

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
JUNE 18, 2022**

DIRECTORS PRESENT: Keith Mobley, Clark Pederson, Bill Burke, Mark Murray, Gerhard Beenen, Scott Gillies & Mike Gocke

DIRECTORS PRESENT VIA ZOOM: Julianna Hayes & Tony De Alicante

STAFF: James Lewis, Susan Berger & Jesus Mendoza

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

NUMBER OF ATTENDEES: 4

OWNERS FORUM: No owners addressed the Board.

OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS

GM Lewis reported that Pat Hensley, 5 Vista Lane addressed some issues recently raised by the Sunriver Magistrate Jo Zucker in her report to the Board in May regarding the special hearing process and whether a change to the Consolidated Plan may be necessary. Ms. Hensley also encouraged changes to the current citation form to make it easier for people to understand and lastly, she referred to the process to enter an owner's property for the purpose of remedying a rules violation as stated in Section 8.03 of the Consolidated Plan and Section 10.02 of the SR Design Manual of Rules & Procedures. GM Lewis has since met with Ms. Zucker and Ms. Hensley to discuss further and determine a path forward.

RECAP OF 6/17/22 BOARD WORK SESSION

President Mobley reported the Board met for several hours on Friday starting the day with the annual audit report presented by Heather McMeekin from Price, Fronk & Co., Natural Resources Director Patti Gentiluomo provided an excellent presentation on the draft of the revised Ladder Fuels Reduction Plan and answered lots of questions from the Board. Assistant GM Kessararis provided an update on recreation statistics and Director Beenen and GM Lewis provided an update on the efforts of the telecommunications taskforce, SROA Controller Healy presented requested changes to the SROA Financial Policies and GM Lewis provided an update on the Parks Master Plan update.

An executive session was held to discuss a legal matter.

BOARD ACTION
BOARD MEETING MINUTES

Director Gocke moved to approve the minutes of the May 20 Joint SROA/SSD Board meeting as written. Seconded by Director Burke, motion carried unanimously.

Director Pederson moved to approve the minutes of the May 20, 2022, Board Work Session minutes as written. Seconded by Director Beenen, motion passed unanimously.

Director Pederson moved to approve the minutes of the May 21, 2022, Regular Board meeting minutes as corrected. Seconded by Director Burke, motion passed unanimously.

BOARD ACTION
FINANCIALS

Treasurer Beenen directed the Board members to the new one-page summary that is being included in the board binders along with the full financial report for the month. Total operating revenue was just over \$1 million and better than budget by \$14,834. Total operating expenses were \$942,479 which was \$69,992 better than budget resulting in an overall surplus of \$77,791 which is \$84,826 ahead of budget, so a particularly good month. Year to date, there is a surplus of \$266,252 which is \$392,869 better than budget.

Scene revenue as well as Recreation Plus Program (RPP) sales continue to be strong, and MPP sales are running steady and should pick up in the coming weeks. Summer is somewhat of a variable in relation to gate admissions. We have budgeted approximately \$500,000 for 2022 and this remains the biggest unknown at this time. July and August are when we typically see the most gate revenue at SHARC. Hopefully, there will not be as severe smoke issues to deal with this summer and the weather will warm up a bit in the coming weeks.

On the non-operating side of things revenues are on track as are non-operating expenses which include things such as road work, pathway work, parks, etc. While expenses were \$14k over for the month, year-to-date expenses are under budget by \$21,532. Director Beenen noted that through the first five months of the year, the Association again remains in solid financial shape.

For the month ended May 31, 2022, there was a net operating surplus of \$77,791 which was \$84,826 better than budget. Operating revenues were over budget by \$14,834 mainly due to Recreation Plus Program (RPP) sales and vehicle repairs for the Sunriver Service District. Salaries and burden were under budget by \$18,108 due to open full-time and part-time positions in Public Works and Recreation. Materials and services were under budget by \$51,959 due to timing of month end close and savings in operating expenditures. All legal invoices through May have been received and posted.

