

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
FEBRUARY 19, 2022**

DIRECTORS PRESENT: Keith Mobley, Clark Pederson, Bill Burke, Mike Gocke, Mark Murray & Tony De Alicante

DIRECTORS PRESENT VIA ZOOM: Gerhard Beenen & Paul Coughlin

DIRECTORS ABSENT: Scott Gillies

STAFF: James Lewis, Susan Berger & Jesus Mendoza

The Board of Directors meeting was called to order at 9:01 A.M.

NUMBER OF ATTENDEES: 4

OWNERS FORUM: Randy Schneider, 6 Dixie Mountain Lane commented on the Board discussion at the Friday work session concerning the possible addition of Class 2 ebikes on the pathways and noted there are a lot of variables that influence the decision and future use on the pathways if allowed. He noted that conditions will continue to change over time and defining what types of bikes are allowed on the pathways is important. He also believes the word peddled should be added to the language.

OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS

GM Lewis reported there were three distinct areas the Board received input from owners on. Those include the labyrinth proposal, the proposed dog leash rule and the recycle center. Those comments to the Board were for consideration prior to their decision making on those issues and follow-up was not necessary.

RECAP OF 2/18/22 BOARD WORK SESSION

GM Lewis reported the Board heard a presentation from Abby Rowland, Executive Director at the Sunriver Nature Center & Observatory (SNCO) which provided an update on their operations through the pandemic and how they adapted. An update on their expansion project was also provided. She nicely illustrated what an important asset the SNCO is not only to Sunriver but to Central Oregon as a whole.

Assistant GM Kessariss provided an update on recreation statistics and was happy to report that both the Recreation Plus Program (RPP) and Member Preference Program (MPP) sales are ahead of last year and illustrate the commitment from the owners to support those programs.

Director Beenen provided an update on the Telecommunications Task Force reporting that three Town Halls were held in late January and early February. Basically, there will be three options available including SROA building their own fiber to the home network, staying with Bend Broadband (BBB) with a standard service agreement or going to a bulk agreement with BBB where the fees for their service would be added to the SROA monthly maintenance fees. The taskforce anticipates bringing a recommendation to the Board soon.

Public Works Director Mark Smith provided a brief update on the Pathway Master Plan and reported he had received five letters since the information was posted on the website last November providing their

suggestions, comments, and input. This item will come back to the Board for adoption in April, but the only major projects scheduled for this year are the tunnel at Fort Rock Park and the walking path at Mary McCallum Park.

GM Lewis provided an update on the recycling situation and reported the Deschutes County Commissioners are considering whether side-yard recycling should be a subscription or add on option or whether it will be a universal fee to all Cascade Disposal customers in Sunriver. The Commissioners are scheduled to make that decision on February 28th.

The Board held a lengthy discussion on ebikes and whether or not Class 2 ebikes should be included as allowed in the Sunriver Rules & Regulations. If the Board agrees, the item will first go to the Covenants Committee for review and input before coming back to the Board for a first reading. This is on today's agenda for action.

GM Lewis provided the Board with background on Oregon House Bill 2534 relating to discriminatory restrictions in governing documents that he will be working with SROA legal counsel on.

The Board was informed that the Association had received a check from Caldera for the platting of first lots in their expansion area, the Association through our involvement in the Central Oregon Shared Stewardship Landscape Resiliency Project will receive \$371k in grant money for fire fuels reduction this year, the Board was provided with a recap of all the upcoming bookings at SHARC and the need to hire back the Event Coordinator position that was eliminated when COVID-19 broke out. Lastly, the Board received a request from the SSD for a statement in the Voter's Pamphlet for the Deschutes County election in May.

An executive session was held discuss a contractual matter.

BOARD ACTION
BOARD MEETING MINUTES

Director Burke moved to approve the minutes of the January 14, 2021, Board Work Session minutes as corrected. Seconded by Director Gocke, motion passed unanimously.

Director Pederson moved to approve the minutes of the January 15, 2021, Regular Board meeting minutes as corrected. Seconded by Director Murray, motion passed unanimously.

BOARD ACTION
FINANCIALS

Treasurer Beenen reported there will be reports on both December 2021 and January 2022 as well as year-end 2021 this month. He noted we wait to do the December and year-end reports until February to allow staff to close out the year completely. He pointed out that the year-end operating budget came in much better than we originally budgeted for. We had planned for a deficit of \$968,302 and instead came in \$653,768 better than budget for the year. The plan for 2022 is to be back to a zero budget at the end of the year but we are highly dependent on gate revenue at SHARC this year to be able to meet that goal. We will have to wait to see how that progresses in relation to the pandemic and any restrictions on the number of people allowed in the SHARC facility at one time.

