

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
AUGUST 20, 2022**

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

DIRECTOR PRESENT VIA ZOOM: Clark Pederson

DIRECTOR ABSENT: Julianna Hayes

STAFF: James Lewis, Susan Berger & Jesus Mendoza

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

NUMBER OF ATTENDEES: 11

OWNERS FORUM: Signa Gibson, 12 Forest Lane, asked the Board to delay a vote to approve the Ladder Fuel Reduction (LFR) plan and provide another 60-day comment period. She also stated reasons that the comments from Rich Gibson at the Friday works session regarding the percentage of tree removal from proposed new tree separation requirements in the LFR were accurate.

Cindy McCabe, 13 River Village Condo, submitted a letter and petition of owners supporting further improvements at Mary McCallum Park, including: the need for increased water service, paved walkways suitable for ADA access, bike racks, increased signage prohibiting bicycles on pathways and benches along the river.

Theresa Youmans, 15 Big Sky Lane submitted written comments to the record regarding the LFR plan. Ms. Youmans cited her Forest Service background as a basis for her comments to the record for the LFR plan. She questioned why the rules for tree removal would prevent an owner from meeting a higher standard (allowing more tree/vegetation removal) for fire prevention/protection. She referenced the photo in the current LFR plan and the reference to a forest absent development in Sunriver and noted the increased tree spacing.

John Weist, 14 Kinglet Road cited living/owning property in Sunriver for 42 years. He is a strong advocate for wildfire mitigation and prevention. He noted that smoking and parking on grassy areas is a problem and should be enforced. He stated that the proposed LFR plan should be available for further review by owners for another 60-day comment period. He stated that the environmental concerns of tree removal on the community (such as wildlife) should be evaluated. Lastly, he suggested that the LFR plan be voted on by owners.

Kathy Brown, 9 Quelah Lane, suggested that the LFR plan approval be postponed until the implementation of Senate Bill 762 by the State of Oregon. She suggested that there be a LFR committee created for the LFR plan and that it should be written from the owners' point of view. She stated that any rules that are above and beyond basic legal requirements should be voted on by owners. Lastly, she asked for access to documents for grant dollars that were given to SROA for ladder fuel reduction work on commons (it was noted later in the meeting that those documents are available through Deschutes County who was the applicant and administrator of the grant.)

OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS

No owners addressed the Board at the July meeting but there was one letter read into the record from Kenneth Munson, 5 Pyramid Mtn Lane, expressing his appreciation for how reasonable the maintenance fees in Sunriver are. He believes owners receive a lot for their money and does not understand what owners have to complain about. He congratulated both the Board and staff for the good job they are doing in managing the finances of the Association.

RECAP OF 8/19/22 BOARD WORK SESSION

President Mobley reported the Board met for several hours on Friday starting the day with an update on the proposed changes to the Ladder Fuels Reduction Plan from Natural Resources Director Patti Gentiluomo. Chair of the Nominating Committee Chair Pat Hensley provided the Board with several items that would require Board approval and that the committee feels would help them in doing a better job.

IT Strategic Taskforce members Jim Fister, Susan Jain, Perry Olson, and IT Director Brad Olson provided an update of that taskforces efforts to date as well as their plans moving forward. A lengthy discussion followed and included discussion of extending fiber to the Member Pool this fall in conjunction with work the utility company is doing. Assistant GM Keith Kessarar provided an update on recreation statistics, a request was heard for the Board to direct the Covenants Committee to explore restricting overnight parking at SROA facilities and Director Beenen provided an update on the proposed ballot language for a special election relative to a bulk services agreement with TDS/Bend Broadband. An executive session was held to discuss a legal matter.

BOARD ACTION **BOARD MEETING MINUTES**

Director Gocke moved to approve the minutes of the July 15, 2022, board work session meeting minutes as corrected. Seconded by Director De Alicante, motion carried unanimously.

Director Beenen moved to approve the minutes of the July 16, 2022, board meeting minutes as written. Seconded by Director Murray, motion passed unanimously.

BOARD ACTION **FINANCIALS**

Treasurer Beenen displayed the one-page summary on the screen so owners in attendance or watching on You Tube can also see what is being discussed. July was another very good month for SROA financially. Revenues came approximately \$100k ahead of plan for the month resulting in a year-to-date positive variance of \$230,951. That was driven by Recreation Plus Program (RPP) sales as well as the 2nd installment on the Caldera Springs expansion. Member Preference Plan (MPP) sales are pretty much on plan as well. Additionally, Scene advertising is running ahead of budget.

On the expense side, expenses came in at \$1.2 million against a budget of \$1.25 million so an approximate \$51k savings. That was driven primarily by vacancies in Public Works and Recreation which have since been filled. The material expenses have been running lower than was originally planned. Additionally due to this meeting falling later in the month, most all invoices for the month of July had been processed prior to this report being run. That savings should continue through the remainder of the year.

Total revenue less expenses for the month of August reflect a savings of \$148,390 and year to date revenues have exceeded expenses by \$550,541 year to date versus the budgeted deficit of \$112,902 resulting in a year-to-date variance of \$663,443.