Through the first five months of 2022, there was a net operating surplus of \$266,252 which was \$392,869 better than budget. Operating revenues were \$219,398 ahead of budget due to RPP, MPP, Scene advertising, fines, and the Caldera expansion settlement payment. As of the end of May, net RPP sales totaled \$2,224,776 which is \$139k over the 2022 annual budget. RP and MPP sales are 106.7% and 63.0% of their annual budgets, respectively. Materials and services were under budget by \$114,125 due to timing of invoices, operating equipment/supply delays and fire station roof not needing to be cleared of snow. In May there was \$241,359 spent on road and tunnel projects. The Fort Rock tunnel project is complete and final payments for the project will be made in June. As of May 31, 2022, there was a combined operating and non-operating surplus of \$867,838 which was \$431,960 better than budget.

Total assets as of May 31, 2022, were \$36,749,337. Cash and investments totaled \$14,620,707 a decrease of \$243,625 from April. As of May 31, 2022, investments included \$11,019,278 in US Treasuries and \$1,750,620 in First Interstate Banks CDARS program. The refund from the cancelled insurance policy was received in May. Construction in progress items included the landscaping of the Fir Cone flooding project and IT servers.

May 31, 2022 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$4,921,489
TOTAL EXPENSES	\$4,655,237
OPERATING FUND SURPLUS	\$ 266,252

Director Pederson moved to approve the unaudited May 2022 financial statements. Seconded by Director Murray, motion passed unanimously.

GENERAL MANAGER'S REPORT

GM Lewis reported this recap is for activities in May.

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/La Pine 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. GM Lewis also participates as a member of the Telecommunications Taskforce and serves as the primary contact with TDS/Bend Broadband regarding agreements.

GM Lewis continued working with the taskforce updating the Design Review Manual, with meetings occurring on a regular basis as they work through Draft #4.

GM Lewis continues to work with SROA department heads regarding staffing needs and recruiting efforts.

GM Lewis participated in the initial IT Strategic Plan Task Force meeting.

GM Lewis prepared the RFP for the Parks and Recreation Master Plan and discussed questions with consultants.

GM Lewis took a moment to acknowledge the ongoing efforts of our HR Director Kellie Allen. She is not only processing many employees as they begin their employment with SROA, but also doing everything in her power to recruit more employees mainly for Recreation and Public Works. There is a monumental amount of work involved just in onboarding employees which is but one of her many tasks. She does a phenomenal job and SROA is fortunate to have her.

In the Accounting Department, Controller Healy and team worked on and assisted the auditors with the 2021 audit.

The monthly data sheet for inclusion in the Finance Committee packets and Board books was finalized.

Accounting and IT staff are working on the upcoming annual RV Storage billing.

Accounting staff continued the processing, reporting and reconciliation of RPP and MPP sales.

The IT Department installed new outdoor cameras at SHARC.

IT staff got the new aquatics manager set up with email, computer, etc.

Worked with the recreation department multiple times to update phone tree as more summer staff come on board.

IT staff configured recreation facilities for summer opening, (Member Pool, Pickleball Hut, etc.).

A new server has been installed and migration for Jonas, Alphacard, DataMart, GIS, Crystal Reports, and the website are complete.

IT Director Brad Olson continues to participate on the Telecommunications Taskforce and is also now on the IT Strategic Task Force. Mr. Olson provided information to Taskforce Chair Susan Jain and taskforce members on IT issues.

In the Communications Department, Scene advertising was at \$20,577 (May 2021 was \$18,876).

There were 227 reads of the online May Scene including readers from Canada, the Netherlands, and the Philippines.

The SROA website was visited by 7,700 users in May with the most popular pages being weather, Member Pool, tennis/pickleball, tree flagging/paint colors and the Member Preference Program.

The SHARC website was visited by 9,900 users with the most popular pages being aquatic hours, outdoor pool, and admission.

Social media posts: continue to promote Elle King concert and upcoming Turf Tunes.

Eblasts sent out in May included topics such as the siren testing, updating your recreation access cards, ticketed concert, pool operations, etc.

