

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
SROA BOARD ROOM
SEPTEMBER 15, 2023**

DIRECTORS PRESENT: Gerhard Beenen, Scott Gillies, Linda Beard, Bill Burke & Tony De Alicante

DIRECTORS PRESENT VIA ZOOM: Julianna Hayes, Clark Pederson & Keith Mobley

STAFF: James Lewis, Keith Kessararis, Patti Gentiluomo, Mark Smith, Joe Healy, Kellie Allen, Susan Berger, & Rebecca Maloney

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

OWNERS IN ATTENDANCE: 7

OWNERS FORUM

Paul Conte, 8 McKenzie Lane, noted that COVID is going around once again and encouraged people to protect themselves. Mr. Conte thanked Director De Alicante for contacting him and providing answers to some of his questions. Mr. Conte also commented on tree and/or plant protection devices, noting there is no evidence of physical harm to wildlife when reasonable use of appropriate fencing materials is employed. Additionally, Mr. Conte does not believe that irrigated turf lawns belong in Sunriver. For Mr. Conte and many other people, the use of wildflowers and native plants is a very powerful aesthetic in Sunriver, and he just asks that the Board keep that in mind.

GM Lewis read a letter into the record from Don and Tina Freel, 28 Maury Mtn Lane, offering their support for indoor tennis facilities for use during the winter.

**SROA BUDGET PRESENTATION
THREE-YEAR PROJECTIONS/CHALLENGES**

GM Lewis led the SROA Department Heads in this yearly presentation which is provided to address and identify future financial impacts to the Association, long-range planning, and the challenges and opportunities ahead of us in the next three years. GM Lewis noted this is his third budget cycle with SROA and he feels like we are finally getting back to a more normalized budget and work plan for 2024. SROA is in a very strong budget position which GM Lewis attributes in part to staff consistently trying to get the most for the least.

From an Administrative standpoint, GM Lewis noted that while we expect COVID-19 to minimally influence overall operations, he and Assistant GM Kessararis will present the recreation portion of the budget today as department director Leigh Anne Dennis is currently out with COVID. The virus is still out there and can still affect our operations although hopefully far less so than in the last couple of years. The mantra for staff remains to provide a high level of service to owners and guests along with first-class amenities.

Overall, there are no significant changes to the budget for 2024. Staff will continue to maintain a reduction in expenditures wherever possible while acknowledging challenges that are out of our control such as this past year when we found out as the budget was being presented, that Cascade Natural Gas was increasing their rates by 30%. In regard to fees, there will only be some minimal increases to cover cost increases.

There are some new staff positions being proposed to provide the level of service necessary to accommodate owners and guests, provide some redundancy and maintain a staff that are able to perform their jobs at a high level. Additionally, Recreation Department budget planning will continue to be

challenging and must reflect flexibility to meet the staffing needs necessary to maintain service expectations and facility availability. Communication with our owners and visitors will always be an important, evolving element that impacts all departments and something staff is constantly cognizant of.

Proposed additional staffing for 2024 include a part-time assistant to the Human Resources Director, a full-time Community Development Director, full-time Systems Administrator for IT, and a full-time compliance officer.

Currently things are very overcrowded in the Administration office and necessary changes to the space the police department currently occupies are being looked at now so we can plan appropriately moving forward. SROA is working with SAJ Architecture in Bend for design work/construction bids for reclaiming the police side of the building for SROA admin use.

The 2030 Strategic Plan will be completed in 2024 and we will also be doing another comprehensive owner survey, something that is done every three years.

GM Lewis also noted in recent years the creation or updating of various documents including the Rules Awareness Taskforce Plan, Conceptual Pathway Master Plan, Design Manual update, IT Strategic Plan, Infrastructure & Amenities Master Plan (IAMP), etc. that will see further implementation in 2024.

The individual department heads provided more detail on their areas and expanded on different parts of their departmental budgets. Department heads also provided a brief recap of this past year and what they expect for 2024, and for two years beyond that. The Board had a number of questions that staff addressed.

The Board thanked GM Lewis and his team for this informative presentation and for the efforts of staff in maximizing revenues while keeping costs down.

OPEN SROA BOARD POSITION

President Beenen reported that following the resignation of Larry Ishmael at the August meeting, the Board held a Special Board Meeting on August 31, 2023. At this meeting the Board discussed how to go about filling that position for the two years remaining on the term and agreed that contacting previous board members to gauge their level of interest in serving would be the best place to start.

