

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

DIRECTORS PRESENT: Keith Mobley, Mike Gocke, Clark Pederson, Bill Burke, Scott Gillies, & Paul Coughlin

DIRECTORS ABSENT: Mark Murray, Gerhard Beenen and Tony De Alicante

STAFF: James Lewis, Susan Berger & Jesus Mendoza

The Board of Directors meeting was called to order at 9:03 A.M.

NUMBER OF ATTENDEES: 1

OWNERS FORUM: Randy Schneider, 6 Dixie Mtn Lane, spoke on three issues. He feels that two cords of wood are enough for on-site owner storage but wonders if an owners wood yard could be created for storage of additional wood for owner use throughout the year; he believes that the RV storage fees should remain reasonable because owners are not permitted to store RV's on their property as can be done in other communities; and he stated he is in opposition to the proposed dog leash requirement on SROA pathways.

OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS

GM Lewis reported Randy Schneider, 6 Dixie Mtn. Lane suggested closing the SROA office for Veterans Day or at least allowing the employees who are veterans to have the day off. Mr. Schneider also commented on the challenges of receiving package deliveries in Sunriver due to the dual address system. GM Lewis reported he spoke with the Deschutes County property address coordinator who reported that is something one needs to take up directly with the post office or delivery company. When the County assigns addresses, it is the five-digit address that is sent to the post office and delivery companies. SROA staff recommends owners include both their two-and five-digit address when ordering something that will be delivered UPS or FedEx. SROA staff is happy to assist owners with their five-digit address if they don't know it.

Ray Johnson, 4 Muir Lane questioned the progress being made with local bike rental companies regarding the need for bike reflectors being added to all bikes for visibility during dark hours. He also inquired what steps are being taken to direct bicyclists and pedestrians to pathways instead of roads. Lastly, he asked the Board to continue to work towards an SROA owned fiber telecommunications system and not re-engaging with Bend Broadband.

Pat Hensley, 5 Vista Lane thanked the Board for conducting their meetings live and virtually via You Tube which makes the meetings accessible to all owners who want to watch. Additionally, she appreciated the screen sharing of the materials presented at that meeting as they add to the discussion on a particular topic.

RECAP OF 12/17/21 BOARD WORK SESSION

President Mobley reported the Board heard a presentation from the sub-committee of the Owner Enrichment Committee regarding the proposed labyrinth they would like to see installed between Circles 2 and 11, a matter that will be re-visited at the January meeting. Natural Resources Director Patti Gentiluomo provided an update on trees on commons, how the ladder fuels programs work along with a

recap of the ladder fuel reduction efforts both in 2021 and going back several years. Ms. Gentiluomo's depth of knowledge is impressive and SROA is fortunate to have her as an employee. Assistant GM Kessarlis provided an update on recreation statistics and a Telecommunications Taskforce update was provided by Director Beenen and GM Lewis.

The Board was provided information on the proposed changes to the SHARC Event Policy agreement which is on the agenda for action today. The Board reviewed and held lengthy discussion on a recommendation from the Covenants Committee to have a first reading to the SR Rules & Regulations that would require dogs to be leashed unless they are on their owners property.

GM Lewis and Public Works Director Mark Smith provided several photos illustrating the mess at the recycle center over the Thanksgiving holiday weekend due to the lack of adequate bins and as the result of an owner filing a complaint with Deschutes County over the number of bins at that site. President Mobley plans to set up a meeting with Mr. Pitera, the owner that filed the complaint, to further discuss the issue.

An executive session was held to discuss a legal matter.

BOARD ACTION
BOARD MEETING MINUTES

Director Gocke moved to approve the minutes of the November 19, 2021, Board Work Session minutes as corrected. Seconded by Director Beenen, motion passed unanimously.

Director Gocke moved to approve the minutes of the November 20, 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 November was \$26,716 better than budget which was driven primarily program revenue that came in \$32,391 better than predicted. Member Preference Program (MPP) cards and the RPP (Recreation Plus Program) account for some of that surplus as well. Department expenses came in \$50,614 over budget and non-department expenses were over budget by \$30,279 related to insurance expenses. Year-to-date the operating budget surplus is at \$764,615 and revenue is less than expenses by \$144,706. Director Beenen reminded the Board that at the end of last year we had a deficit of approximately \$900,000. His most recent discussion with Controller Healy indicates we will finish the year with an approximately \$200-250,000 deficit which is much better than the original \$800,000 deficit that was budgeted for. Director Beenen noted the Association continues to be in strong financial shape.

