

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
SROA BOARD ROOM
OCTOBER 20, 2023**

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

DIRECTORS PRESENT VIA ZOOM: Julianna Hayes

STAFF: James Lewis, Keith Kessariss, Leigh Anne Dennis, Mark Smith, Joe Healy & Kellie Allen

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

OWNERS IN ATTENDANCE: 5

OWNERS FORUM

Richard Look, 4 Cinder Lane, noting that he is the current chair of the Design Committee for SROA, clarified that his remarks are his alone and do not represent the Design Committee. As far as barriers that will provide plant protection, he feels SROA should allow motion activated sprinklers and products such as Liquid Fence which he personally uses, and which has worked really well. Anything beyond that would have to get approval first. He added that he is also personally fine with either black or green wire enclosures for trees.

Mr. Look also pointed out that the Design Committee contacted eight similar communities as well as sought the advice of the Sunriver Nature Center and a landscape company in Bend that does a significant amount of business in Sunriver and the surrounding area. Mr. Look has driven through both Crosswater and Caldera Springs extensively and saw no plant protections anywhere. In fact, Caldera does not allow any plant or tree protection of any kind and must even approve any species of tree an owner desires to plant.

Personally, Mr. Look does not feel there is a need for tree/plant protections. He had his landscape plan done five years ago and while the deer nibble on his Aspens, they have not been damaged and he has been able to control plant browsing with Liquid Fence.

Linda Smith, 1 Loon Lane, spoke in opposition to the proposed location of a dog park in Sunriver. Ms. Smith is a dog owner and while she is very happy that Sunriver is finally going to get a dog park, she does not agree with the proposed location adjacent to the Cottonwood Tennis Courts. Ms. Smith is a member of the Sunriver Christian Fellowship (SCF) as well as a member of their managing board and feels a dog park next to two congregations is not a good idea. Ms. Smith commented that dog parks by their nature are noisy and busy.

Ms. Smith went on that while faith communities seek and strive to create peace in their surroundings and in their facilities, these are in juxtaposition to each other. Ms. Smith shared that SCF recently installed a meditation garden near the church entrance, and it is counterintuitive to think that proposed installation of the dog park will not impact the Sunday services as well as any other scheduled activities occurring on other days of the week.

Ms. Smith noted that in all her years of using dog parks in Central Oregon and when traveling around the country, she has never seen a dog park located immediately adjacent to a church. Additionally, there are not enough parking spaces and there is no restroom. Since the SCF building is now open Monday through Friday, this could present a problem for them with dog park users requesting to use SCF's restroom facilities.

Ms. Smith asked the Board to reconsider this location for a dog park to accommodate the needs of the faith communities.

General Manager James Lewis reported that three letters from Paul Conte, 8 McKenzie Lane one from Frank Horwitz, 15 Modoc Lane and one from Ronele Schaefer, 6 Pyramid Mt. Lane were received. All three parties were writing in support of native plant and tree protections being allowed in Sunriver.

INTRODUCTION
WILLIAM (BILL) BOOS – SUNRIVER FIRE CHIEF

GM Lewis introduced Sunriver’s new Fire Chief Bill Boos noting that Mr. Boos has been on board for approximately two months now. GM Lewis has had the opportunity to meet with Mr. Boos on a couple of occasions and feels they will have a good working relationship moving forward. GM Lewis meets on a monthly basis with both the fire and police chiefs to discuss a variety of issues at a variety of levels.

Mr. Boos reported that he actually started his fire career in Sunriver in 1983. His family had moved to Sunriver in 1981 and his father was the Assistant Fire Chief for the Sunriver Fire Department at that time. Bill started his career as a volunteer with Sunriver Fire while still in high school. After high school, he went to Linfield University and stayed on as a volunteer with the SR Fire Department. After receiving his paramedic credentials Mr. Boos was hired as a firefighter for Sunriver in 1995. He later became a captain and then in 1997 he was hired by Bend Fire & Rescue where he remained until recently having spent 26 years with the department. Starting out as a firefighter he retired as their Operations Chief for the city of Bend.

Additionally, last year Mr. Boos served as the President of the Oregon State Fire Chiefs Association, a board he has been a member of for eight years. This will be his last year on that board.

