

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
SROA BOARD ROOM  
APRIL 15, 2023**

**DIRECTORS PRESENT:** Clark Pederson, Bill Burke, Gerhard Beenen, Scott Gillies, Larry Ishmael, Keith Mobley, Tony De Alicante & Linda Beard

**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:** 3

**OWNERS FORUM:**

Theresa Youmans, 15 Big Sky Lane suggested several changes to the proposed Design Committee Manual of Rules & Regulations as well as the Sunriver Rules & Regulations. Staff has made note of those recommendations and those will be included with any other comments received during the 60-day comment period for both of those documents.

Bob Stillson, 10 Belknap Lane suggested that the proposed RV storage fees be based on equitable square footage per space versus a 25% increase for all size spaces. Mr. Stillson also suggested reaching out to the Resort regarding a combined dog park area.

Mr. Stillson has been impressed with the management style of our new Aquatics Manager and appreciates that he is engaging with owners and is visible on the pool deck and within the facility. Additionally, Mr. Stillson appreciates that SROA/SHARC is planning to open up the outdoor pool at SHARC while the indoor pool is closed for maintenance for all of the local lap swimmers. Mr. Stillson noted how many more lap swimmers there are now compared to five years ago when he started swimming.

Lastly, Mr. Stillson is happy that the three incumbent board members are looking to run for a second term on the SROA Board of Directors.

**OWNER FORUM FOLLOW-UP FROM PREVIOUS MONTH**

Director Burke reported the Board heard from Gwen Gamble, 34 Fremont Crossing, and Sarah Dulak, 37 Fremont Crossing, regarding the removal of the “You are Welcome Here” sticker from SHARC. GM Lewis responded to both owners the week following the Board meeting explaining the rationale behind managements decision to not allow the sticker to be put back up and also what SROA is going to do moving forward with developing its own welcome banner/sticker. Both owners responded that they received the response and were pleased that SROA is taking steps to ensure that ALL are indeed welcome.

Additionally, GM Lewis wrote a letter to the owner who removed the sticker on more than one occasion and informed them that it is not anybody’s obligation or opportunity to alter, put up or take down anything on an SROA facility without consent of the management. GM Lewis included a copy of the SROA Civility Code explaining this is what is expected of everyone in Sunriver regardless of whether

you are an owner, visitor, etc. That letter was mailed to the owner and GM Lewis has not gotten any kind of response.

Lastly, as directed by the Board, the Civility Statement has been featured more prominently at SHARC than in the past. Additionally, Susan Berger and GM Lewis have been working on a “Peace Pledge” for SROA that lists the behavior that is expected when you are in Sunriver and especially when using SROA facilities. GM Lewis passed around copies of what they have come up with and which the Board liked very much. This can be done in the form of posters, magnets, stickers, etc. and will be posted in all the SROA facilities. Director Beard suggested it be posted in rental homes/condos as well. Additionally, it will be put in the Scene and also be posted on the SROA websites. President Beenen noted that his President’s Message in May will also focus on this subject.

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

Director Mobley moved to approve the minutes of the March 17, 2023, board work session meeting minutes as corrected. Seconded by Director Beard, motion carried unanimously.

Director Pederson moved to approve the minutes of the March 18, 2023, board meeting minutes as written. Seconded by Director Burke, motion passed unanimously.

**BOARD ACTION**  
**FINANCIALS**

Treasurer Pederson reported all is well in the area of finances. Total operating revenue for the month of March was a little below our projected budget, but year-to-date we are ahead of budget by \$95k, a reflection of how many owners chose to pay their maintenance fees in full in January and February. Expenses for the month were over budget by \$37k due to inclement weather that required plowing, sanding, deicer, and higher fuel expenses. Additionally, there were two months of legal invoices that were paid in March as the February invoice was not received in time for the month-end cutoff. Year-to-date, we are right on budget for expenses.

The year-to-date operating surplus is \$97k, approximately half of which is due to the Caldera expansion check that was received earlier this year. Interest income for the quarter was \$32k above what was expected and that should continue throughout the year. We also received the settlement from the pool company for issues at the Member Pool in the amount of \$14k.

On the non-operating side, revenues were close to budget and year-to-date we are \$42k ahead of expectations. Under non-operating expenses we were at \$152k to the positive at the end of the month largely due to the ladder fuels reduction grant dollars that were received in March in the amount of \$173k.

The total surplus for the month of March is \$115k above budget and total surplus year-to-date is \$292k above budget resulting in a total surplus of \$880k year-to-date and reflecting an increase in our net assets.

