

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
SROA BOARD ROOM  
NOVEMBER 18, 2023**

**DIRECTORS PRESENT:** Clark Pederson, Bill Burke, Keith Mobley, Julianna Hayes, Mark Murray & Linda Beard

**DIRECTORS PRESENT VIA ZOOM:** Scott Gillies & Gerhard Beenen

**DIRECTOR ABSENT:** Tony De Alicante

**STAFF:** James Lewis, Susan Berger & Jesus Mendoza

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

**NUMBER OF ATTENDEES:** 2

**OWNERS FORUM:**

Randy Schneider, 6 Dixie Mtn Lane, spoke as a follow-up to his comments at the Friday work session. He referenced a meeting of the Bend Metropolitan Planning Commission on the previous day where ODOT region 10 Director Robert Townsend spoke regarding budget issues and highway maintenance, specifically maintenance and improvements to Highway 97 in south Deschutes County based on a traffic safety scoring system.

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

Vice President Burke commented that Director Gillies was to follow up with Linda Smith, 1 Loon Lane, who is a member of the Managing Board of the Sunriver Christian Fellowship regarding her concerns about the proposed dog park adjacent to the Cottonwood tennis courts. Director Gillies did meet with Ms. Smith and provided her with background information on why the taskforce decided on that location. They agreed to disagree on numerous points. Since that meeting the Sunriver Christian Fellowship has written a letter to the SROA Design Committee. Additionally, GM Lewis and Assistant GM Kessarlis met this past Tuesday with representatives from both the Sunriver Christian Fellowship and Holy Trinity Catholic Church. Their concerns, as have been previously reported, are disruption to activities on the church site. They expressed their disappointment that the decision has been made to locate the dog park at that location before they were notified. The GM's explained that it was not necessarily a done deal and staff can go back to the taskforce and ask them to provide some viable mitigation solutions and/or reconsider some of the other options for this park.

On a separate note, the representatives for the churches were reminded that this property has been designated for park use since way before the churches located their operations there and is something they no doubt were made aware of when pursuing their due diligence prior to purchasing the properties. There are very few properties like this left on SROA's Parks Master Plan that can accommodate such things as a playground, pavilion, etc. to serve the needs of owners and guests.

Treasurer Pederson added the taskforce has met and some of the mitigation solutions they talked about are including both raising the fence that goes along the property line from four feet to five feet and installing a sound barrier like what is used at the pickleball courts at Fort Rock Park. Additionally, they recommend moving the fence line a few more feet away from the church properties. Originally it was set at

approximately 7.5 feet and another five feet will be added to that for a total of 12.5 feet from the church properties. Although discussed, no decision has been reached as to whether the park would have a locking mechanism available on the gate to not allow use of it during service hours at least Saturday nights and Sunday mornings but the taskforce recommends waiting to see how things work out without taking that measure first. Another option that could be added if needed would be some berms between the church properties and the park. In relation to the concerns about parking, some additional parking spaces will be added to the parking lot at that location and again, we will have to wait and see if it presents a problem or not.

GM Lewis added that again, this is one of the last open spaces available to the Association that can be developed as a park and recreation area and as everyone in this room probably knows, Fort Rock Park is booked solidly all summer and often owners and/or guests are turned down as the park is not available for their function. Another location with a pavilion, playground, and possibly other amenities would take some of the pressure off Fort Rock as well as allowing more applicants the ability to enjoy a park setting for their gathering.

Moving along from last month's follow up, GM Lewis was going to respond to Jeff Mingus, 3 Gray Birch Lane and Mike Shear, 1 Gray Birch Lane, regarding their concerns about the low level and odor of water in the ponds on Sunriver Resort's Woodlands golf course, particularly the one that is adjacent to the Members Pool. GM Lewis noted he will reach out to Mr. Mingus and Mr. Shear next week as he was finally able to speak with the Operations Manager for the Resort and the GM for SR Utilities and learned that the levels do go up and down throughout the year, although it is typically not more than 18 inches and that depends upon the flow. The utility company works with the golf course to determine the expected flow from the sewage treatment plant which is typically lower over or toward the weekend because that is when you get the higher use in Sunriver during the summer.

In terms of the smell, with the improvements they recently completed at the sewage treatment plant, the water that comes out of the system has no smell, so it could just be mud smell like you have anywhere else. Additionally, GM Lewis talked to Recreation Director Leigh Anne Dennis and some of the other recreation staff and asked if they had gotten complaints from anyone using the Member Pool since it sits just adjacent to the pond and the answer was that they had not received any complaints during the time the Member Pool was open this season.