Mr. Boos said he is excited to be “back home” and it’s extra special that he will get to end his career where he started it in a community that he loves very much. Mr. Boos noted that he was one of the firefighters that got to pull the first shift in the existing fire station which was amazing and exciting at the time as the previous fire station had been located in the little house that now serves as the Resort’s HR department!

There are a number of employees at the fire station that Mr. Boos worked with back when he was in Sunriver in the 90’s and he’s looking forward to getting to know the others he has just met recently. He is also excited about the new Public Safety building being constructed and looks forward to working in the same building with the Sunriver Police Department. Mr. Boos commented that he gets along well with soon to be Police Chief Lopez, and that this is an exciting time for the SSD and the community. So far, the public safety building project is on time, on schedule and most importantly, on budget.

Mr. Boos looks forward to working for all the owners, meeting new people, and getting acquainted with others in the community. It’s exciting for him to see all the changes that have happened, the little mall is now a Village, and so many other positive changes in the community. Mr. Boos noted what impresses him the most about Sunriver owners is their passion. Mr. Boos is serving on the Strategic Plan 2030 task force, and it truly warms his heart to heart to see how much the citizens of Sunriver care about their community.

As far as challenges, Mr. Boos noted wildfires, emergency response, a structural fire with a lot of wind behind it and the railroad. Mr. Boos commented that defensible space is key, and owners need to take it seriously. Staffing can be a challenge and he is working to boost their reserves and wants to work more closely with COCC on steering some of the fire science program students our way. Mr. Boos is also working with the new La Pine Fire Chief on better integration between departments. Mr. Boos also has a

very good relationship with Deschutes County Emergency Management & Preparedness Manager Nathan Garibay.

Director Mobley welcomed Mr. Boos back and noted that he welcomes him as a person with very broad interests and great experience in places that make a difference to the future of Sunriver.

In closing, Mr. Boos also thanked the Board for their service as they don't always have a fun job.

2024 BUDGET UPDATE

GM Lewis reported that this is just an update on the progress made on the 2024 budget since last month's staff budget presentation at the board work session. GM Lewis and Controller Joe Healy have met with President Beenen and Treasurer Pederson and the full Finance Committee met yesterday. The overall sentiment of what staff tries to do is to minimize expenses, maximize revenues, and control the things we can while continuing to provide exemplary service.

The maintenance fee increase for 2024 is currently figured at 3.75% which is below the average for the past ten years.

GM Lewis personally thanked SROA Controller Joe Healy for his exceptional efforts on this project as well as all of the SROA department heads for their hard work in producing a balanced budget.

Controller Healy commented that the Finance Committee met yesterday, and the balanced budget was presented to them. There was lengthy discussion with the committee discussing fees, staffing, and wages. Mr. Healy noted that currently there is a 3% wage pool for employees and inflation is currently 3.7% which presents challenges in retaining employees. There is a wage and salary study budgeted in the first quarter of 2024 after which those issues can be addressed more fully.

Controller Healy noted there are very few increases being proposed for 2024. Recreation Plus rates are increasing slightly and there was a good discussion held at the Finance Committee meeting on the subject. The committee will meet again on October 31st and then will hold their regular meeting on November 16th where the committee will be asked to recommend approval of the 2024 budget to the Board. Controller Healy noted we are further ahead in the process than we usually are at this time, and he does not foresee any significant changes.

GM Lewis added that when staff looks at fees when preparing the budget, the goal is to be able to cover the cost to provide the service. More than three quarters of the impact at SHARC comes from visitors so it stands to reason that we capture the revenue from those that generate the most impact. One of the other big points of the budget is the employees and the wages. As Controller Healy mentioned, there is a wage and salary study scheduled for 2024 that will look at the wage ranges related to the position. While wages are one of the biggest impacts to the budget, but it is also for our greatest asset, our employees. It's concerning when the increase the employee receives doesn't cover the current cost of living. Additionally, it leaves nothing for a merit increase for employees who are doing a good job. The Board held further discussion on the wage and salary study and HR Director Allen answered a number of questions regarding how the study will be conducted. Public Works Director Mark Smith acknowledged that SROA simply can't compete with some of the companies in town and it has made it difficult to find and retain employees in his department this year.

Assistant GM Kessariss added that he sits on the board of directors for the Community Managers International Association (CMIA) who will be recommending a full wage and salary study be done throughout the CMIA large-scale communities many of which are similar to Sunriver. This will provide us with more information and another tool that is a direct correlation to other large-scale communities and the positions they offer.