Additional projects for Scene staff included: continuing to market the June 21st Elle King concert, via social media, print, TV, and radio. Created the Board elections ballot and voter materials and sent to printer. Ballots will be mailed in early July. Exploring options for electronic voting. Created print materials to promote upcoming Turf Tunes concerts. Participated in an OEC Sunriver calendar exploration meeting. Updated the SHARC website to reflect its summer hours and aquatic offerings.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule with multiple items on each agenda – the two May meetings had a total of 11 items (combined).

There were 137 administrative reviews during the month of May.

There are currently approximately 329 active projects/building permits in May (down by 43 from the previous month).

The number of applications submitted in May was down 26 in comparison to the same month in previous years.

Community Development staff continued issuing compliance letters for design and rule violations.

Community Development permit compliance (compliance with approved project requirements) resulted in six citations and three warnings.

Community Development staff participated in Magistrate Hearings for background on violations and citations.

Community Development staff continued assisting with the Design Manual Update by participating in the most recent taskforce meetings.

The Natural Resources Department prepared and mailed Ladder Fuels Reduction reminder postcards.

The Natural Resources staff continued planning for the Central Oregon Shared Stewardship Landscape Resiliency Project.

Staff planted Ponderosa pine bare-root seedlings on commons to celebrate Arbor month.

Staff responded to numerous phone calls and performed site visits for private ladder fuels reduction and tree removal requests.

The Natural Resources staff continued the internal review of the Sunriver LFR Plan.

The Public Works Department have sanded and stained all the wood picnic tables, installed benches by the Member Pool and tilled fall zones in all playground areas.

A major clean-up of Fort Rock Park is complete, and the sand has been replenished in the volleyball area.

The first full round of ladder fuel chipping is complete.

The Fort Rock tunnel was completed ahead of schedule and underbudget. The contractor is entering the tunnel for a construction award.

All 34 miles of pathways were swept before the Memorial Day weekend.

In the Fleet Department, annual services and pump testing on wildfire interfacing engines and brake repairs and equipment installations are complete.

At SHARC, the replastering of the outdoor leisure pool was coordinated and completed.

The lazy river was drained, and the vault sealed and several large valves on the lazy river were replaced.

Deep cleaning of tile and acid washing of needed surfaces is complete.

The outdoor pool deck has been sealed.

The natatorium siding is 80% complete.

The Members Pool had all vaults cleaned and all equipment and pumps were restarted, and a new startup procedure was established to deal with priming problems.

All SROA aquatic facilities were functioning and ready for use for the Memorial Day weekend.

There are still no viable candidates for two open positions in the Public Works Department with an

additional person out on extended leave.

The Recreation Department started the month of May with some winter weather hanging around and a major outdoor plaster project scheduled.

The outdoor plaster project went right to the wire but was completed in time for opening on Memorial Day weekend at a slightly cooler than optimal temperature. The highlight was that the facilities, including the Member Pool were completely open for all recreational offerings. Despite the wintry weather, there were 1,546 swimmers vs. 1,664 in 2019 on Memorial Day Sunday at SHARC.

In regard to staffing, recruitment continues to be the long game. Aquatics hired six additional guards over the Memorial Day class offerings and there are several more in the pipeline.

Although both the Events Coordinator and full-time Member Services positions remain open, we are able to backfill during the interim with seasonal and current full-time staff.

A new tennis pro has been hired and we are excited to add that program to the summer 2022 repertoire. We are still looking to help balance Coach Lou's pickleball lesson schedule with at least one or two part-time instructors.

SHARC is open seven days a week from 6:30 A.M. until 6:00 P.M. They can be reached at 541-582-5000 and there is a wealth of information on the SHARC website, www.sunriversharc.com.

Director Hayes noted her appreciation for all the effort by staff to ensure our recreation facilities are staffed and open this summer. It's exciting that the café is open again and she looks forward to a more traditional summer in Sunriver this year due to the extraordinary efforts of staff. She extends her sincere thanks to all involved.

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.

Director Burke noted that the Owner Enrichment Committee (OEC) will not be meeting again until September which is customary. They are working on their annual volunteer recognition which will go out in September. Several of the OEC members have volunteered to be ticket takers at the upcoming Elle King concert.

