

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
SROA BOARD ROOM  
JULY 16, 2022**

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

**DIRECTOR PRESENT VIA ZOOM:** 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:** 6

**OWNERS FORUM:** Ernst Gemassmer, 8 Warbler West, spoke about problems occurring with his contractor, Youngblood & Sons, on a construction project at his property. Mr. Gemassmer questioned the purpose for the SROA approved contractor list and suggested that SROA had the authority to remove his contractor from the list and should do so based on the problems and business practices he has encountered. The problems included cost, timing for construction, deposits, etc.

Cindy McCabe, 13 River Village Condo, submitted a letter and spoke about recent improvements to Mary McCallum Park. Ms. McCabe stated that the recent work that had been done is beneficial and welcomed. She also added that she has been requesting improvements at the park since 2018, some of which have been completed, but she still noted the need for increased water service, paved walkways suitable for ADA access, bike racks, increased signage prohibiting bicycles on the walking only path and what she sees as a need for more benches along the river. She also stated that the existing 0.66 aggregate pathway should be paved, and other dirt trails could be improved through the natural areas.

**OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS**

No owners addressed the Board at the June meetings, so no follow-up was necessary.

**RECAP OF 7/15/22 BOARD WORK SESSION**

President Mobley reported the Board met for several hours on Friday starting the day with Nominating Committee Chair Pat Hensley announcing the four individuals the Nominating Committee believe are the best candidates for the Board to recommend to the Deschutes County Commissioners to serve a three-year term on the Sunriver Service District Managing Board. Ms. Hensley noted they received a total of six applications, and all six individuals were very qualified to serve. President Mobley commented on the importance of the Nominating Committee and thanked them for their careful and thorough deliberations in selecting the four individuals presented. This item is on the agenda for action at today's meeting.

Assistant GM Keith Kessararis provided a thorough update on recreation statistics, the Board heard updates from both Recreation Director Leigh Anne Dennis and Public Works Director Mark Smith regarding the ongoing difficulties they continue to face in finding and keeping employees. Mark Smith also provided an update on the plans for the Public Works Campus which resulted in a lengthy discussion about the future of the current recycle center.

Natural Resources Director Patti Gentiluomo provided an overview of the newly released Oregon Wildfire Risk map and Director Beenen provided an update on the work of the Telecommunications Taskforce.

The Board discussed the agenda for the Annual Meeting that will be held on Saturday, August 20<sup>th</sup> at 1:00 P.M. in Benham Hall at SHARC.

**BOARD ACTION**  
**BOARD MEETING MINUTES**

Director Gocke moved to approve the minutes of the June 17, 2022, board work session meeting minutes as corrected. Seconded by Director Beenen, motion carried unanimously.

Director Burke moved to approve the minutes of the June 18, 2022, board meeting minutes as corrected. Seconded by Director Pederson, motion passed unanimously.

**BOARD ACTION**  
**FINANCIALS**

Treasurer Beenen directed the Board members to the one-page summary in their packets. June was a very good month for SROA financially. Revenues came in \$11,554 ahead of plan for the month resulting in a year-to-date positive variance of \$230,951. As was discussed at yesterday's work session, the Recreation Plus Plan continues to perform very strongly. We also received dollars through the Caldera expansion settlement and Director Beenen noted that there would be more Caldera dollars coming to SROA in July. Member Preference Program sales are right on plan and Scene advertising revenue is running ahead of plan for the year. Overall, variable income has been leaning towards the positive.

Operating expenses were \$110,631 under budget for the month of June resulting in a net variance to the positive in the amount of \$122,185. Year-to-date, the net variance equals \$515,053. Director Beenen noted that we budgeted for \$500k in gate revenue for 2022 and realized \$100k of that in the month of June. Overall, we are in good shape and should be able to reach our 2022 budget goals.

On the non-operating side, expenses have been lower than expected, with a savings of \$69,121 in the month of June and \$90k lower than budget year-to-date. Non-operating revenue was \$4,100 to the good for the month of June and is \$21,851 better than budget year-to-date resulting in a net variance of \$112,505. Treasurer Beenen also noted that he expects our investments to do much better in the second half of the year than they have done so far this year and last.

For the month ended June 30, 2022, there was a net operating surplus of \$76,345 which was \$122,185 better than budget. Operating revenues were over budget by \$15,995 mainly due to Recreation Plus Plan (RPP) sales. Salaries and burden were under budget by \$82,411 due to open full-time positions in Public Works (3), Recreation (2), and Natural Resources (1) departments along with several part-time positions open in Recreation. Materials and services were under budget by \$17,812 due to timing of month end close and savings in operating expenditures. June's legal invoices had not been posted as of this report date.