Controller Healy also noted the results of the full reserve study that was done earlier this year will be presented to the Board at their November 17th Board Work Session by Rob Felix, with the Felix Reserve Group who will attend via Zoom.

ADMISSIONS MODEL WORKGROUP UPDATE

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

As of September 30, 2023, a total of 7,240 Member Preference Program (MPP) cards have either been purchased or renewed. Of that total, 5,727 were renewals and 709 were new cards. The remainder are extended household, long-term renter, or commercial passes. This is 133 less than the end of September 2022. At the end of September, the MPP revenue totaled \$605,365 or 100% of the annual budget. Mr. Kessarlis also noted that the next big uptick in visitors will be over the Thanksgiving and Christmas holidays.

In regard to the 2023 Recreation Plus Program (RPP), as of September 30, 2023, there were 918 homes and/or condominiums signed up on the program. Last year at the same time there were 921 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 \$2,455,554 or 100.1% of the 2023 budget. Mr. Kessarlis does not anticipate that we will get any other properties on this year's program.

Gate revenue is currently sitting at \$554,434 or 94.4% of the budgeted \$587,050. The return of the gate revenue was welcomed this year after the lifting of capacity limits on the facilities.

SHARC hosted a total of 12,807 attendees to the facility in the month of September compared to 12,010 2022. Of that number, 3,251 were owners, 6,772 were RPP pass holders, 68 were member guests, 337 were extended family, 983 were gate admissions, and 137 were Central Oregon Sunday users. Year to date, overall attendance is at 189,261, an increase of 9,094 guests over 2022.

The overall attendance at the Member Pool through the end of September was 17,636 compared to 20,039 in 2022, a decrease of 2,403. Mr. Kessarlis noted the number of extremely smoky days in August and an unseasonably cool Labor Day weekend definitely contributed to these lower numbers. It was also noted that the Member Pool remained open for morning lap swims for the entire month of September. Director De Alicante, a frequent lap swimmer, noted his pleasure and appreciation for being able to use the outdoor pool at the Member Pool for lap swimming through the whole month of September. The Board held further discussion about ways to attract more owners to the Member Pool and the possibility of including some questions related to the subject on the Comprehensive Owner Survey next year and asking the Owner Enrichment Committee to pursue holding more frequent owner events at that location, which Director Beard as liaison to the committee can follow up on.

By the end of September 2023, staff had issued 50,810 paper guest passes and of those 10,420 have been redeemed at SHARC and 4,176 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.

MPP sales for 2024 will begin in mid- December.

Assistant GM Kessarlis commented that we have had a very robust tennis/pickleball season this year, mostly due to pickleball. \$90k in revenue has been brought in so far this year versus expenses of \$73k so we are at a net of \$17,560. As we were budgeted to lose money there this year, compared to budget we are \$24,406 to the good versus the budget for that department. We held our first pickleball tournament this year which was a sell out thanks to Recreation staff Emily Alexander, Duncan Atwood, and Leigh Anne Dennis. We also saw a significant number of paddle rentals this year.

The cafés seasonal sales totaled \$532,672.22, down approximately \$30k from last year due mainly to the days of closure due to smoke in August, and the cold Labor Day weekend. SROA's portion of this year's café revenue is \$79,900.83.

Facility event space rentals continue to pick up with a number of events on the books in the coming weeks. We are currently at \$49,756 or 38.7% 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. There are a number of events on the books for September.

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.

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

2024 PROPOSED FEES FOR SERVICES

Assistant GM Kessarlis reported the Admissions Model Work Group met earlier this week and there are very few increases being proposed for 2024.

In relation to aquatics, it is the Recreation Plus Program (RPP) that contributes the greatest number of users at SHARC. Recreation Director Leigh Anne Dennis commented that as was noted earlier, staff feels that the bulk of the users, the RPP participants, should be the group that receives the minimal 5% price increase for 2024. Ms. Dennis noted that an increase in the number of users also means an increase in pool chemicals, utilities, staff, etc. Treasurer Pederson added that for a three-bedroom home supplying eight RPP passes, the increase proposed is \$120 per year, which is still a good deal for the owners participating in that program.

RPP replacement cards will cost \$100 in 2024, an increase of \$25 and Extended Family passes will increase to \$190 per year, again corresponding to the increase in usage. There are also modest increases being proposed to the extended household one week pass, long-term renter pass, fitness fees and punch cards. No changes are being proposed to the \$30 gate admission cost for 2024. Mr. Kessarlis also reviewed the 2024 pricing for tennis, pickleball and court time.

