

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
November 20, 2021**

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

STAFF: James Lewis, Susan Berger & Jesus Mendoza

The Board of Directors meeting was called to order at 9:05 A.M.

NUMBER OF ATTENDEES: 1

OWNERS FORUM: Pat Hensley, 5 Vista Lane thanked the Board for conducting their meetings both live and virtually via You Tube, stating the You Tube presentation makes the meeting accessible and more understandable to owners. She appreciated the screen sharing of materials presented at the meeting as they add to the discussion on those topics.

OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS

GM Lewis reported Kelli & George Baker, 12 Elk Lane spoke in opposition to the SROA policy requiring all SROA employees to receive the COVID-19 vaccine. Mr. Baker spoke to the extensive requirement for testing products used in food and his belief that the vaccine needs the same testing.

Bob Stillson, 10 Belknap Lane spoke in support of the mandatory COVID-19 vaccine policy for employees noting that he believes that there is much support from the Sunriver community.

GM Lewis read into the record a letter from Paul Conte, 8 McKenzie Lane regarding the LED streetlights and the dark sky provisions.

RECAP OF 11/19/21 BOARD WORK SESSION

President Mobley reported the Board received an update on recreation statistics from Assistant GM Kessarlis and an update on the efforts for the Telecommunications Taskforce from Director Beenen. Controller Healy and GM Lewis led the Board through a review of the proposed 2022 budget and maintenance fees for 2022.

Assistant GM Kessarlis provided an update on the proposed fees for services for 2022 and Public Works Director Mark Smith provided an overview of the updated Pathway Master Plan that will be posted on the SROA website, www.sunriverowners.org > Owners > Capital & Reserve Projects > Pathway Master Plan for owners to view and comment on.

GM Lewis provided an update on the recently held Rules Enforcement meeting between SROA and the SSD as well as the proposed changes to the management agreement between SROA, the SSD and Deschutes County.

An executive session was held to discuss a legal matter.

BOARD ACTION
BOARD MEETING MINUTES

Director Gocke moved to approve the minutes of the October 15, 2021, Board Work Session minutes as corrected. Seconded by Director Beenen, motion passed unanimously.

Director Pederson moved to approve the minutes of the October 16, 2021, Regular Board meeting minutes as corrected. Seconded by Director Beenen, motion passed unanimously.

BOARD ACTION
FINANCIALS

Treasurer Beenen reported total revenue for the month of October was \$53,444 better than budget. Member Preference Program (MPP) cards and the RPP (Recreation Plus Program) account for some of that surplus as well as event revenue and owner directory ad sales. Department expenses came in \$4216 under budget and non-department expenses were over budget by \$36,910 mostly related to insurance expenses. This resulted in an operating surplus to plan of just under \$21,000. Year to date the overall deficit is \$50,638 which is significantly below the projections of \$90-\$100k as recently as a couple months ago. Director Beenen noted there are a number of expenses that will still come in before the end of the year that will alter that number some, but we should still end the year better than originally projected. On the non-operating side, we are currently \$52,485 better than budget through the end of October. Director Beenen acknowledged the hard work of GM Lewis and his team in holding down expenses over the past ten months.

For the month ended October 31, 2021, there was a net operating deficit of \$35,350 which was \$20,750 better than budget. Operating revenues were over budget by \$53,444 due to MPP and RPP sales, owner directory ad sales, Scene ads and event revenue. Salaries and burden were under budget by a combined \$31,247 mainly due to open full-time positions and part-time labor savings at SHARC. Materials and services were over budget by \$27,031 due to a long month-end close.

Through the first ten months of 2021, there was a net operating deficit of \$50,638 which was \$819,196 better than budget. Operating revenues were over budget by \$191,035 as a result of MPP and RPP sales, a lot unconsolidation, compliance fines and Scene revenue. As of October 31st, MPP and RPP sales were at 114.7% and 103.6% of their respective annual budgets. Salaries and burden were under budget by \$375,112 due to savings in part-time labor, open full-time positions and a SAIF dividend. Material and services were under budget by \$357,257 year-to-date primarily due to the SHARC closure and limited day/hours of operations, and contract services for database and GIS consultants. This positive variance in materials and services should continue throughout the final quarter of 2021. There was a combined \$471,622 spent on asphalt and ladder fuels reduction projects in October.

There was a combined operating and non-operating surplus of \$1,232,391 through the first ten months of 2021.

Total assets as of October 31, 2021, were \$32,667,845. Cash and investments totaled \$10,431,895, a decrease of \$1,175,903 from September. As of October 31, 2021, investments included \$6,694,108 in short-term US Treasuries of one year or less, \$1,250,000 in a two-year treasury, and \$1,000,000 invested in the CDARS program. Construction in progress included the purchase of a new Bobcat and replacement gate at the river access due to vandalism. Prepaid insurance increased by \$373,110 due to the annual payment of property and liability insurance.