Staff provided the President with a list of names of 22 past board members who are still property owners in Sunriver. President Beenen sent an email to the 22 individuals to gauge their level of interest in serving on the SROA Board as well as whether or not they would be willing to serve on the SSD Managing Board and on the SROA Finance Committee. 21 of the 22 past board members who were contacted responded and seven of those individuals said they would be willing to step in and complete the unfinished two-year SROA board term. Staff provided the President with some background information on each of the seven individuals that was then forwarded to the rest of the Board.

Director De Alicante, while noting he was not taking a position, wondered if the Board should not also consider the other candidate who was on the ballot and who received over 500 votes. While the Board did acknowledge this fact, there was no further support or discussion on offering the position to the fourth candidate who appeared on the ballot during this year's election.

President Beenen provided a quick review of each of the seven individuals who are agreeable to filling the open position. Those owners include Gary Bigham, Frank Brocker, Paul Coughlin, Mike Gocke, Mark Murray, Patty Klascius, and Bob Nelson. Director Mobley commented how encouraging it is to him that these very qualified individuals are willing to step back into the saddle so to speak and serve their community again.

The Board held further discussion about the particulars of each of the seven individuals and had a number of questions for President Beenen before narrowing the field down to Mark Murray, Bob Nelson, Mike Gocke and Paul Coughlin in that order.

This item is on the agenda for action at tomorrow's meeting.

DESIGN COMMITTEE TREE PROTECTIONS UPDATE

Assistant GM Kessarlis reported that as directed by the Board, the Design Committee revisited the tree protection issue that arose when the new Design Committee Manual of Rules & Procedures was launched earlier this summer. The committee conducted more research, consulted with experts, looked at other communities similar to Sunriver and considered all the owner comments received regarding this issue.

Design Committee Chair Curt Wolf explained that the committee first tried to establish some goals as to where they wanted to get and how best to get there.

- Achieve effective results while keeping protection as unobtrusive as possible.
- Create a cohesive look throughout the community as well as with other projects the committee considers.
- Develop rules which harmonize with similar communities.
- Reduce, but not totally eliminate damage.
- Meet with consensus of local professionals.
- Consider all owner comments while establishing rules for all owners within the community.

In doing that, the committee quickly concluded there was no way to establish logical rules for protection of individual plants, flowers, and shrubs that meet the established goals due to the wide nature of growth habits for these kinds of plants. That left trees to be considered.

In considering trees, three main issues were identified.

- Deer browsing
- Beavers
- Porcupines

When looking at deer browsing, it was noted that this primarily affects younger trees. Older trees can survive some deer browsing without any damage being caused to the tree itself and the rule the committee is proposing recognizes that. Trees susceptible to beavers or porcupines need long-term protection just by the nature of the threat, but the committee has determined that protection can be provided from both animals using the same type of protection.

The committee established a set of rules that tries to accomplish all of the goals and still maintain what we consider important to Sunriver. Chair Wolf added that it's important to note that the entire committee was part of the lengthy discussions that took place over the course of five meetings.

What the committee has provided to the Board today is the result of all those discussions and the input of numerous voices.

Assistant GM Kessarlis added that the committee also reached out to experts in this field, and they also agreed that it's tree protection that is the most impactful in the community because the trees hold significant financial value to properties as well. The Sunriver Nature Center was contacted for their input as well as a nursery in Bend who has provided a lot of trees and native plants to Sunriver. This nursery owner is very familiar with what will and will not grow in our environment and what impacts there are on the trees. Both

entities reviewed and liked the recommendations the committee is suggesting, and both felt they were appropriate for Sunriver.

Design Committee Chair Wolf added the committee also looked at six other Central Oregon destination resort communities to see what those communities allow and a number of the rules the committee is recommending are less stringent than other similar communities. For example, some allow fencing around trees but only for one year while the Design Committee is recommending allowing tree protection for up to four years.

Assistant GM Kessarlis referenced the materials provided to the Board relative to deer browsing noting some of the major updates since this issue last came to the Board. The type of fencing the committee is recommending is welded wire for physical tree protection of individual trees or a grouping of trees that fit within a 48" diameter around the base of the trunk of the tree/trees. In speaking with two experts in the field, they think that is an adequate size that will make it difficult for the deer to reach over and get to the actual tree itself. Welded wire is important because it is substantial and thick and when staked using four different stakes, it will stay in place versus some sort of netting or other type of fencing that is less sturdy. Additionally, it looks better from an aesthetic point of view.