Year-to-date for the month ended November 30, 2021, there was a net operating deficit of \$144,706 which was \$764,615 better than budget. Operating revenues were over budget by \$217,70 as a result of MPP and RPP sales, a lot unconsolidation, compliance fines and Scene revenue. As of November 30, 2021, MPP and RPP sales were at 114.9% and 103.6% of their respective annual budgets. Salaries and burden were under budget by \$352,360 due to savings in part-time labor, open full-time positions, and a SAIF dividend. Material and services were under budget \$328,992 year-to-date primarily due from the SHARC closure and limited days/hours of operations, and contract service for database and GIS consultants.

There was a combined operating and non-operating surplus of \$1,281,965 through the first eleven months of 2021.

Total assets as of November 30, 2021, were \$32,150,884. Cash and investments totaled \$10,194,738, a decrease of \$236,747 from October. As of November 30, 2021, investments included \$6,382,796 in short-term US Treasuries of one year or less, \$1,250,000 in a two-year treasure, and \$250,000 invested in the CDARS program. In December there was a \$1,500,000 CDARS purchased out of the capital reserve funds. Also in November, SROA received the \$177,000 payment from Sunriver Resort for their share of the Fir Cone Lane drainage project.

November 30, 2021 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$10,040,056
TOTAL EXPENSES	\$10,184,762
OPERATING FUND SURPLUS	\$ (144,706)

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

GENERAL MANAGER'S REPORT

GM Lewis reported this recap is for activities in November.

Staff continues to monitor and respond to both state and county orders regarding COVID-19 requirements for facility capacity, mask requirements and social distancing requirements.

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 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 continues to work with the SSD Board members and facility siting taskforce and met with the SSD Attorney Tami MacLeod about a purchase option agreement for the purchase of the fire station building to house a combined police/fire public services building.

GM Lewis met with new Recreation Director Leigh Anne Dennis, who the Board met last month, about her beginning her employment with SROA in January 2022.

GM Lewis continued participation with the consultant for the update of the Design Manual of Rules & Procedures. The third draft from the consultant is due back right after the new year after which the task force will meet again to review and discuss.

The Fir Cone Lane construction is completed and is a functional drainage system. Landscaping will take place in the spring.

GM Lewis reported the Resort is pursuing permits for the dredging of the lagoon/river access at the SROA Boat Launch and SRLP marina. Their desire is to not interrupt summer operations so the work, once approved, will occur in the fall of 2022 when the water level drops.

The 2022 budget has been finalized and GM Lewis thanked the department heads for their hard work on this budget.

In the Accounting Department, Controller Healy completed preparation of the 2022 operating and reserve budget for both the Finance Committee and Board. Staff began stuffing and mailing out 2022 maintenance fee invoices. Controller Healy finalized work on the Sunriver Service District annual audit. Controller Healy worked with the loss consultant for AIG regarding potential property renewal insurance.

The IT Department terminated the old fiber to the Fort Rock Refreshments building and ran the new fiber between the building to the tennis/pickleball courts.

Department Director Brad Olson worked with the Telecommunications Taskforce engineering contractor (Danella) on RFP details.

Staff worked within the Jonas system on configuring the online payment portal.

IT staff is still receiving and entering emergency contact information for owners in the database and continued working with the Community Development Department on prioritized database issues.

IT staff worked with the Accounting Department on the creation of the 2022 maintenance fee monthly coupons and yearly invoices.

In the Communications Department, Scene advertising was at \$18,562; previous year was \$17,074.

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 235 reads of the online November Scene including readers from the Philippines, Jordan, and the US Virgin Islands.

The SROA website was visited by 5,600 users in November with the most popular pages being for weather, paint colors, maintenance fees, and contact staff.

The SHARC website was visited by 5,800 users with the most popular pages being swim sessions, aquatic hours, and indoor aquatics.

Social media and/or website messaging included information about the holiday hours, prescribed burns, and the SSD community forums regarding their proposed new fire/police facility meetings.

Additional projects for Scene staff included staff evaluations, creating a new page for the Pathway Master Plan update on the SROA website, creating pages for event space at Benham Hall and updating flyers and brochures. Staff continues to create signage relating to changes in COVID-19 requirements and mask wearing requirements.

2022 printed materials were ordered and are starting to arrive (RPP posters, member brochures, firewood tags, guest passes and business cards.) The new Owner Guide should be available any day.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule with multiple items on each agenda – the two November meetings had a total of ten items (combined).

There are currently 300 active projects/building permits, down 70 from the previous month of October due to new staff becoming more familiar with review process and becoming more efficient.

Staff continues to issue compliance letters for design and rule violations, and this has accelerated as the department now has a dedicated compliance officer.