Treasure Pederson reviewed the cash and investment balances noting that March was a pretty routine month. It was noted that capital reserve funding won’t change until later this fall after the full reserve study has been completed. In regard to replacement reserve expenditures, not many of those expenditures come up in the first quarter of the year so there has not been much money spent there yet. A lot of those expenditures will come up in the second and third quarters of the year although invoices for the new Circle 1 tunnel will start arriving soon. Also noted was if the tunnel contractor is able to continue at their current pace, they may have the tunnel done sooner than June 1<sup>st</sup> date originally established, and in fact they are hoping to have it complete by Memorial Day weekend. This does however depend on if the

weather cooperates.

Treasurer Pederson reviewed the detailed operating income statement sheet noting that program revenue was under budget by \$39k which again is related to the RPP and MPP sales and when people choose to purchase. Year-to-date we are \$95k to the positive side.

On the expenses side salaries were slightly under budget year-to-date, \$26k, due to unfilled positions particularly in Recreation. That should level off now that we have now hired the Aquatics Manager and Events Coordinator. Treasurer Pederson noted that in the burden category, we did receive a \$6k SAIF rebate based on SROA employees safe track record. Insurance and legal expenses were over budget due to two invoices being paid in the same month. In regard to non-operating income, interest income was \$11k over what we expected resulting in us being at \$27k year-to-date to the positive. The combined operating/non-operating budget surplus for the year is at \$292k to the positive at the end of March.

Treasurer Pederson also reviewed the assets and liabilities on the balance sheets as well as a review of the cash balances and account holdings and answered some questions. The Board also held a brief discussion about whether or not SROA may want to consider self-insuring at some point in the future as well as considering other options such as higher deductibles on our insurance when we go into the budget season in the fall. GM Lewis commented that he will ask Assistant GM Kessarlis to post the self-insure question on the Community Managers Institute Association (CMIA) list serve. This is a page where questions like this can be posed to managers of other communities similar to Sunriver.

Director Ishmael noted his appreciation for these thorough reports and for the hard work by all involved in keeping us on track and on budget, especially Controller Healy who provides these detailed breakdowns every month.

March 31, 2023 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$3,070,892
TOTAL EXPENSES	\$3,076,837
OPERATING FUND SURPLUS	(\$ -1,241)

Director Mobley moved approval of the unaudited financial statements for the month of March 2023. Seconded by Director Burke, motion passed unanimously.

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

GM Lewis reported his recap for activities in March.

GM Lewis continues to participate in the Central Oregon Intergovernmental Council (COIC) Board of Directors meetings as the Tourism and Recreation representative. This will continue to be a monthly on-going participation through end of term of December 31, 2024.

Continues to attend Sunriver/La Pine Economic Development (SLED) Board regarding coordination with south county efforts economic development efforts. This will continue to be a monthly on-going participation.

GM Lewis continues to work with SROA legal counsel regarding a number of items including owner non-payment of fines/fees.

GM Lewis continues to attend and participate in the regular monthly meetings of the Owner Enrichment, Finance, and Covenants committees and the Admissions Model Workgroup.

GM Lewis continued working with the taskforce updating the Design Review Manual, preparing the final comprehensive draft of the entire document for presentation to the Board at the March meeting for a first reading.

Continued phone/Zoom meetings and correspondence with staff at Bend Broadband (BBB)/TDS to discuss outstanding issues related to the negotiated Draft Bulk Agreement as a follow up to the successful owners vote, finalizing and signing the agreement on behalf of SROA.

Continued work with the consultant and taskforce on the Parks & Recreation Master Plan including the creation and distribution of the initial complete draft for presentation to the Board at the March meeting. The Board accepted the document in March.

Held additional meetings with the contractor, engineers, and Public Works Director Mark Smith regarding the design for the Public Works facility improvements. This included addressing Deschutes County Planning Department requests for additional information related to the Land Use Permits.

GM Lewis participated in and performed tasks associated with the Transient Room Tax (TRT) taskforce including arranging a meeting with Deschutes County Commissioner Tony De Bone.

GM Lewis attended a third South Deschutes County planning meeting hosted by COIC staff the purpose of which was to identify needs and partners to prepare for the development of a South County Strategic Planning process.

GM Lewis participated in a Central Oregon Regional Community and Economic Development Strategy meeting as part of COIC steering committee.

GM Lewis worked with legal counsel and Rediscover Sunriver Village to finalize a formal agreement regarding a new method for calculating maintenance fees. The agreement was approved at the March Board meeting.