Director Beenen added that despite budgeting for year-end deficit last year and this, the Association remains in excellent financial shape overall.

For the year-ended December 31, 2021, there was a net operating deficit of \$314,534 which was \$653,768 better than budget. Operating revenues were over budget by \$245,765 as a result of Member Preference Program (MPP) and Recreation Plus Program (RPP) sales, a lot unconsolidation, compliance fines, and Scene revenue. For the year, MPP and RPP sales finished at 114.9% and 103.6% of their respective budgets. Salaries and burden were under budget by \$360,705 due to saving in part-time labor, open full-time positions, and a SAIF dividend. Material and services were under budget by \$230,128 primarily due from the SHARC closure and limited days/hours of operation, contract services and Natural Resources operating expenses.

In 2021, there was a total of \$1,032,996 spent on road projects and ladder fuels reductions which was under budget by \$62,004.

There was a combined operating and non-operating surplus of \$1,056,036 for the year ended December 31, 2021.

Total assets as of December 31, 2021, were \$34,929,812. Cash and investments totaled \$12,057,307, an increase of \$2,312,569 from November. As of December 31, 2021, investments included \$5,283,169 in short-term US Treasuries of one year or less, \$1,250,000 in a two-year treasury, and \$2,750,097 invested in the CDARS program. Assets placed into service included a 2021 Ford Ranger, 2021 F-250, Bobcat Tool cat, Fiber to Fort Rock Park and SHARC chemical controllers. Overall deferred revenue increased by \$2,902,870 from November as a result of 2022 annual maintenance dues payments along with RPP and MPP sales.

December 31, 2021 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$10,964,886
TOTAL EXPENSES	\$11,279,420
OPERATING FUND SURPLUS	\$ (314,534)

For the month ended January 31, 2022, there was a net operating deficit of \$94,140 which was \$54,121 better than budget. Operating revenues were over budget by \$25,224 due to ladder fuels fines and community development revenue. Through the end of January, Recreation Plus Program (RPP) sales were at 63.9% of the annual goal and Member Preference Program (MPP) sales were at 21.3% which are both pacing ahead of 2021 at the same point. Other revenue was over budget by \$6,305 due to a Midstate Electric Capital Disbursement. Salaries and burden were over budget by \$4,080. Materials and services were under budget by \$20,133 due to timing of invoices. January's legal invoice had not been received at the time these reports were generated. A Ford F-250 truck that was replaced in 2021 was sold in January for \$24,000.

As of January 31, 2022, there was a combined operating and non-operating surplus of \$156,476.

Total assets as of January 31, 2022, were \$37,493,466. Cash and investments totaled \$14,544,737 an increase of \$2,037,430 from December. As of January 31, 2022, investments included \$6,516,640 in US Treasuries and \$4,250,183 in First Interstate Banks CDARS program. There is \$330,000 in prepaid insurance due to be refunded from cancelled policies. 60% of owners have prepaid their 2022 maintenance fees in full which is in alignment with recent history.

Director Burke moved to approve the unaudited December 2021 and the January 2022 financial statements. Seconded by Director Pederson, motion passed unanimously.

GENERAL MANAGER'S REPORT

GM Lewis reported this recap is for activities in January.

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 to participate in 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 continued working with the taskforce updating the Design Review Manual. They are working diligently on this important project and will meet again on March 4th.

GM Lewis prepared and submitted additional requested documentation to Deschutes County, Oregon State Parks, and the Federal Aviation Administration for permits at Mary McCallum Park.

GM Lewis participated in a virtual meeting with Gail Long from Bend Broadband regarding issues related to service agreements for Sunriver.

GM Lewis met with five of the property management companies as a regular check-in and discussion of multiple visitor issues prior to the 2022 summer season.

GM Lewis attended the Deschutes County Commissioner meetings regarding recycling service and fees for Sunriver.

In the Accounting Department, Controller Healy and his staff completed the 2021 year-end financial statements.

Accounting staff processed a significant number of annual maintenance fee payments.

Final 2022 budget spreadsheets were distributed to department managers by the controller.

The Jonas system was updated to reflect the 2022 rates.

IT Department staff member Gabe Rice has created a dashboard for the Community Development Department for compliance, citations, and submittals, adding more fields to capture more project information and modifying report formats.

IT staff worked with the Recreation Department to identify all Sunriver properties for the ID card system.

IT staff is testing new software for installing security patches to computers, installing software updates for payroll of 2022 in Traverse and Jonas and learning new Windows 11 software.

The IT Department saved \$1,300 for a software license for SHARC Solar log by purchasing and configuring a TV using a fire stick for monitoring.

In Telecommunications, IT Department Director Olson reported the taskforce has received some bids and is in the process of reviewing those.