Staff participated in Magistrate Hearings as necessary for background on violations and citations.

Community Development staff also continues to provide assistance with the Design Manual Update by reviewing and commenting on the drafts of the manual prepared by the project consultant.

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

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

Staff has submitted the 2021 Firewise Communities USA application for recertification.

Staff updated the firewood permit system for 2022, continued annual fall inspections of condo and commercial properties and performed site visits regarding tree removal requests on private properties.

The Public Works Department reports there are still nets up at the Cottonwood, Meadow, Playground and Fort Rock courts which will remain as long as weather allows.

Roadside hazards including old tree stumps have been removed and shoulder rock has been placed on several roads and pathways.

Fleet staff have been busy making sure all snowplow equipment is ready to roll should we get snow. Equipment installation has taken place on the new crew-cab pickup and a dump truck received a hydraulic tank replacement.

The ventilation system in the chemical storage room at SHARC was repaired and the overhead door was refurbished. The new staff members are getting up to speed and aquatic and operational procedure training continues.

Department Head Mark Smith completed the 2022 budget for Public Works and Fleet Services.

In Recreation, November attracted over 33% of its patrons for the entire month over the Thanksgiving holiday weekend. Multiple recreation swim sessions sold out over the three-day weekend (3-timed sessions per day).

Assistant GM Keith Kessarlis continues in his role as Interim Recreation Director until new Recreation Director Leigh Anne Dennis starts in January 2022.

The 2022 Fees for Services have been approved by the Board and are being updated in the software systems prior to the official switchover for all recreation activities and events starting January 1, 2022. The one exception to this start date is that MPP & RPP sales will begin on December 14th.

Owners can purchase or update their Member Preference Program (MPP) card in person at SHARC, over

the phone, 541-585-5000 or on the SHARC website, www.sunriversharc.com.

Christl Weaver who was the longtime Member Services Coordinator at SHARC has moved to the front desk at the Administration office but will continue to provide support as needed during the upcoming holiday sales rush of Recreation Plus Programs renewals or purchases.

New Events Manager Camille Collard has been hard at work scheduling event requests from owners and general public for 2022 and some “soft-holds” for 2023. She and Assistant GM Kessarlis have been finalizing dates and preparing for SROA hosted events for 2022 such as Turf Tunes, ticketed concerts and the Uncorked Wine, Cheese & Chocolate event.

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 in general things are working just fine with the SSD. Their big issue at present continues to be the proposed new public safety facility. The SSD Board met in early December with the Deschutes County Commissioners, County legal staff, the treasurer, and the county administrator. The message they took to the Commissioners is that the SSD will contribute \$3 million from its reserve fund and further they are confident they can get a \$5 million capital improvement levy approved by those registered to vote in Deschutes County.

Using the county’s data, it was determined that Sunriver has contributed \$50 million to the Transient Room Tax (TRT) over that past number of years, a fact that was shared at this meeting. This is in addition to the fact that Sunriver owners pay an additional \$5 million per year to have their own police and fire services and the fact that SROA alone has spent roughly \$30 million in recreation related amenities that are available to tourists over the past ten or so years.

The County has \$33 million in federal funds that it is in the process of distributing and of which Sunriver requested a portion. The answer to that request was that Sunriver is not eligible due to the fact that it is unincorporated. Director Beenen commented that all three County Commissioners expressed very high interest in the public safety building and agreed entirely with the points made relative to available support in the form of dollars from the County. GM Lewis agreed and felt there is momentum there and that it was a very good meeting.

The SSD will provide the County Commissioners with a written proposal next month.

The approved minutes of the October 14, 2021, meeting are included in the board binders.

BOARD ACTION

COMMITTEE APPOINTMENTS/RESIGNATION

Director Beenen moved approval of the appointments of Jim Tyvand to the Covenants Committee and Michael Applegate as an alternate member of the Finance Committee. Seconded by Director Coughlin, motion passed unanimously.

BOARD ACTION

1st READING TO SR RULES & REGS – SECTION 3.01 D

The Board held a lengthy discussion on this issue at the Friday work session and feel this is premature

and should not be considered until there is a dedicated dog park for owners and guests to let their pet run off leash. Additionally, as a number of the Board members are absent today, the Board feels it would be better to defer this item to the January 2022 meeting to allow for more discussion.

BOARD ACTION
SHARC EVENT POLICY

Director Beenen moved approval of the 2022 Official SROA Club/Organized Group Meeting Space Policy and application as presented. Seconded by Director Pederson, motion passed unanimously.

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 10:36 A.M.

Respectfully Submitted,

Bill Burke, Assistant SROA Secretary