Assistant GM Kessarlis reviewed the off-season aquatic pricing noting there are no changes being proposed to the current off-season pricing or to room rental rates at SHARC. Audio Visual and technical support are raising slightly. Scene advertising rates will also remain the same as the 2023 rates. The Community Development Department will change review fee prices to meet staff's time commitment and to make it easier for the applicant to comprehend. Additionally, Fort Rock and Paulina park fees will remain the same as the 2023 rates.

There are no increases being proposed to short-term RV storage rates, however the long-term rates will increase by approximately 12%. Mr. Kessarlis reminded the Board that there was a 25% increase in 2023/24 with the Board's goal of being at 50% of market value by the conclusion of the 2025-26 fiscal year (July – June.)

The Board held discussion on the proposed changes and had several questions for staff. This item is on the agenda for action at tomorrow's meeting.

SROA STRATEGIC PLAN TASKFORCE UPDATE

GM Lewis reported that the taskforce consisting of approximately 20 owners, community members and staff have started meeting to gather as much varied input as possible. The task force consists of both full and part-time residents, owners who rent their homes, and those who just use their Sunriver property as a vacation home and do not rent it out. There is also representation from the business community as well as from the fire and police departments.

In the first two meetings that were held, the taskforce focused on the SROA mission statement and taskforce members agreed that the current mission statement is 99% there as far as encompassing what SROA should consider having as its guiding mission.

A spot analysis has been conducted. Strengths, weaknesses, opportunities, and threats have been identified in order to get the taskforce members to think about what they like and don't like about their community. The taskforce will then move through a series of guiding principles which will include goals, policies, and action items. This will assist in making decisions about additional amenities, budgetary needs and staffing decisions, etc.

Assistant GM Kessararis added that the meetings held to date have been well attended and the participation by the taskforce members has been great. As an example, Mr. Kessararis noted in response to defining core values, he has already received responses from approximately 15 of the taskforce members. The group is very engaged, and the diversity of backgrounds represented on the taskforce is amazing.

The taskforce would like to do a town hall session on the Strategic Plan sometime in January which will assist the taskforce in determining how much time will be needed to sufficiently share and receive feedback on the plan from the rest of the membership. Assistant GM Kessararis anticipates the full report will come to the Board in the spring of 2024.

TRANSIENT ROOM TAX (TRT) UPDATE

President Beenen reported a meeting was held a couple of weeks ago where several key points came up. GM Lewis had engaged with legal counsel to render SROA an opinion based on some work Director Mobley did regarding whether or not SROA or the SSD would qualify as a local unit of government which is the legal term that is used in the current TRT legislation. Legal counsel has indicated that SROA would not qualify as a local unit of government, but the SSD might. From a TRT perspective however, they probably could not levy a TRT tax. If we wanted to levy the tax ourselves, it would require a legislative change.

The taskforce, with the assistance of taskforce member Tom O'Shea from the Resort has been revisiting the Central Oregon Visitor Association (COVA) piece of this as COVA receives significant monies generated by TRT dollars for their marketing and advertising. Approximately ten years ago, the amount they received was \$800k. Fast forward ten years and in 2022 they received \$3.3 million. Mr. O'Shea's stance is that there are a lot of private businesses that do a tremendous amount of advertising, lessening the need for as much advertising by COVA. Additionally, Sunriver as a whole does not benefit that much from the marketing that COVA does.

The current position of the task force is the same one they have been advocating for the last few months that from a county perspective Sunriver should be treated like any other city in Deschutes County. The taskforce believes they are ready to go back to the County Commissioners with a formal proposal.

GM Lewis added that a proposal of this nature will automatically get push back from the Deschutes County Sheriff's Office who currently receives a significant amount of those TRT dollars. It was also noted again that Visit Central Oregon automatically gets substantial monies that are increased every year through the current legislative agreement. The real crux of the taskforce's argument is should that still be the case, or should that be revisited and some of those dollars should be redirected towards infrastructure that all the tourists use instead of it just being used for marketing. GM Lewis added that the other option would be to work with our lobbyist to explore changes to the legislative agreement. Assistant GM Kessarlis added that at a recent Chamber Board meeting one of the Deschutes County Commissioners who is a member of the board reported that 82% of the TRT dollars received in the County in the month of September came from Sunriver. The task force will keep the Board apprised of the progress moving forward.