In the Communications Department, Scene advertising was at \$20,098 for the month of January.

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 330 reads of the online January Scene including readers from the Philippines, Canada, New Zealand, and Singapore.

The SROA website was visited by 7,800 users in January with the most popular pages being weather, paint colors and the member preference program.

The SHARC website was visited by 8,100 users with the most popular pages being swim sessions/indoor aquatics, hours and plan your visit.

Additional projects for Scene staff included re-messaging about responsible recycling, updates to websites to reflect additional recreation and lap swims sessions at SHARC and working with the Natural Resources Department, the Sunriver Fire Department Public Information Officer, and the State Fire Marshal to create a marketing campaign around hardening the home and reducing the risk of wildfire on an owners property. Staff also created an employment recruitment ad for the Mt. View High School yearbook and met with the new Sunriver Chamber director about updates to the annual Sunriver Chamber magazine.

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

There are currently 305 active projects/building permits, up by approximately 30 from the previous month of December.

The number of applications submitted in January was up in comparison to the same month in previous years.

Staff continues to issue compliance letters for design and rule violations.

Considerable time was spent on coordinating magistrate hearings, appeal board hearings and judicial council hearings related to violations of design requirements.

Community Development staff continued assisting with the Design Manual Update by reviewing and commenting on the third draft of the manual prepared by the project consultant.

In the Natural Resources Department, staff mailed notification postcards regarding ladder fuels reduction contract work that will occur on commons this spring.

Performed administrative tasks including closing out paperwork for 2021 and planning for 2022.

Created a GIS map of the Sunriver Great Meadow (identifying wetland, pasture, transition, and other areas and zones.) Also created a GIS map of the 2022 LFR contract area which is available on the SROA

website.

Natural Resources staff participated in a four-week Esri training program about building and working with geo-enabled apps.

The Public Works Department is replacing natural play items in the SHARC play area and removing rounds of wood from throughout Sunriver. They have also removed several hazardous trees.

The RFP for the restroom/shelter at Mary McCallum Park was sent to a large group of contractors with little interest so far. Only one bid came back and it was substantially higher than we thought it would be and didn't include the dirt work to run the utilities over to the facilities. GM Lewis reported we can put a restroom in like the one at Fort Rock Park for less than half of what the bid was. GM Lewis believes we should plan to build the restroom ourselves and then also do some upgrades on the existing Pavilion for now and work on other improvements such as another pavilion in the future.

The Public Works Department conducted a few full community plows in rotating shifts.

Low limbs near roadways have been removed to improve sight lines.

The contract for the tunnel replacement at Fort Rock Park has been signed.

The Fleet staff completed tire replacement on the grader.

A new Ford Transit Van is built and in route. An F-250 was sold for \$1,400 less than was paid for it in 2011.

The Facilities/Aquatics team has repaired the HRV1 heat modulation valve and it is working well.

The emergency generator was serviced and tested.

Several people have been interviewed for the two open positions in Public Works.

The Recreation Department had a fairly busy January with 5,509 visits to SHARC.

Seven-day week operations were kicked off on February 1st and two additional recreational swim sessions were added as well as additional lap swim opportunities.

There have been some recent staffing changes in Aquatics, and the staff is looking forward to developing a revitalized team with both existing and new employees that share in the vision to make recreation fun.

Guest Services Manager, Emily Alexander will be out any day for maternity leave. She has set up her staff with a plethora of tasks to complete and spearhead in her absence.

Events Coordinator Camille Collard kicked off the new year with a 200-person winter wedding that was an overwhelming success. She continues to research ticketed event options and book out the remaining availability for 2022 with both member events and outside rentals.

Insurance for the tubing hill has been secured but we have not been able to operate due to the lack of snow and ability to offer a quality experience.

Summer staffing recruitment, which is on-going, has gained momentum. We will be offering lifeguard classes and renewals throughout the spring and are also looking to ramp up the attendants for Tennis, Member Pool, and all things Member Services as soon as possible. A number of our seasonal lifeguards are owners and they are excited to come back for the summer. Additionally, some of them have been passing the word to their swimming friends about applying for a position.

Staff is working on the proposal from last year to try and open the Member Pool earlier in the year and will come back to the Board soon with more details.

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.

Nominating Committee Chair Pat Hensley was in attendance and reported the committee is currently soliciting candidates for the annual SROA election in July. There have been articles in the Scene and in occasional eblasts which Ms. Hensley feels are very effective. The deadline for applying is Friday, March 18th at 5:00 P.M. after which the committee will begin interviewing candidates. The committee will then turn their efforts to the SSD Managing Board which will have four openings this year.

