.

The outdoor pool schedule was adjusted to three, two-hour sessions to accommodate more people throughout the day and to address ongoing lifeguard shortages. Participation ranged from 735 to 1,766 people per day.

Two Sunriver Music Festival Concerts, one wedding and one wedding reception were all held at SHARC in August as was the SROA Annual Meeting.

A partial restructuring of the Recreation Department is being introduced. A Facilities Division is being created within Public Works to oversee all facilities in SROA, including the pools. This will involve three staff members being placed into this division, with their primary focus still being aquatics.

Three more shade structures were added at the Member Pool due to feedback from owners. A lifeguard class was held, and two lifeguards were certified. Three lifeguards tendered their resignations due to the COVID-19 vaccine mandate.

Interviews for the Events Manager position were held, and we are still looking.

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 as the Board heard yesterday via the SSD's presentation, the SSD Board is clearly focused at present on their goal of a new facility.

The Police Department faces ongoing challenges in keeping staff. They recently lost two officers to Deschutes County. This is not a new problem but is a frustrating one, nevertheless. Officers often leave due to more opportunities, more chance for advancement, etc. that are inherent with a bigger department/operation.

The number of citations issued by the Police Department this year so far stands 67 versus 46 last year. 32 of those were for parking violations, illustrating the No Parking rule added this year as well as the police department responding to the Association's request to pursue these violations more actively are having the desired effect.

Director Beenen also noted that Police Chief Darling has found the incident reporting tool to be a great help for the department in being able to address issues that come up as well as a way to connect with more owners than they were able to in the past. Owners seem very appreciative of the efforts based on the feedback Chief Darling and his staff have received. In answer to a question posed as to how many properties responded to the initial request for emergency contact information, GM Lewis responded he believes it to be about half of the ownership. He added that he believes we should send it out to all owners again this fall just as a reminder to the ones who have not responded.

Fire Chief Moor reported the number of ambulance transports was down significantly this summer.

The approved minutes of the July 15, 2021, meeting are included in the board binders.

BOARD ACTION

COMMITTEE APPOINTMENTS/RESIGNATION

Director Murray moved to approve the roster of names as presented for committee appointments, end-of-term departures, resignations, and removals. Further move to thank these individuals for their service to the community. Seconded by Director Burke, motion passed unanimously.

BOARD ACTION

RESOLUTION 2021-003 – RECOMMENDATION TO SSD MANAGING BOARD POSITION #1

Director Beenen moved approval of Resolution 2021-003 to the Deschutes County Commissioners recommending Tony De Alicante fill the remaining term of Position 1 of the Sunriver Service District Managing Board, vacated by Jackie Schmid, with the current term ending August 31, 2023. Seconded by Director Pederson, motion passed unanimously.

BOARD ACTION

RESOLUTION 2021-004 – AUTHORIZING BOARD SIGNATORIES

Director Murray moved to approve Resolution 2021-004 authorizing designated signatories for the Association accounts. Seconded by Director De Alicante, motion passed unanimously.

BOARD ACTION

3% DISCOUNT FOR FULL PAYMENT OF 2022 SROA MAINTENANCE FEES

Director De Alicante moved to approve a 3% discount to owners who pay their regular maintenance fees, excluding special purpose assessments, in full by January 25, 2022. Seconded by Director Gocke.

Director Beenen moved to table the motion until the October Board meeting. Died for lack of a second.

Call for the question on the original motion, motion passed unanimously.

BOARD ACTION

APPROVAL OF AMENDMENTS TO CONSOLIDATED PLAN 2015

Director Pederson moved to approve the certification and recording of the August 8, 2015, voter approved amendments to the Consolidated Plan, Sections 7.06 and 7.09. Seconded by Director Burke, motion passed unanimously.

BOARD ACTION

APPROVAL OF AMENDMENTS TO CONSOLIDATED PLAN 2021

Director Pederson moved to approve the certification and recording of the August 14, 2021, voter approved amendments to the Consolidated Plan, Section 8.05. Seconded by Director De Alicante, motion passed unanimously.

There being no other business, President Mobley asked for a motion to adjourn to Executive Session.

Director Murray moved to recess the public meeting and adjourn into Executive Session under the authority given in the Sunriver Bylaws, Article IV, Section 10 to discuss contractual, personnel and legal matters that may be subject to a claim of privilege. Seconded by Director Beenen, motion passed unanimously.

The public meeting recessed at 10:55 A.M.

The executive session adjourned at 12:12 P.M.

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

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

The meeting adjourned at 12:13 P.M.

Respectfully Submitted,

Mark Murray, SROA Secretary