GM Lewis along with the HR Director and Recreation Director conducted interviews for the Aquatics Manager and IT Director positions.

In the Accounting Department, Controller Healy prepared the unaudited financials for the period ending February 28, 2023.

Accounting staff continues processed and reconciled payments for 2023 Recreation Plus Program (RPP) and Member Plus Program (MPP)

Accounting staff activated access for owners to access and make payments through the SROA website.

Controller Healy coordinated accounting duties with one member out on maternity leave until June.

In IT, our new IT Director Rebecca Maloney is starting on April 12, 2023.

IT staff is installing multifactor authentication (MFA) for employees with 17 completed and 10 PC and some MAC users yet to be completed.

The Zoom owl has been replaced.

Configured new employee computer access for accounting clerk filling in during a full-time employees family leave.

New voice recorders for taping Design Committee meetings were configured.

The short-term RV and Mary McCallum Park codes have all been updated.

IT staff added new fields to compliance reports in the database and added a back link button to all report windows.

A complete re-write of the update procedure to retrieve new ownership data was done after issues with property ID discrepancies caused ownership updates to fail.

In Member services IT staff repaired the boat launch reader that was not working and updated the data in Lenel that needed to be added to the card readers.

IT staff have started updating the MPP/RPP renewals/purchases into the gate access system on a daily basis. Data transfer is not automated and must be done manually. Solution is to either find a gate access system that works with ActiveNet or find a purchasing system that works with Lenel.

In the Communications Department, Scene advertising was at \$20,165 (March 2022 was \$20,115.)

There were 252 reads of the online March Scene. Readers from other countries included Ireland, Sweden, Canada, and Martinique.

The SROA website was visited by 8,400 users in March with the most popular pages being weather, live camera, snow report, tree flagging and pay maintenance fees.

The SHARC website was visited by 8,200 users with the most popular pages being aquatic hours, recreation swim, calendar, admission, and indoor admission rates, and indoor aquatics.

Sunriver Style had 1,051 visits with popular pages being weather, pathways, what's going on and getting here.

March eblasts included the following: tunnel construction, records release form, film fest and Oregon spring break hours at SHARC.

Additional projects for Communications included updating the job description for the open position in the Scene, creating the Firewood Exception Request form and a Records Release form for the website. Additionally, Ms. Berger created the Sunriver Peace Pledge campaign that can be used at all SROA facilities in different forms.

Ms. Berger believes she has found someone to replace Erin Mohr who departed the department recently and barring any obstacles, this person will start on May 8<sup>th</sup>.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule with multiple items on each agenda – the two February meetings had a total of nine items (combined – 3 and 6).

There are currently approximately 225 active projects/building permits (down by nine from the previous month of February.)

The number of applications submitted in March was down from the same month in 2022 - from 105 in 2022 to 75 in 2023.

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

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 meetings.

The Natural Resources Department oversaw the ladder fuels reduction (LFR) work that continued on commons.

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

Natural Resources staff mailed Ladder Fuels Reduction Notice of Deficiency Advisories to private properties.

Natural Resources staff continued the internal review of the Ladder Fuels Reduction Plan.

Natural Resources staff continued Oregon Spotted Frog spring monitoring and egg mass surveys.

Natural Resources staff responded to phone calls and emails and performed site visits regarding tree removal requests on private property.

Public Works staff have been sanding and staining the wooden picnic tables. The balance beam at the SHARC playground was replaced in-house by utilizing a large blown down tree in Sunriver. It was peeled, cut in half, allowed to dry, treated, then mounted to the existing risers. A number of hazard trees on commons were removed.

A total of **five** full plows took place in March which includes road/pathway plowing, salting, hand shoveling tunnels, plowing of parking lots, SSD fire aprons, RV yards, Skypark tarmac, and the walkways at all SROA facilities.

The Circle 1 tunnel project is well underway and moving along nicely. Detours and fencing are in place and all notifications have been completed.

PW staff have been trying to evaluate road/pathways for 2023 projects but have been delayed in doing so due to the amount of snow on those surfaces in March. This could cause delays in developing road/pathway contracts.

The Fleet Department installed a new vehicle lift, which was a capital reserve project. They also serviced and prepared all the woodchippers and sweepers for the upcoming spring work. Ladder fuels pickups for homeowners start in April and will run through October.

The Facilities/Aquatics team dialed operations in for spring break including opening the Lazy River and de-winterizing deck restrooms. The natatorium and main hall at SHARC received bulb replacements and lighting repairs. Air filtration systems have been installed in the front desk area and hall for smoke issues. The team is also preparing for the upcoming closure of the indoor pool in April for plaster repairs.