Director Beenen agreed with Ms. Hensley's comment about eblasts and feels we need to find ways to get more of our owners to sign up to receive the blasts perhaps via a discount on their maintenance fees or something.

SUNRIVER SERVICE DISTRICT (SSD) REPORT

Director De Alicante reported the Managing Board met on Thursday and one of the things he was surprised at was that they didn't approve a proposed action to provide the ability to do away with waiver of treatment non-transport medical response fees for Sunriver owners. The subject will be revisited again next month.

Lot of discussion centered on the new building. As they learned last month, the Deschutes County Commissioners voted to provide the district with \$8 million in Transient Room Tax (TRT) dollars over the course of three years. The SSD will contribute to \$3 million from their Reserves and combined with the \$8 million from Deschutes County, that leaves \$7 million that needs to be paid for by the owners of Sunriver properties.

The Deschutes County Commissioners have approved the SSD moving forward with putting a bond measure for \$7 million on the May ballot with the proposal being .47 cents per \$1,000 assessed value for a ten-year period and the goal being to pay the bond off early if possible.

Director Beenen noted this ballot will only go to voters who are registered to vote in Deschutes County as the SSD is a separate entity from SROA and operate through a management agreement with Deschutes County and are governed by the Deschutes County Commissioners so not all Sunriver owners will have the opportunity to vote on the bond measure.

Loan rates are increasing and although the SSD has not been able to lock in rates to date, they anticipate that will happen soon. Director Beenen added the architects estimate for the building is \$16 million and the SSD is asking for a total of \$18 million as we are currently in a high inflation environment which generally results in projects tending to cost more than you originally anticipated.

Mindi Holliday who has been filling in the Administrators position since Debra Baker's resignation earlier this month, has put together a comprehensive plan and has a taskforce working on a whole series of communication activities that will be taking place over the next several months to educate owners on the proposed new facility, why we need to do it, what needs to be done and what the benefit is to the community.

If the measure does pass in May, they anticipate work would begin this summer. If the bond measure fails, the SSD Managing Board will have to go back to the drawing table and determine what needs to be done to get it passed at the next voting opportunity which would be in November 2022. Director Beenen encouraged all owners to become informed. There is a wealth of information on the SSD website, www.sunriversd.org. While there has not been a formal survey of the owners who are Deschutes County residents, the verbal feedback they have received has been very positive.

Director De Alicante noted the recent story in the Bend Bulletin about a request by the city of Redmond for \$48 million just for a police station whereas we are asking for a total of \$7 million for both fire and police to be accommodated well into the future.

Director Burke questioned the substantial increase in the number of offenses charged by the Sunriver Police Department compared to last year. Director De Alicante answered he questioned that too and was told they were getting back to pre-COVID levels as well as the fact that they have a group of younger, newer, officers who have been more aggressive about enforcement.

Work has begun on the 2022/23 fiscal budget.

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

BOARD ACTION
2021 FOURTH QUARTER TRANSFER

Director Pederson moved approval of the transfer of \$998,995.82 from the Reserve Fund to the Operating Fund for the 2021 Fourth Quarter Acquisitions. Seconded by Director Murray, motion passed unanimously.

BOARD ACTION
2021 SKYPARK END OF YEAR TRANSFER

Director Pederson moved approval of the transfer of \$15,615.03 from the operating account to the Skypark Reserve Account for the year ending December 31, 2021. Seconded by Director Burke, motion passed unanimously.

OTHER BUSINESS
EBIKES- SUNRIVER RULES & REGULATIONS

After further discussion on this subject from yesterday, and some input from Covenants Committee member Pat Hensley, the Board chose to have further discussion among the Board members of the proposed language considering a rule change to allow Class 2 ebikes on Sunriver pathways. This item will be discussed again at the March board meeting.

Director Burke said he remains wary of allowing the throttle assist option as he believes it will definitely change the nature of our pathways in regard to safety as the number of Class 2 bikes that will be out there will no doubt increase.

Director Coughlin added that the ability to accelerate quickly can also be a safety measure in some instances as it might allow a rider to quickly get out of the way of an unleashed dog for instance.

Director Beenen noted that we need to get the language right whether that is through the Covenants Committee or a subset of people. He remains concerned about adding Class 2 bikes and would like to see us have a little more experience with the Class 1's. While they may be identical except for the throttle, it still adds another type of vehicle on the pathways, and he remains skeptical that's not going to cause additional problems.

Director De Alicante would like to see language added to prohibit people from parking bikes on pathways. He also believes roller blades and skateboards should be allowed.

The Board held a meeting debrief.

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 Coughlin, the motion passed unanimously.

The meeting adjourned at 10:48 A.M.

Respectfully Submitted,

Mark Murray, SROA Secretary