Regarding follow-up from yesterday, Patty Smith, 2 Lodgepole Lane, and Randy Schneider, 6 Dixie Mtn. Lane, do not require follow-up nor is any follow-up necessary with Jane Boubel, 18 Cultus Lane. \

### **RECAP OF 11/17/23 BOARD WORK SESSION**

President Beenen reported that Police Chief-in-Waiting Stephen Lopez was in attendance and shared a bit of his background as well as an update on operations at the Police Department. Mr. Lopez will be sworn in as Police Chief on December 1<sup>st</sup> and the Board wishes him the very best in his new position.

Rob Felix from the Felix Reserve Group was in attendance via Zoom and presented information on the recently completed full reserve study followed by quite a bit of discussion by the Board with Mr. Felix.

Mark Fisler, Chair of the Owner Enrichment Committee (OEC) provided the committees annual report and talked about some of their plans for 2024.

Controller Joe Healy reviewed an investment proposal from the Finance Committee that the Board will be voting on today.

Assistant GM Keith Kessarlis provided an update on recreation statistics for the month of October highlighting that we will finish the year essentially on plan.

Controller Healy and GM Lewis provided an update on the proposed 2024 budget and 2024 maintenance fees. Both items are on the agenda for action at today's meeting.

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

Director Pederson moved to approve the minutes of the October 20, 2023, board work session minutes as written. Seconded by Director Murray, motion passed unanimously.

Director Pederson moved to approve the minutes of the October 21, 2023, board meeting minutes as corrected. Seconded by Director Mobley, motion passed unanimously.

**BOARD ACTION**  
**FINANCIALS**

Treasurer Pederson referred to the key data sheet noting the amount of green ink versus red ink on page, which is always a good thing. In the operating area, our total revenues were ahead of budget by \$33,214 the result of the increase in some design review fees that took effect in June, interest income, and some LFR fines. In operating expenses, we are under budget by \$23,003 due to savings in some materials costs. And for the first time in Controller Healy's memory, this month's legal bill was only for the retainer. This results in a positive variance in operating for the month of \$56,217. Year to date, there is a positive variance of \$337,143 and revenue exceeded expenses by \$273,159.

On the non-operating side, revenue was above budget largely due to interest income and on the expense side we were under budget by \$50,502 largely due to timing in LFR and asphalt applications. SROA will also be receiving an additional \$60k from the ladder fuel grant from Deschutes County, which will be the final payment from that grant. Year to date, when looking at the total surplus from both the operating and non-operating we are at \$1,869,515 versus a budget of \$1,082,000 resulting in a variance of \$742,569. Interest income year to date between the operating and non-operating accounts is \$577,000.

Treasurer Pederson proceeded to review the balance sheet and investments and answered some questions posed by other Board members.

For the month ended October 31, 2023, there was a net operating surplus of \$17,845 which was \$56,217 better than the budget. Total operating revenue was over budget by \$33,214. Design review fees, ladder fuel fines and interest income were all over their respective budgets for the month. Total operating expenses were under budget by \$23,003 due to savings in material and services and legal fees. The only legal costs for October were the \$2,000 general services for the month, which included Board of Directors training.

Through the first ten months of 2023, there was a net operating surplus of \$273,159 which was \$337,143 better than budgeted. Operating revenues were over budget by \$128,141 mainly due to a Caldera expansion payment, interest income, and positive variance in design review fees, park reservations, and ladder fuel reduction fines. These positive variances were partially offset by shortfalls in special program gate admissions, and event space rental. Year to date, Member Preference Program (MPP) and Recreation Plus Program (RPP) revenues are at 101.1% and 100.1% of their respective annual goal. Salaries and burden were under budget by a combined \$140,354 due to open f/t and p/t positions in the first half of the year. Material and services expenditures were under budget by \$57,397 through the first ten months. It is anticipated that the majority of this positive variance will continue through year-end. \$577,670 has been

earned in interest income year to date in the operating and reserve accounts. As of October 31, 2023, there was a combined operating and non-operating surplus of \$1,869,515 which was \$742,569 better than budget.