The committee is also recommending allowing either 2" x 3" or 3" x 4" openings in the fencing as these are primarily what retailers carry and it makes it easier for owners looking to add protection to their trees. The maximum allowable height is not to exceed 5 feet which should eliminate most deer from browsing or damaging the trunk of the tree itself. Director Beard, noting her extensive experience with deer and vineyards, feels five feet may not be tall enough as in her experience a 6–7-foot fence was necessary to keep the deer from accessing the plants. Director Beard also suggested instead of having a set number of years the protection can be applied to a tree that it instead be gauged on when the tree reaches a certain height. Director Beard went on to say that the soil in Sunriver is very anemic resulting in a slower growth process.

Director Beard also questioned the limit of five enclosures per property noting she owns three lots totaling an acre on which she plans to plant more trees than the current limit of five enclosures would allow. Assistant GM Kessarlis referred Director Beard to the section of the committee's recommendation that spells out the exception process for an owner who may have the need for more enclosures.

In regard to protection from beavers or porcupines, the recommendation is for a similar type of welded wire. The wire needs to be at least four inches away from the trunk of the tree and is not to exceed 12" away from the trunk of the tree. This spacing will allow the protection to stay in place for years as there is not really a time limit on beaver or porcupine damage while still being less impactful aesthetically.

GM Lewis questioned if the size openings of the fencing materials being proposed are large enough to ensure that smaller animals such as chipmunks, squirrels, or birds won't get trapped? Design Committee Chair Wolf responded that from the committee's research as long as owners are using the prescribed allowable sizes of fencing, there should be no issues with smaller critters getting stuck inside an enclosure.

Director De Alicante noted he was a bit disappointed that the committee didn't do more to address protections for anything else besides trees. Committee Chair Wolf reminded Director De Alicante that the direction the committee received from the Board was to not consider individual flowers and shrubs but to focus their attention on the protection of trees. That said, the committee did discuss this issue and short of completely fencing ones property off, there is no other aesthetically pleasing way to protect every flower.

Director Pederson commented he appreciates the work the Design Committee has done with the direction the Board gave them in giving a lot of thoughtful consideration and in consulting with experts as well. This

is a difficult topic and Director Pederson realizes the committee spent a lot of time coming up with possible solutions. Director Mobley added that he feels the committee has provided the Board with some good recommendations in response to the Board's request and he appreciates the time and effort they have put in on this issue. Director Hayes also noted her appreciation for the committee's hard work on this challenging topic.

The Board thanked both Design Committee Chair Wolf and Assistant GM Kessarlis for this presentation and thanked the committee for their hard work on this issue.

President Beenen commented the Board will potentially be voting on these recommendations tomorrow due to the competing proposal that was brought to the Board as an initiative by two owners last month that also needs to be considered at tomorrow's meeting.

PROPOSED BALLOT INITIATIVE – PLANT/TREE PROTECTION UPDATE

President Beenen reminded the Board that at last month's meeting, owners Paul Conte, 8 McKenzie Lane and Kathy Brown, 13 Rogue Lane provided the Board with a Notice of Intent to File a Petition for Initiative/Referendum relative to the issue of tree/plant protections.

President Beenen explained that any board member can make a motion at the meeting tomorrow to move the initiative forward. If a motion is not made or is made but dies for the lack of a second, or is made, seconded, and then voted down, the initiative petitioners have the option of going out and collecting 500 signatures (one signature per property) from SROA owners. If successful in obtaining 500 verified signatures, it would result in an election of the ownership. Alternatively, if the Board votes to approve the initiative, then the 500 signatures do not have to be collected and the issue would then go to a vote of the owners.

ADMISSIONS MODEL WORKGROUP UPDATE

Assistant GM Keith Kessarlis provided a breakdown of recreation statistics for the month of August.

As of August 31, 2023, a total of 7,180 Member Preference Program (MPP) cards have either been purchased or renewed. Of that total, 5,696 were renewals and 682 were new cards. The remainder are extended household, long-term renter, or commercial passes. This is 60 less than the end of August 2022. At the end of August, the MPP revenue totaled \$601,068 or 100% of the annual budget. Mr. Kessarlis also reminded the Board that 70% of our use at SHARC in regard to attendance actually comes after July 1st and goes through the end of the year.

In regard to the 2023 Recreation Plus Program (RPP), as of August 31, 2023, there were 918 homes and/or condominiums signed up on the program. Last year at the same time there were 917 properties participating in the program. Mr. Kessarlis also provided a breakdown of the RPP's by the number of bedrooms. Revenue at the end of August stands at \$2,455,254 or 100.1% of the 2023 budget. While we might get a couple more properties on the program before year end, the majority of owners who plan to participate in the RPP program have signed up.