COMPREHENSIVE OWNER SURVEY

Assistant GM Kessarlis reminded the Board that SROA conducts a comprehensive owner survey every three years. The next one will be done in 2024 and DRC Research who has conducted the surveys since 2010 will conduct this survey again. In reference to making up the taskforce the desire is to have some continuity from the 2021 taskforce as well as some new members who have not participated in the past. The recommendation that is on the agenda for action at tomorrow's meeting includes the proposed appointments of Directors Burke, Gillies, Hayes & Pederson, community members Mark Feirer and Corey Wright and staff members James Lewis and Keith Kessarlis.

The first meeting of the taskforce will be held in November and the survey will go out in mid-February to early March of 2024. Some questions will be similar to ones asked in previous surveys to allow for like-for-like data comparisons between the years, especially in regard to demographics. Over a three-year period, trends change, and amenities can change so the goal is to capture those changes. We have also had a significant number of properties change hands since the last survey.

Assistant GM Kessarlis also noted that if there any particular questions that need to be added to address something specific to the Strategic Plan or the Parks and Rec Master Plan for instance, we can get some of those questions added into this survey.

As in the past, the survey will be launched online first, and owners will have a specific timeframe in which to complete the survey. Once that deadline passes, hard copies of the survey will be sent to any owners of record who do not complete the online version. DRC Research is really pushing for owners to use the electronic version as the online version is a better product. Sunriver owners have been very responsive to utilizing the online option with 85-90% of those who completed the 2021 survey having done so online. Additionally, it is less expense to SROA if owners complete the online version as it saves postage and printing costs. Director De Alicante noted there are a number of owners who don't understand or have the necessary computer or iPad to complete an online version, so it is important that we do have the paper versions provided to those who do not complete the online version. Assistant GM Kessarlis assured Director De Alicante that staff will be happy to assist and/or accommodate any owner who needs a hard copy of the survey.

REVIEW 10/21/23 REGULAR MEETING AGENDA

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

OTHER BUSINESS/RING DOORBELLS

Director De Alicante noted that at the SSD meeting on Thursday he brought up with the police chief the possibility of any grant opportunities that might be available to help owners put ring cameras on their homes and take part in a ring community to see whose could be lurking around homes and which might provide better evidence on break-ins or other activities. According to Director De Alicante, the police chief shared that the Village is upgrading their camera capabilities to provide better visibility and participation.

There are some grants available, but Director De Alicante also suggested that perhaps part of the SROA budget could be earmarked to help people fund one of those devices in the name of safety.

OTHER BUSINESS/RECYCLE STATS

Director Pederson reported that GM Lewis contacted Cascade Disposal and received the recycling tonnage statistics through the end of September along with a comparison to 2022. Total commingle recyclables went down 39%, glass went down 43% and cardboard went down 21% compared to 2022. In regard to tonnage, while glass dropped by 54 tons at the recycle center, 79 tons were picked up via the side yard recycling program. Side yard commingle which includes cardboard totaled 69 tons, while the drop in commingle and cardboard brought to the recycle center dropped by 78 tons. While owners are indeed using the side yard recycling, they are also still bringing stuff to the recycle center, especially cardboard.

Director De Alicante wonders how much of what is still coming to the recycle center can be attributed to those who do not live in Sunriver. Director Pederson commented he doesn't necessarily agree that one can draw that conclusion. When you look at the droppage that has happened it is largely attributed to our owners using the side yard option. GM Lewis added that it is difficult to accurately gage some of this as the total number of customers does not provide any breakdown as to how many of these customers are actually using the side yard service.

ADJOURN

There being no other business, President Beenen asked for a motion to adjourn the public meeting and reconvene in executive session.

Director Gillies moved to recess the public meeting and reconvene in Executive Session under the authority given in the SROA Bylaws, Article IV, Section 10 to discuss contractual, personnel, and legal matters that may be subject to a claim of privilege. Seconded by Director Murray, the motion passed unanimously.

The public meeting recessed @ 12:01 P.M.

The public meeting resumed @ 2:01 P.M.

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

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

The public meeting adjourned at 2:02 P.M.

Respectfully submitted,

Scott Gillies, SROA Secretary