Total assets as of October 31, 2023, were \$36,417,845. Cash and investments totaled \$15,073,383, a decrease of \$467,340 from September. As of the end of October, there was \$14,668,364 invested in FIW money market fund and US Treasuries with durations between 90-day and two-year and a yield of 5.26%. Receivables for owner's fees (maintenance fund, storage space, fines) and RPP payment plans were \$128,426, of which \$86,302 is over 90-days past due. There is \$90,000 in reserve for uncollectible accounts against owners' receivables.

October 31, 2023 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$11,343,561
TOTAL EXPENSES	\$11,070,402
OPERATING FUND SURPLUS	\$ 273,159

Director Mobley moved approval of the unaudited financial statements for the month ending October 31, 2023. Seconded by Director Burke, the motion passed unanimously.

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

GM Lewis reported his recap for activities in October.

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 economic development efforts. This will continue to be a monthly on-going participation.

GM Lewis worked with SROA collections legal counsel regarding Transient Room Tax (TRT) funds/statute analysis; SROA election/email issues, fine/fee lawsuits, HR issues and more.

GM Lewis continues to participate in ongoing/regular meetings with TDS staff regarding the physical construction and eventual migration of owners to fiber to the home and their SROA account. Monthly update meetings are still being held with TDS staff.

GM Lewis participated in an on-going Newberry Partnership Strategic Action Plan for south Deschutes County including a public meeting at SHARC on wildfire protection.

GM Lewis met with the incoming SR Police Chief regarding bike patrol and alternatives.

GM Lewis participated in the yearly meeting between SROA and the SSD relative to the Agreement for Enforcement of Rules & Regulations and follow-up to 2023 issues.

GM Lewis continues to attend and participate in the regular monthly meetings of the Owner Enrichment, Finance, and Covenants committees, the Dog Park Task Force, Admissions Model Workgroup and Design Committee as necessary.

GM Lewis continued to work with department heads to fine tune their 2024 budgets.

GM Lewis participated in some additional follow up with the architects to discuss future remodeling at the SROA Administration building and at SHARC.

GM Lewis followed up with various Board members and owners regarding comments during the owners' forum portion of the Board meetings.

GM Lewis participated in the third Strategic Plan 2030 Task Force meeting.

In the Accounting Department, Controller Healy prepared the unaudited financials for the month and quarter ended 9/30/23.

The Controller presented the draft of the 2024 operating and reserve budgets to the Finance Committee.

Accounting staff have been working with the SSD auditing firm.

The SROA Controller continued to review and work on the 2023 full reserve study report.

The Controller has assisted department heads as necessary with their 2024 budgets.

In IT, all switches have been moved to 5gb circuits in the admin office.

Installed Verizon Cellular boosters at SHARC and at the admin office.

IT staff member Gabe Rice continues to do GIS training in ArcGIS Pro, spatial analysis tools and data engineer training.

A second round of staff awareness training has been rolled out.

A GIS project kickoff meeting was held with staff that will be utilizing that program.

The Jonas server in accounting was moved from an older legacy server to a new host. Jonas will soon be moved to the cloud.

The phone script for winter hours at SHARC has been updated. The emergency phone in the indoor pool area has been replaced.

A new snowfall file for 2024 has been configured for Public Works.

Quarter-end reports were run on the new fuel system.

In the Communications Department, Scene advertising was at \$25,975 (October 2022 was \$18,327.)

There were 155 reads of the online October Scene including readers from Sweden, Ireland, Canada, and Mexico.

The SROA websites most popular pages in October were weather, calendar, and ladder fuels.

The SHARC websites most popular pages were recreation swim, calendar, and plan your visit.

October eblasts included information about TDS letter to owners about forthcoming work, Bike and Pedestrian summit, Soiree wine events and owner living room use.

Social media projects promoted soiree wine events and paint/sip class.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule with multiple items on each agenda – the two October meetings had a total of nine items combined –5 and 4).

There are currently approximately 323 active projects/building permits (down by 2 from the previous month of Sept.)

The number of applications submitted in October was down from the same month in 2022 - from 113 in 2022 to 81 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 continues modifying the new application forms and informational handouts as necessary.

Community Development staff continue to provide updates to the Design Committee on the procedural elements in the new Design Manual of Rules & Procedures and how staff conveys those to owners.

Community Development staff worked with the Design Committee on continued discussion of tree protections.

The Natural Resources (NR) staff prepared and mailed ladder fuels reduction (LFR) fourth violation letters.

NR staff performed annual fall ladder fuels reduction inspections of private properties (south end).

Ladder fuels reduction and tree thinning continued on commons.