Gate revenue is currently sitting at \$528,357 or 90% of the budgeted \$587,050. This is welcome revenue after not being able to accommodate gate fees during the pandemic due to the capacity limits on the facilities.

SHARC hosted a total of 43,670 attendees to the facility in the month of August compared to 47,935 in 2022. Of that number, 4,006 were owners, 31,067 were RPP pass holders, 250 were member guests, 410 were extended family, and 4,864 were gate admissions. Year to date, overall attendance is at 176,454, an increase of 8,297 guests over 2022.

The total Member Pool attendance through the end of August was 17,137 compared to 18,101 in 2022 a decrease of 964. Overall attendance for the Member Pool for 2022 from June through September was 20,039 visitors.

By the end of August 2023, staff had issued 50,620 paper guest passes and of those 9,634 have been redeemed at SHARC and 3,946 have been redeemed at the Member Pool.

Mr. Kessarlis reminded the group that owners can update their MPP card in a variety of ways. It can be done in person at SHARC, or if just renewing it can be done over the phone, 541-585-5000 and online at sunriversharc.com > Programs > SROA Member Preference Program. The Member Services office is open seven days a week from 9:00 A.M.– 4:30 P.M.

Facility event space rentals continue to pick up with a number of events on the books in the coming weeks. We are currently at \$41,393 or 32.2% of the annual budget of \$128,500. The number of owner events versus general public events also affects the revenue as owner events are charged a lower rate than the general public. Additionally, we have more events booked in September than in August this year, which is a bit of an anomaly.

Assistant GM Kessarlis reported that SHARC will be offering a new unique owner event starting in October with one event scheduled to be held in October, November, and December. These events will feature a winemaker, heavy hors d'oeuvres and entertainment.

Assistant GM Kessarlis commented that we have had a very robust tennis/pickleball season this year. \$81k has been brought in so far this year versus expenses of just over \$50k so we are \$30k ahead of budget and \$35k to the good versus the budget for that department.

The Board thanked Assistant GM Kessarlis for his report and update.

ADMINISTRATION BUILDING DESIGN/ARCHITECTURAL CONTRACT

The Board held a brief discussion on the eventual remodel of the Administration building once the police department moves into the new Public Safety building.

UNBUDGETED GIS CONTRACT

IT Director Rebecca Maloney explained that SROA is planning to establish a centralized database for all SROA department data and incorporate the field collector function to enhance data collection and analysis capabilities.

The Community Development, Public Works, and Natural Resources departments are currently using ArcGIS independently creating a lack of interdepartmental integration and connection between datasets.

With the proposed platform, each department will have access to shared GIS data consisting of owner and administrative information, community assets and utilities such as water, sewer, and electric, which provide regional geographic data.

Adopting a GIS platform for our Community Development, Public Works, and Natural Resources Departments will bring numerous benefits to the organization and the Sunriver community. By leveraging spatial data and analysis capabilities, we can make more informed decisions, optimize resource utilization, enhance service delivery, increase revenue, and promote sustainable development practices. Following her presentation, the Board had a number of questions for Ms. Maloney and GM Lewis.

Director Pederson noted that the Finance Committee, prior to voting to recommend the Board move ahead with this expenditure, spent over 30 minutes quizzing Ms. Maloney and asking a lot of very pointed questions.

President Beenen noted he was not initially in favor of bringing this to the Board this month as it seemed like short notice to consider an unbudgeted expenditure and he felt it should maybe be moved to next month for a vote instead. However, if the Board has enough information and feels comfortable with what has been recommended by both staff and the Finance Committee, the Board can vote on it at tomorrow's business meeting.

Director Pederson added the Finance Committee heard from Natural Resources employees Patti Gentiluomo and Claire McClafferty about how they would use this system and how much time savings and efficiency it would provide. Overall, it will be very beneficial for all the departments previously mentioned. Director Mobley added that having been a part of the discussion at the Finance Committee meeting and hearing Ms. Maloney explain it for everyone today, he favors bringing it to a vote at tomorrow's meeting. President Beenen noted from his personal perspective, he will give Ms. Maloney a pass on this as she is new, but in general things like this should be part of the budget.

This item is on the agenda for action at tomorrow's meeting.

REVIEW 9/16/23 REGULAR MEETING AGENDA

The Board reviewed the agenda for tomorrow's business meeting.

ADJOURN

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

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

The public meeting adjourned at 1:14 P.M.

Respectfully submitted,

Scott Gillies, SROA Secretary