Through the first six months of 2022, there was a net operating surplus of \$342,596 which was \$515,053 better than budget. Operating revenues were \$230,951 ahead of budget due to RPP sales, Scene advertising, compliance fines and the Caldera expansion settlement payment. As of the end of June, net RPP sales totaled \$2,224,776 which is \$168k over the 2022 annual budget. RPP and Member Preference Program (MPP) are 108.1% and 77.5% of their annual budgets, respectively. Materials and services were under budget by \$131,937 due to timing of invoices, operating equipment/supply delays and the fire

station roof not needing to be cleared of snow. A majority of these savings will continue through year-end. In June there was \$136,832 spent on road and tunnel projects. Through the first half of 2022, there was a combined operating and non-operating surplus of \$1,003,395 which was \$627,558 better than budget.

Total assets as of June 30, 2022, were \$36,248,111. Cash and investments totaled \$14,335,914 a decrease of \$284,793 from May. As of June 30, 2022, investments included \$11,024,471 in UW Treasuries and \$1,000,022 in First Interstate Banks CDARS program. At the beginning of July an additional \$500,000, 180-day T-Bill was purchased. Two public works vehicles were placed into service in June. The annual RV/storage space invoices were also mailed out in June.

June 30, 2022 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$6,071,984
TOTAL EXPENSES	\$5,729,388
OPERATING FUND SURPLUS	\$ 342,596

Director Gocke moved to approve the unaudited June 2022 financial statements. Seconded by Director De Alicante, motion passed unanimously.

### **GENERAL MANAGER'S REPORT**

GM Lewis reported this recap is for activities in June.

Staff continues to monitor and respond to both state and county orders regarding COVID-19 requirements for facility closures and social distancing requirements, including the status change during the month of August.

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 #5.

GM Lewis collaborated with Controller Joe Healy on a template for financial forecasting.

GM Lewis met with the Village @ Sunriver Manager Denease Schiffman, regarding amended maintenance fees for the Village property and arranged a meeting with SR Resort Managing Director Tom O'Shea to discuss maintenance fees for the Resort properties.

GM Lewis held phone/zoom meetings with Gail Long and other staff at TDS/Bend Broadband (BBB) to discuss the draft bulk agreement.

GM Lewis participated in the IT Strategic Plan Taskforce meetings.

GM Lewis initiated contact and a kick-off meeting with the Park & Recreation Master Plan consultant.

GM Lewis participated in a Design Review appeal hearing.

In the Accounting Department, Controller Healy and team finalized the December 31, 2021, audit and presented it to the Finance Committee and Board of Directors.

The Accounting Department staff generated and mailed out the annual billing for RV/storage yard spaces.

Accounting Department staff continue processing and reconciling RPP and MPP sales.

The IT Department installed the new Jonas Connector server, upgraded the software, and installed apps for the Jonas Connector.

The Lenel system at SHARC has been modified to only allow activated recreational ID card usage. This modification eliminates cards that are no longer valid gaining entry to the tennis/pickleball courts and the river access.

The large format copier/printer/scanner for the Community Development Department has arrived and has been installed.

The phone lines at the SHARC café were configured for a direct call line. IT staff worked with Café staff and Bend Broadband on connectivity/network issues.

The search/drop-down menu in the database has been modified to provide quicker access.

IT staff is training on the migration of ActiveNet members to the Lenel gate system.

IT staff collaborated with the Executive Assistant on ballots for the upcoming election.

IT staff is attending remote training on GIS for Python and JavaScript programming languages.

Department Director Brad Olson as a member of the IT Strategic Plan Taskforce held department head interviews on technology issues for the next five years and is working with Taskforce Chair Susan Jain on next steps.

In the Communications Department, Scene advertising was at \$20,959 (June 2021 was \$20,198).

There were 147 reads of the online June Scene including readers from Canada and the Netherlands.

The SROA website was visited by 11,000 users in June with the most popular pages being pickleball/tennis, weather, Member Pool, Member Preference Program and River Shuttle.

The SHARC website was visited by 21,000 users with the most popular pages being recreation, swimming hours, and admission.

Eblasts sent out in June included topics such as the virtual candidate forum, owner happy hour resuming, the Elle King concert and Turf Tunes, Safekeeping Sunriver/no fireworks, river shuttle, tennis lessons and the need for Park Master Plan taskforce volunteers.

Additional projects for Scene staff included: prepared the election packet mailing, updated and received the new Sunriver maps, drove shuttles, and bartended for the ticketed concert and created all the parking and other signage needed for concert day. Created and placed job recruitment print ads for open Public Works positions. Continue to work with the Owner Enrichment Committee work group on the idea of a comprehensive calendar of ALL Sunriver events.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule with multiple items on each agenda – the two June meetings had a total of 8 items (combined).