SUNRIVER SERVICE DISTRICT (SSD) REPORT

Director Beenen reported the SSD has secured the necessary loan for the new Public Safety building that was approved by Sunriver owners registered to vote in Deschutes County in May. The SSD is still in discussions with Deschutes County as to when they can expect to receive the monies committed to the project by Deschutes County.

Currently efforts are being focused on finding a design lead as well as an owner representative/project manager for the project. SSD Director Ralston has been shepherding this part of the project and RFP's will be let soon. They hope to get a lot of the planning and organizing done this summer, it is unknown at this time if any actual construction will take place this year or not.

The other major issue the SSD is dealing with currently is the collective bargaining agreement with the police and fire departments. An agreement has been reached with the police, but they are still in negotiations with the fire department.

The police department is recruiting new officers for individuals who have left the department for a variety of reasons. Chief Darling has a lot of contacts and is actively recruiting to fill those positions.

President Mobley noted there are four of the five, non-SROA positions on the SSD Board that will have terms ending August 31, 2022. The Nominating Committee has been busy interviewing applicants and will bring a slate of recommendations to the Board at their July meeting.

The approved minutes of the April 14, 2022, meeting are included in the board binders.

BOARD ACTION
COMMITTEE APPOINTMENTS / RESIGNATIONS

Director Pederson moved approval of the resignations of Dave Clark from the Covenants Committee and Brian Dunham from the Design Committee and thanked them for their service. Seconded by Director Beenen, motion passed unanimously.

BOARD ACTION
AFFIRM BOARD ACTION FROM 6/1/22 SPECIAL MEETING

Director Murray moved to affirm the June 1, 2022, Special Meeting motion, that by unanimous decision (6-0), SROA did not accept the offer proffered by the Meyers and further moved to decline HUD proceeding. Seconded by Director Pederson, motion passed unanimously.

BOARD ACTION
AFFIRM BOARD ACTION FROM 6/7/22 SPECIAL MEETING

Director Pederson moved to affirm the June 7, 2022, Special Meeting motion, that by unanimous decision (8-0), the Memorandum of Understanding with the Sunriver Service District be modified to include a base annual lease amount of \$40,000, the sentence regarding CPI increases be deleted and replaced with a 2% yearly increase for the life of the agreement and that the word “an” in line two of the preamble be changed to “a”. Further move to authorize the SROA Vice President to sign the agreement on behalf of SROA if the agreement is acceptable to the SSD. Seconded by Director Burke, motion passed unanimously.

BOARD ACTION
ACCEPT 2021 AUDIT REPORT

Director De Alicante moved to accept the 2021 Audit prepared by Price, Fronk & Co. as presented. Seconded by Director Murray, motion passed unanimously.

BOARD ACTION
SROA LADDER FUELS PLAN UPDATE

Director De Alicante moved to adopt the updated Ladder Fuels Reduction Plan (LFR) as submitted. Seconded by Director Beenen, motion passed unanimously.

BOARD ACTION (tabled from 4/16/22)
TDS/BEND BROADBAND (BBB) BULK SERVICES AGREEMENT

Director Beenen moved to approve that SROA put to a vote of the owners that the SROA enter into a 10-year bulk services member agreement with Bend Broadband (BBB)/TDS. If approved by 60% of the owners who vote, basic internet service (300Mbps/300Mbps) would become a standard (required) service

for Sunriver homes, paid for through the owner's annual maintenance fees. The cost of internet service would be fixed for the duration of the agreement. Seconded by Director Gillies, the motion passed with 8 yea and 1 nay votes.

BOARD ACTION
2022/23 BOARD OFFICERS ELECTION

Director Gocke moved to accept the following as SROA officers for the year 2022/23:

President: Gerhard Beenen

Vice President: Bill Burke

Treasurer: Clark Pederson

Secretary: Scott Gillies

Seconded by Director De Alicante, 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 Murray, motion passed unanimously.

The meeting adjourned at 11:31 A.M.

Respectfully Submitted,

Mark Murray, SROA Secretary