October 31, 2021 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$9,152,741
TOTAL EXPENSES	\$9,203,379
OPERATING FUND SURPLUS	\$ (50,638)

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

GENERAL MANAGER'S REPORT

GM Lewis reported this recap is for activities in October.

GM Lewis continues his participation via monthly meetings with the Central Oregon Intergovernmental Council (COIC) Board of Directors and Sunriver/Lapine Economic Development (SLED.)

GM Lewis continued to address the mandatory COVID-19 vaccination policy in October. One employee was terminated, and two others resigned. We have backfilled all of those positions as of this week and are getting back up to speed.

GM Lewis continues to work with SROA legal counsel regarding a number of items.

GM Lewis continues to attend and participate in the regular monthly meetings of the Owner Enrichment, Finance, and Covenants committees as well as the Telecommunications Taskforce.

GM Lewis continued to work with the SSD Board members and facility siting taskforce regarding their facility site analysis including a purchase option agreement.

GM Lewis continued participation with the consultant for the update of the Design Manual of Rules & Procedures. The first draft from the consultant has been received and is being reviewed by the members of the taskforce. The taskforce has another meeting scheduled for next week. GM Lewis anticipates having the consultants report back by the end of December at which time staff and the taskforce will review it a final time prior to it coming to the Board for consideration in early 2022.

The Fir Cone Lane project is moving along nicely and is slated to be done the first week of December.

GM Lewis continued dialogue with the Resort regarding the dredging of the lagoon/river access at the SROA Boat Launch and SRLP marina. GM Lewis anticipates it will be fall of 2022 when the work occurs due to the necessary permitting and desire to not interrupt summer operations.

As has been previously mentioned in the Telecommunications report yesterday, we have contracted with Danellea Engineering to do a feasibility analysis, preliminary design, and cost analysis for a fiber to the home system in Sunriver and that work is occurring as we speak.

GM Lewis continues to work with SROA Lobbyist Michael Selvaggio regarding next steps to forming a contingent of Central Oregon owners associations.

In the Accounting Department, Controller Healy has been busy preparing the 2022 operating and reserve budget drafts of different scenarios for the Finance Committee. The work has begun on the annual maintenance fee coupon preparation process.

Controller Healy continued work on the Sunriver Service District annual audit and continued training of a new accounting clerk.

The IT Department restored and recovered day old files. They loaded the new server with previous hookup. I.T. modified backup programs for capturing files on the file server.

Telephone server analog lines were repaired.

Department Director Brad Olson continues to participate on the Telecommunications Taskforce and prepared an addendum to the previous fiber to the home RFP to reduce the scope of work.

Mr. Olson also recently attended the Oregon Connection Conference in Southern Oregon.

The GIS operational license for staff has been ordered along with a receiver for sub-foot measurement capabilities.

IT staff assisted as needed in the fiber install in late October to the Member Pool.

IT staff assisted the Accounting Department in the coupon printing for the annual maintenance fee coupons.

In the Communications Department, Scene advertising was at \$22,562; previous year was \$19,533. An additional \$7,400 in revenue was generated via advertising purchases for the upcoming owner directory.

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 393 reads of the online September Scene including readers from Italy, France, Philippines, Mexico, South Korea, and Singapore.

The SROA website was visited by 5,900 users in October with the most popular pages being for weather, tree flagging, job opportunities, contact staff and member preference program.

The SHARC website was visited by 4,500 users with the most popular pages being for indoor aquatics, swim sessions, aquatic hours, and admission rates.

Social media and/or website messaging included information about the SSD community forums regarding their proposed new fire/police facility, what can/can't be recycled, prescribed burns around Sunriver and available job openings.

Additional projects for Scene staff included updating the Recreation Plus Program poster for vacation rental homes, updating the member benefits brochure for 2022 and updating the firewood permit and ordering load tags for 2022.

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

There are currently 370 active projects/building permits, up slightly from the previous month due to projects being started after the "rental season" concluded but prior to winter weather which is typical for this time of year. The push continued for final inspections as projects have been completed and as the end

of the construction season approaches. This has been accelerated over the past month due to the backfilling of the two vacant staff positions (Planner and Compliance Officer).

The department continues to issue compliance letters for design and rule violations and staff participated as necessary to provide background on violations and citations for recently held magistrate hearings.

Training for the new Planner and Compliance Officer continue. Planner Scott Jackson started in September and Compliance Officer Shane Bishop started the first week of October and they are quickly coming up to speed.

Staff continues to participate in the review of the Design Manual of Rules & Procedures as necessary.

In the Natural Resources Department, ladder fuels reduction on commons continues in various locations in Sunriver.