All things related to the new Public Works building, including land-use planning, and submitting for building permits is complete and campus improvements was held and staff and engineers are working to develop the building layout.

Moving forward the Recreation department will be using 2022 for the comparison model with the only variable being that the facility is now offering expanded hours and offerings as compared to 2022.

March 2023 saw 9,304 visits versus 8,898 in March 2022. The March 2019 visits (pre-COVID with no restricted access) were 11,956.

Member Preference and Recreation Plus Program sales continue to be well received with few comments about price increases.

Spring break went smoothly, no lines or long waiting times. SHARC sold out to 200-person capacity (indoor pool capacity) five of the seven days, people were able to swim within 30 minutes of their desired time frame. SHARC is fully staffed for the first time in quite a while.

The Peloton bikes that have been added to the workout facility have been well received.

Staff is preparing for the upcoming closure of the indoor pool beginning April 17<sup>th</sup> to mid-May to replaster the vessel.

Brandon Powers has accepted the role of Aquatics Operation Manager effective 4/1 and we are very excited to have him on board.

Seasonal staffing continues to be the focus. Two new possible employees completed the lifeguard certification classes held over spring break and two current staff were newly certified and one was recertified. The Rec Director has also contacted Caldera High School regarding job fair participation.

### **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 update everyone received from the fire and police chiefs at the joint SROA/SSD meeting yesterday really covered the departmental activity.

As was noted yesterday, the Public Safety building is moving along well with a few small hiccups that are being addressed as they arise.

Concerns have been expressed about the five-year outlook showing the SSD in the red five years from now. That's a rolling number as we get to future budgets so the SSD may be asking the County for some of the TRT funds as well. Director De Alicante cautioned, that's what is projected, they don't know if that's what will ultimately happen.

The approved minutes of the February 16, 2023, SSD meeting are included in the board binders.

**BOARD ACTION**  
**1<sup>ST</sup> QUARTER CAPITAL TRANSFERS**

Director Pederson moved approval of the transfer of \$85,186.98 from the SHARC Reserve Fund to the Operating Fund for the 2023 First Quarter Acquisitions. Seconded by Director Mobley, motion passed unanimously.

Director Pederson moved approval of the transfer of \$70,733.59 from the SROA Operating Fund to the Reserve Fund for the 2023 First Quarter Acquisitions. Seconded by Director Mobley, motion passed unanimously.

**BOARD ACTION**  
**LADDER FUELS REDUCTION PLAN ADOPTION**

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

Director Mobley commented that in looking at the resources listed in Appendix B of the LFR plan clearly illustrates the complexity of the development of this kind of plan. The number of partners, participants, editors, and other individuals that are represented and need to be in the loop is quite extraordinary, and it is quite a complement to Natural Resources Director Patti Gentiluomo and her team that they were able to do this. President Beenen added that the breadth and depth of knowledge that Ms. Gentiluomo has about this is amazing.

GM Lewis added that when looking at the LFR Plan, we are looking at just one piece of the Natural Resources Department. They are responsible for taking into consideration the whole spectrum of environmental concerns that can include wildlife, forest management for tree health, noxious weeds, etc. so their knowledge expands well beyond the LFR Plan.

Director Pederson also commended the Natural Resources Department for carefully reading and considering all the input received during the comment periods and making modifications where possible.

**BOARD ACTION**  
**SECOND READING – SR RULES & REGULATIONS**  
**SECTION 5.05 UNMANNED AIRCRAFT**

Director Burke moved approval of the proposed changes to the Sunriver Rules & Regulations, Section 5.05 as presented. Seconded by Director Mobley, motion passed unanimously.

**BOARD ACTION**  
**OWNER LONG-TERM STORAGE RATES**

Director Pederson moved approval of a 25% increase for annual Owner Storage individual lease fees for the 2023-24 fiscal year (July-June). Seconded by Director De Alicante.

Director Gillies moved to amend the motion to reduce the price on the 8x10 size spaces down to \$130 per year. Seconded by Director Burke, motion passed with 7 yea votes and one nay vote (Pederson).

Call for the question on the original motion, motion passed unanimously.

**MEETING DEBRIEF**

President Beenen led the group in a meeting debrief.



**OTHER BUSINESS**

There being no other business, President Beenen asked for a motion to adjourn.

Director Burke moved to adjourn the public meeting. Seconded by Director Pederson, motion passed unanimously.

The meeting was adjourned at 11:16 A.M.

Respectfully Submitted,

Scott Gillies, SROA Secretary