There were 142 administrative reviews during the month of June.

There are currently approximately 363 active projects/building permits in June (up by 34 from the previous month).

The number of applications submitted in June was up by 18 in comparison to the same month in previous years.

Community Development staff continued issuing compliance letters for design and rule violations. There were 31 compliance request letters sent with four citations issued. There were ten owner concerns that were addressed.

Community Development permit compliance (compliance with approved project requirements) resulted in eight citations and twelve 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 (LFR) deficiency letters.

Natural Resources staff attended a two-day National Fire Protection Association (NFPA) training on assessing structure ignition potential from wildfire.

Natural Resources Director Patti Gentiluomo worked with the Central Oregon Shared Stewardship Landscape Resiliency Project regarding a Sunriver Ladder Fuels Reduction (LFR) grant.

Natural Resources staff continued tracking the Oregon wildland-urban interface and statewide wildfire risk map and Oregon defensible space code development.

Natural Resources staff completed numerous site visits regarding tree removal requests and LFR compliance on private properties.

Noxious weeds on commons were sprayed.

Private property noxious weed inspections have begun.

Natural Resources staff continued planning for the virtual War on Weeds (WOW) which is scheduled for

August 1<sup>st</sup> – 14<sup>th</sup>.

The Public Works Department crews have replenished the pea gravel at the owners boat launch.

Weekly park safety checks and cleaning of all sport courts continues including emptying 68 trash receptacles along the pathway network on a daily basis.

Damaged sight markers were replaced throughout all of Sunriver.

The Fleet Services department received and placed into use several items that have been stalled due to supply chain issues including a new replacement truck.

Fleet Services also completed repairs on the rear axle and brakes for one of the SSD medic vehicles.

The Facilities/Aquatics team completed the rebuild of the filter for the lazy river at SHARC. The work was completed in-house saving thousands of dollars.

Additional shade structures have been installed on the deck at the Member Pool and the small chemical tanks have been replaced with bulk tanks.

There are currently three open positions in the Public Works department with an additional person out on extended leave. There were no viable candidates until the starting wage was increased. Since the advertised change, a week ago, there have been several applications, a few interviews with more scheduled next week and one accepted job offer.

The Fir Cone Lane drainage project is now entirely complete.

Public Works Department Director Mark Smith started work on the Parks Master Plan project.

Recycling/trash is again a real resource issue.

In recreation, June brought variable weather and variable recreation opportunities. Staff was thrilled to finally welcome summer at the end of the month!

There was a total of 28,711 visits to SHARC facility in June compared to 35,617 in 2019 and 14,801 in 2021.

The Member Pool was on the slow side despite offering more hours and additional lap swimming programming. There was a total of 2,552 visits versus 1,132 in 2021.

As a reminder, SHARC is open seven days a week from 6:00 A.M. until 7:00 P.M. and aquatics is open 7:00 A.M. until 6:30 P.M. with recreation swims available from 11:00 A.M – 6:00 P.M.

Staff at SHARC do experience lines of people, generally about a 20-minute wait at most with the exception being the early birds who will arrive up to an hour early to get in when the facility opens at 10:00 A.M. Staff continues to utilize the live camera to display the current conditions/capacity level so owners and guests can check the status prior to going to the facility to ensure there is space available. The first come/first serve process seems to be self-regulating and is much more enjoyable for both the guests and staff.

SHARC can be reached at 541-585-5000 and there is a wealth of information on the SHARC website, [www.sunriversharc.com](http://www.sunriversharc.com).

The Member Pool is open seven days a week with lap swimming from 7 A.M – 10 A.M. and recreational swimming from 11 A.M. – 6 P.M. The facility can be reached at 541-593-6778. There is a wealth of additional information on the SROA website; [www.sunriverowners.org](http://www.sunriverowners.org) > Departments > Recreation > Member Pool.

The Events Coordinator and Member Service full-time positions remain open and will hopefully be filled by mid-August as these are key positions for the fall.

Recruitment continues as the focus is currently on giving some of the full-time staff a much-needed break. Additionally, the return to school in August for a number of recreational staff will affect the ability to stay staffed adequately.

Pickleball seems to be the hot ticket this summer with the courts being consistently booked and busy all day long. Players can book a court by calling the Tennis Hut at 541-593-5707.

The Elle King ticketed concert was sellout due to the hard work and dedication of the entire SROA team, not just Recreation. Many SROA employees and a few members of the Owner Enrichment Committee volunteered that night serving as ticket takers, shuttle drivers, bartenders, parking attendants, etc. It took a small army of volunteers to pull it off and the feedback has been excellent.

Owners and guests have been thrilled with the return of Turf Tunes at the SHARC Amphitheater on the weekends. It adds to the vibrant community feel of Sunriver and both owners and visitors enjoyed the offerings this year.