Natural Resources staff have been flagging property lines and marking trees for the 2022 LFR contract.

Annual fall inspections of private properties are complete as is the annual asbestos surficial pick-up on commons and annual asbestos awareness training for field staff. The annual asbestos cap inspection at SHARC has also been completed.

Staff members performed numerous site visits regarding tree removal requests on private property.

The Public Works crews have completed winterization of all landscaped areas, parks and drinking fountains and have removed the windscreens at tennis and pickleball courts with nets still remaining at Meadow, Cottonwood, and the Playground courts. Additionally, the BBQ's have been removed from the parks for the season.

All fall road projects have been completed on time and on budget. All pathways have been swept and the last ladder fuel pickups of the season are done. Ladder fuel pickups will begin again in April of 2022. Shoulder rock has been placed on several road and pathways.

The Fleet Services staff have been switching over to snow operations prep as well as replacing major suspension items on large trucks.

The onboarding of new aquatics staff is in progress including CPO training and winterizing the SHARC and Member Pool.

Several capital reserve replacement projects were completed in October.

Department Director Mark Smith has been instrumental in the Fir Cone drainage project. Mr. Smith has also been developing the new aquatics facilities positions that will now fall under the Public Works Department and completing his 2022 operating and reserve budget.

The Recreation Department saw a fairly consistent October as the number of attendees at SHARC began to drop off.

SHARC did open to a limited number of general public entries, the first time since March of 2020. Recreation and Public Works continue to have monthly meetings to prepare for the mechanical aspects for SROA Aquatics to transfer to Public Works in mid-November with an aquatics team made of up three

staff members, a lead, and a manager.

Steven Stanfield resigned as Director of Recreation near the end of October as a result of the mandatory COVID-19 vaccine policy but not before he contracted the virus and was out for twelve days. SHARC's Aquatic Manager also contracted COVID-19 and had to be admitted to the hospital resulting in an approximate 14-day absence from work.

Camille Collard has been hired as the new Events Manager at SHARC. She started in late October and brings with her a fresh and energetic attitude to the recreation team. Ms. Collard is already hard at work booking events for owners and guests for 2022.

A Lifeguard Instructors class was held for six of our SHARC aquatic employees. We now have six that are Red Cross certified to teach potential lifeguards and certify new lifeguard instructors.

The Church of God held their annual eight-day event at SHARC in October. This is the fifth time the group has utilized Benham Hall for their annual retreat.

Staff is amending and updating MPP and RPP documents for the 2022 enrollment season, which begins on December 15th.

Staff started to place large and multiple swimsuit orders for 2022 which saves SROA 10-15% on the orders received prior to January 1, 2022 and increases our chances of receiving the merchandise in time for next year's summer season.

Cross training on how to conduct monthly retail inventory is underway for two Guest Services staff members.

Holiday operating hours have been finalized and posted on the SHARC Website; www.sunriversharc.com.

Repairs to and prep of the Tubing Hill is underway for the upcoming winter tubing season.

Staffing levels were challenged in October due to COVID-19 related issues. Three staff members resigned due to the mandate and three others were unable to work due to contracting the virus. Assistant GM Keith Kessarar stepped into the interim role as Recreation Director and will remain in that capacity, alongside his other duties, through December 31, 2021. GM Lewis thanked Mr. Kessarar for his hard work and willingness to add more to his schedule. He's done a great job and we are fortunate to have him on staff.

Former SROA Recreation Director Leigh Anne Dennis applied for and has been hired as the new SROA Recreation Director who will begin her employment with SROA on January 3, 2022.

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.

President Mobley expressed his thanks and appreciation to all committee and taskforce members for their involvement and work on behalf of SROA.

Director Burke mentioned the OEC is working on a logo for their committee and Susan Berger is

assisting in that effort.

Director Gillies commented on the next Town Hall event in February and said he has received some comments that owners would like to see additional Board members take part in future events, so they have a chance to get to know them better.

SUNRIVER SERVICE DISTRICT (SSD) REPORT

Director Beenen reported the main focus at current for the SSD is their proposed new facility. They did a presentation at the SSD Managing Board meeting on Thursday that was very well done and provided lots of helpful information about the current deficiencies of the existing structures. They are trying to engage the community and there was a good discussion and lots of good questions.

There are still a lot of unknowns including what kind of funding they might receive from Deschutes County which will have a huge impact on whether the District can go forward or not. Director Pederson noted how informative these sessions are and encouraged the other Board members to attend one of the sessions that will be offered in the coming weeks and months. Director Gillies added there will be a Sunriver You session on December 7th where the SSD will make their presentation and he too encourages the rest of the Board to watch either on the 7th or at a time when it's convenient for them on You Tube.

Director Beenen also noted that starting in early December, they will be offering tours of both the fire and police departments to owners interested in seeing their current facilities. You can reserve a spot on their website, www.sunriversd.org by scrolling down the main page to the facilities tour link.