For the month ended July 31, 2022, there was a net operating surplus of \$207,945 which was \$148,390 better than budget. Operating revenues were over budget by \$97,535 mainly due to recreation revenues and the 2nd installment from the Caldera expansion settlement. Salaries and burden were under budget by \$66,429 due to open full-time positions in Public Works (1), Recreation (2) and Natural Resources (1) along with several part-time positions in Recreation. There was also \$8,000 received from the State of Oregon for an unemployment insurance rebate. Material and services were over budget by \$18,300 due to timing of month end close and two months of utilities expensed in July.

Through the first seven months of 2022, there was a net operating surplus of \$550,541 which was \$663,443 better than budget. Operating revenues were \$328,488 ahead of budget due to RPP, Scene advertising, compliance fines and the Caldera expansion settlement payment. As of the end of July, net RPP sales totaled \$2,280,353 which is \$195k over the 2022 annual budget. RPP and MPP sales are 109.3% and 93.4% of their annual budget, respectively. As of July 31, \$321,770 has been generated in gate revenue. Materials and services were under budget by \$113,636 due to savings in contract services, operating equipment/supplies and fire station roof not needing to be cleared of snow. Through the first seven months of 2022, there was a combined operating and non-operating surplus of \$1,407,960 which was \$784,771 better than budget.

Total assets as of July 31, 2022, were \$36,225,345. Cash and investments totaled \$14,344,711, an increase of \$8,797 from June. As of July 31, 2022, investments included \$11,522,716 in US Treasuries and \$1,000,077 in First Interstate Bank CDARS program. The 2nd installment of RPP payment plans was received in July. The third and final payment is due August 1st. Construction in progress items included progress payments for the SHARC outdoor pool work along with indoor return grating. The annual RV storage space invoices were billed to owner accounts in July.

July 31, 2022 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$7,480,243
TOTAL EXPENSES	\$6,929,702
OPERATING FUND SURPLUS	\$ 550,541

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

GENERAL MANAGER'S REPORT

GM Lewis reported this recap is for activities in July.

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 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 met with Sunriver property managers regarding rules, recreation, and other issues as part of their regular "check-in" meetings.

GM Lewis met with Controller Joe Healy and a sub-committee of the Finance Committee regarding financial forecasting.

GM Lewis met with the Caldera owners association regarding service from TDS/Bend Broadband.

GM Lewis took a moment to recognize HR Director Kellie Allen for the fantastic job she does. Some people may not be aware that SROA also manages the HR duties for the Service District. Her plate is very full, and she is to be commended for the great job she does on behalf of SROA.

In the Accounting Department, Controller Healy presented the June financial statements to the Finance Committee.

Controller Healy continued working on commercial/resort revised assessment billing.

The Accounting Department staff is processing annual RV/storage yard payments.

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

Controller Healy began the process of closing out fiscal year 2021/22 for the Sunriver Service District.

The IT Department transferred members from the Active Net system into the Lenel gate access system. This update occurs three times per day.

IT staff has been working with the SR Police Department on the incident reporting database to ensure that the system sends emails to owners/property managers for warnings as well as citations.

In Member Services IT staff identified and corrected errors in codes so Village Mall tenants can be found.

IT staff are researching third-party community development software and identifying migration strategies from software to software.

IT staff is assisting Community Development on simplifying the printing of envelopes through the database.

IT Department Director Brad Olson is participating as a member of the IT Strategic Taskforce.

IT staff is working with the Jonas Connection team on upgrades that will allow an owner to access their financial accounts.

In the Communications Department, Scene advertising was at \$21,943 (July 2021 was \$19,002).

There were 211 reads of the online July Scene including readers from Hungary, Sweden, and the Bahamas, Canada, and the Netherlands.

The SROA website was visited by 13,000 users in July with the most popular pages being weather, Member Pool, tennis/pickleball, river shuttle and the Member Preference Program.

The SHARC website was visited by 25,000 users with the most popular pages being recreation swim, aquatic hours, outdoor pool, and admission.

Sunriver Style had 4,116 visits with popular pages being river, pathway, what is going on and fishing.

Social media posts: heat safety, no fireworks or open fires, Turf Tunes.

July eblasts included topics such as the fire south of Sunriver, War on Weeds, paint/noxious weed notifications to owners, heat, ballot deadline, annual meeting, and upcoming events.

Additional projects for Scene staff included: a child safety and new hot tub signage for the Member Pool and SHARC. Also created a noxious weed flyer to accompany the courtesy/compliance letters to owners. Continued to promote Turf Tunes via print/social media and a monthly review of the website to check for broken links, things that display wonky in mobile view and deleting/updating old/outdated information.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule with multiple items on each agenda – the two July meetings had a total of 10 items (combined).

There were 95 administrative reviews during the month of July.

There are currently approximately 339 active projects/building permits in July (down by 24 at the same time during the previous month of June.)

The number of applications submitted in July was down by 22 in comparison to the same month in previous years.

Community Development staff continued issuing compliance letters for design and rule violations. There were 10 compliance request letters sent with three citations issued. There were two owner concerns that were addressed.