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 De Alicante reported the new public safety building remains the main topic of discussion for the SSD Managing Board. The funding has been secured after the successful passing of the May bond measure by owners who are registered to vote in Deschutes County. Currently contractors and designs are being sought for the project.

Police Chief Cory Darling has announced he plans to retire at the end of August and the SSD Board has received recommendations to look to hire internally to fill that position. Director De Alicante noted there are some good candidates for the position on staff that will be considered for the position.

As was discussed at the work session yesterday, four of the seven SSD Managing Board member positions terms expire at the end of August and the SROA Board heard recommendations from the Nominating Committee Chair to fill those positions. This item is on the agenda for action at today's meeting.

The 2022/23 budgeting process is moving along. There were some discrepancies noted at Thursday's meeting that will be looked into and reported on at the August meeting when the SSD Board will get another chance to review the budget.

Director Beenen added that SSD Board Member John Ralston is heading up the process for putting out the RFP for a construction management general contractor (CMGC), the approach having been approved by the SSD Managing Board. Additionally, there will be an owner representative project manager who will be the person who will serve as the interface between the SSD Managing Board, the construction manager and general contractor. Director Ralston is hopeful that they will have the CMGC selected by mid-August and the owner representative in place by September-October.

A design team will be selected who will work with the CMGC and the owner representative to get the actual building process started.

Director Beenen also noted the collective bargaining agreement (CBA) with the fire department has been approved but there were a couple of discrepancies on the police CBA that needed to be corrected. The job description for the Board Administrator position is also being reviewed.

The approved minutes of the May 19, 2022, meeting are included in the board binders.

#### **BOARD ACTION**

##### **2ND QUARTER CAPITAL ACQUISITIONS TRANSFER**

Director Murray moved to approve the transfer of \$611,602.91 from the Reserve Fund to the Operating Fund for the 2022 Second Quarter Acquisitions. Seconded by Director Burke, motion passed unanimously.

#### **BOARD ACTION**

##### **APPROVAL OF PARKS MASTER PLAN TASKFORCE MEMBER APPOINTMENTS**

Director Murray moved to approval of the roster of names presented for appointment to the Parks Mater Plan Taskforce.

GM Lewis provided an overview of how the taskforce will operate and read into the record the list of members who have been invited to participate: Mark Darden, Jim Vidal, Mike Mitchell, Kris Besson, David Kreps, Kathy Vogel, Dennis Conners, Bob Stillson, Jane Boubel, and Susan Jain who will represent both resident and non-resident owners. Additionally, Josh Willis from Sunriver Resort, Denease Schiffman from the Village @ Sunriver as well as another property manager at large will participate.

Seconded by Director Gocke, motion passed unanimously.

#### **BOARD ACTION- RESOLUTION 2022-002**

##### **RECOMMENDATION FOR POSITION #3 OF THE SUNRIVER SERVICE DISTRICT MANAGING BOARD**

Director Pederson moved approval of Resolution 2022-002 to the Deschutes County Commissioners recommending the appointment of Jim Fister to Position #3 of the Sunriver Service District Managing Board for a term beginning on September 1, 2022, and ending on August 31, 2025. Seconded by Director Gocke, motion passed unanimously.

#### **BOARD ACTION- RESOLUTION 2022-003**

##### **RECOMMENDATION FOR POSITION #4 OF THE SUNRIVER SERVICE DISTRICT MANAGING BOARD**

Director Pederson moved approval of Resolution 2022-003 to the Deschutes County Commissioners recommending the appointment of Bill Hepburn to Position #4 of the Sunriver Service District Managing Board for a term beginning on September 1, 2022, and ending on August 31, 2025. Seconded by Director



Gocke, motion passed unanimously.

**BOARD ACTION**  
**RECOMMENDATION FOR POSITION #6 OF THE**  
**SUNRIVER SERVICE DISTRICT MANAGING BOARD**

Director Pederson moved approval of Resolution 2022-004 to the Deschutes County Commissioners recommending the appointment of John Ralston to Position #6 of the Sunriver Service District Managing Board for a term beginning on September 1, 2022, and ending on August 31, 2025. Seconded by Director Beenen, motion passed unanimously.

**BOARD ACTION**  
**RECOMMENDATION FOR POSITION #7 OF THE**  
**SUNRIVER SERVICE DISTRICT MANAGING BOARD**

Director Pederson moved approval of Resolution 2022-005 to the Deschutes County Commissioners recommending the appointment of John Shoemaker to Position #7 of the Sunriver Service District Managing Board for a term beginning on September 1, 2022, and ending on August 31, 2025. Seconded by Director Gocke, 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 10:59 A.M.

Respectfully Submitted,

Mark Murray, SROA Secretary