The Emergency Operations Plan was discussed, and Police Chief Darling and Fire Chief Moor walked the SSD Board through how that plan works including what the Managing Board's role might be in the event of an emergency and how things would be coordinated. This was done as a training effort to ensure the Managing Board is up to speed on their roles and responsibilities and how the emergency operations will work.

Police Chief Darling reported his department is now fully staffed which is the first time since the chief began working in Sunriver. While the Fire Department is also currently fully staffed, they are short on reserves and Chief Moor would like to fill those positions. Chief Moor also noted that the La Pine Fire Department recently lost several employees due to them taking positions in other towns or cities which may necessitate our crews having to provide more backup to south county.

The approved minutes of the September 16, 2021, meeting are included in the board binders.

BOARD ACTION

COMMITTEE APPOINTMENTS/RESIGNATION

Director Pederson moved approval of the appointments of Paul Ash and Susan Jain to the Owner Enrichment Committee and further moved approval of the change in committee status for Design Committee member, Mary Fister from full-time member to alternate member. Seconded by Director Beenen, motion passed unanimously.

BOARD ACTION

2022 OPERATING BUDGET

Director Beenen moved approval of the SROA 2022 Operating Budget as submitted by staff and as recommended by the SROA Finance Committee. Seconded by Director Murray, motion passed unanimously.

BOARD ACTION
2022 SROA MAINTENANCE FEES

Director Beenen moved approval of the 2022 Maintenance Fund Assessment of \$148.54 per month, an increase of 6% or \$8.41 per property per month. Further move to approve a discount of \$53.48 resulting in an annual payment of \$1729.00 to owners who pay their regular maintenance fees, excluding special purpose assessment, in full by the 25th of January 2022. Seconded by Director De Alicante, motion passed unanimously.

BOARD ACTION
2022 SKYPARK ASSESSMENT

Director Beenen moved approval of the 2022 Skypark Fund assessment of \$64.25 per month, an increase of 6% or \$3.64 per property per month. Seconded by Director Pederson, motion passed unanimously.

BOARD ACTION
2022 FEES FOR SERVICES

Director Pederson moved approval of the fees for services and goods provided by SROA for the 2022 calendar year as submitted by staff. Seconded by Director Murray.

Discussion was held on the fact that the Member Preference Program (MPP) card is a great deal at the existing \$55 per year or approximately 15 cents per day. Some felt the proposed \$60 per year was not enough of an increase and that we should consider increasing the yearly cost of that card to \$70 per year

Director Gocke moved to amend the motion to raise the Member Preference Card to \$70 per year. Seconded by Director De Alicante.

Further discussion centered around the fact that some board members felt that too much of an increase will perhaps discourage the household that currently purchases two cards to purchasing only one card and utilizing the 20 free guest passes for their spouse. Others feel that at \$70 while it would remain a very good deal for someone who lives here fulltime, the same may not be true for a non-resident owner who only uses their property occasionally. Others feel that the focus should be on selling more MPP cards overall rather than increasing the rate for those who already have them.

Call for the question on the amended motion: motion failed with 1 yay vote and 8 nay votes.

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

BOARD ACTION
CONSENT TO TRANSFER LEGAL TO BEST, BEST & KREIGER LLP

Director Beenan moved approval of the consent to transfer SROA legal work, including client files, to Best, Best & Kreiger effective January 1, 2022, and further move approval for the SROA President to sign the transfer on behalf of SROA. Seconded by Director De Alicante, motion passed unanimously.

BOARD ACTION
SROA/SSD/DESCHUTES COUNTY MANAGEMENT AGREEMENT

Director Murray moved approval of the proposed revisions to the Management Agreement between SROA, the SSD and Deschutes County as presented and further move approval for the SROA President to sign the agreement on behalf of SROA. Seconded by Director Beenen, motion passed unanimously.

OTHER BUSINESS

Director De Alicante commented on the former Mavericks facility noting it is his understanding that the Sunriver Christian Fellowship is purchasing part of the facility sans the part that has the indoor swimming

pool and flow rider. He wondered about the feasibility/possibility of SROA purchasing that part of the facility. As a swimmer he knows how crowded SHARC can get, and his understanding is that the pool at Mavericks a six-lane lap pool and something that might be beneficial to our owners.

Director's Murray & Gocke explained that SROA has considered this more than once in the past and it has been rejected each time. One of the major hurdles currently would be that the facility would have to undergo major changes to come up to code and become a public facility again. While board members were open to new knowledge, a full analysis was done back in 2013/14 when the property was last for sale and at that time it would not have been advantageous for SROA to pursue it.

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 11:18 A.M.

Respectfully Submitted,

Mark Murray, SROA Secretary