Community Development permit compliance (compliance with approved project requirements) resulted in five citations and no 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) violation letters.

The Natural Resources Department prepared and mailed Noxious Weed notifications.

Natural Resources staff continued pulling noxious weeds on commons.

Natural Resources staff completed numerous site visits regarding tree removal requests and provided noxious weed identification guidance on private properties.

Ladder Fuels Reduction and tree thinning efforts continued on commons.

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

Natural Resources staff continued planning for the 2022 War on Weeds (WOW) which runs August 1st to August 14th.

The Public Works Department crews continue their weekly park safety checks and cleaning of all sport courts continues including emptying 68 trash receptacles along the pathway network on a daily basis. The sports courts were all washed in July.

The building permits/land use for Mary McCallum Park are underway, utility layout has been established, and building delivery is confirmed for Oct/Nov.

Road striping has been completed.

The canoe takeout road has been graded, watered, rolled and dust abatement product applied.

In Fleet Services, a new vehicle has been outfitted and is in service and the outgoing vehicle has been sold. The annual service on the SR Fire Department water tender is complete and a major brake/axle rebuild for one of the large SROA trucks is complete.

At SHARC, the spa circulation pump has been replaced. The Natatorium overhead door repairs/window replacements are complete.

An A/C issue in the fitness area has been resolved.

The annual fire sprinkler/café hood maintenance is complete.

Keeping up on water quality will take the majority of focus for the rest of July and August.

At the Members Pool Public Works staff has been working with the landscape contractor to resolve some issues. The water quality and chemistry at the Members Pool is consistent.

Public Works is finally fully staffed again.

The Parks Master Plan project is ongoing.

Recycling is a daily mess requiring 1-4 hours of staff time to clean up.

The Public Works campus planning has been restarted now that we have direction from the Board regarding recycling.

In Recreation, July started off steady despite cool weather and resulted in large numbers of visitors using the facilities as the month warmed up to normal summer temps.

There were 55,989 guests at SHARC in July versus 66,286 in 2019.

There were 8,427 visits in July 2022 compared to 4,372 in 2019.

Both SHARC and the Member Pool are open seven days a week.

SHARC is open 6 A.M to 7 P.M and the Member Pool is open from 11 A.M. to 6 P.M daily.

Staffing wise in Recreation, six additional lifeguards were hired in July, but we also lost six to college and school commitments.

Pickleball continues to be only second in popularity to SHARC usage.

Staff will plan to hire two full-time pickleball pros and reevaluate if a tennis pro is still in demand with our demographic. Additionally, pickleball club use polices need to be reexamined for 2023.

There is still the need for an Events Coordinator and a Member Services representative, and we may need to look at other options for recruitment.

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 reported the Owner Enrichment Committee does not meet in July and August, but members of the committee will be on hand to assist with the owner pool party on September 1st as well as with the Uncorked event later in September.

SUNRIVER SERVICE DISTRICT (SSD) REPORT

Director Beenen reported the biggest thing at their meeting this month was the passing of the baton from Police Chief Cory Darling to new Police Chief Michael Womer. Director Beenen noted Chief Darling has done a tremendous job in the four years he has been here, and he will be missed.

New Chief Womer has been with the department for a number of years and will be with the department for 18 months before he retires and there is a succession plan in place.

Director Beenen added that SSD Board Member John Ralston has found a candidate to act as the owner representative on the Public Safety building project and they are in negotiations at present.

Significant progress has also been made in finding the general contractor, so things are moving along nicely with that project.

The County Commissioners have approved the new members of the SSD Board.

The approved minutes of the June 16, 2022, meeting are included in the board binders.

BOARD ACTION
COMMITTEE APPOINTMENTS/RESIGNATIONS

Director Beenen moved to approve the resignation of Jim Adams and the change in status of Mark Fisler from alternate to full-time member of the Owner Enrichment Committee. Seconded by Director Burke, motion passed unanimously.

BOARD ACTION
CERTIFICATION OF 2022 ELECTION RESULTS

Director De Alicante moved to certify the results of the 2022 SROA election of three SROA Board members; Gerhard Beenen, Linda Beard and Larry Ishmael to a three-year term beginning at the close of the Annual meeting and ending August 2025. Seconded by Director Murray, motion passed unanimously.

BOARD ACTION
LADDER FUELS REDUCTION PLAN

No action taken.

BOARD ACTION- RESOLUTION 2022-003
EXPENDITURE OF FIBER TO MEMBER POOL

Director Murray moved to authorize the expenditure of up to \$60k of the 2022 budgeted funds for the construction of a fiber optic system between the SROA Administration Building and the Member Pool. Seconded by Director Burke.

Director De Alicante moved to amend the motion to not to exceed \$60k. Seconded by Director Burke, amendment passes with 4 yea and 3 nay votes.

Call for the question on the original motion, motion passes with 6 yea votes, 1 nay and one abstention.

BOARD ACTION
SPECIAL ELECTION BALLOT MEASURE LANGUAGE

No action taken.

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 De Alicante, motion passed unanimously.

The meeting adjourned at 11:33 A.M.

Respectfully Submitted,

Mark Murray, SROA Secretary