NR staff completed the annual asbestos surficial pick-up on commons.

NR staff performed annual cheat grass pre-emergent application.

NR staff started flagging property lines and marking trees for the 2024 LFR contract.

Public Works staff winterized the sports courts including the removal of all windscreens and nets. Drinking fountains were also winterized.

The last round of ladder fuel pickups for the year was completed.

PW staff went door to door and emailed notification for fall road projects.

Oregon Loop and part of Beaver Drive were completely rebuilt.

Swept all pathways several times to remove all fall blow down of pine needles.

Salted pathways and tunnels as necessary.

Fleet services installed snow equipment on the large PW trucks.

A tilt trailer was purchased for a reserve replacement.

Reserve replacement orders were placed for a pickup and small SUV.

At SHARC, repairs to the snowmelt systems are in process.

Safety covers have been installed for the winter.

The outdoor pools and deck restrooms have been winterized and the pool gutter bullnose was repaired.

At the Members Pool, Anderson Pools/Pacific repaired warranty items. Safety covers were installed, and the spa pump drive was replaced.

The foundation dig-out of the new Public Works building is complete and the metal building has been ordered.

CDL training is underway for new staff in hopes of having one more person qualified in November.

PW recently lost a lead tech with 20 years of experience and the department is interviewing for two open positions.

The Recreation Department reports 7,289 Member Preference Program (MPP) memberships have been sold in 2023 and 914 homes/condos are currently participating in the Recreation Plus Program (RPP) which is 10 less than the same time in 2022.

There was a total of 5,948 visitors to SHARC in the month of October versus 5,590 in October of 2022 and 5,846 in 2019.

The first Sip, Sip Soiree was a success with two more of these events to be held in November and December.

The aquatics department launched a new coached lap swim for adults to increase lane sharing and help preventive repetitive motion injuries.

Facility operations have rolled back to winter hours of 6 AM – 6 PM daily.

Retail ordering for 2024 is underway in preparation for another successful year ahead.

The Recreation Plus Program (RPP) prices for 2024 have been communicated to all property managers. Usage reports for all RPP participants will be conducted after the Thanksgiving holiday.

### **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**

President Beenen reported one just has to look out the window to see that the new Public Safety building is moving along nicely. The objective is to have it closed-in in the next couple of weeks so they will be able to continue interior work during the winter months. There is also some work taking place on the east side of the apparatus bay which will provide a decontamination area for SSD staff as well as storage of their air packs.

According to the contractor and our owner’s representative, we remain on plan and on budget with the target completion date set for early 2025.

The chiefs reports are included the Board binders and having heard from Fire Chief Bill Boos last month and Police Chief in waiting Lopez this month, the Board is up to speed on what is happening in those departments. Things are stabilizing employee wise in the Fire Department but are always more of a challenge on the Police side.

The SSD has also completed a reserve study. They are not as far in the process as SROA, and they have a lot of work to do on ensuring their reserve list is accurate, but they are getting there.

There is the annual meeting with the Deschutes County Commissioners with the SSD Managing Board scheduled in December. There is also discussion taking place on the management agreement between the SSD and the County. This could affect SROA as there is talk of either reducing or eliminating the requirement that SROA Board representation be included on the SSD Managing Board.

The minutes from the September 14<sup>th</sup> and October 19<sup>th</sup> meetings were included in the board binders.

**BOARD ACTION**  
**COMMITTEE/TASKFORCE APPOINTMENTS**

Director Pederson moved approval of the resignations of Mark Szmeczak from the Design Committee and Mary Condy and Louise Howard from the Owner Enrichment Committee and further moved to thank them for their service. Seconded by Director Murray, the motion passed unanimously.

**BOARD ACTION**  
**ACCEPT OWNER ENRICHMENT COMMITTEE ANNUAL REPORT**

Director Murray moved to accept the Owner Enrichment Committee annual report as presented to the Board on 11/17/23. Seconded by Director Pederson, the motion passed unanimously.

**BOARD ACTION**  
**RESOLUTION 2023-007**  
**APPOINTING AUTHORIZED SIGNATORIES**

Director Mobley moved approval of Resolution 2023-007 authorizing designated signatories for the Association accounts. Seconded by Director Pederson, the motion passed unanimously.

**BOARD ACTION**  
**2024 BUDGET**

Director Pederson moved approval of the proposed 2024 budget. Seconded by Director Mobley, the motion passed unanimously.

**BOARD ACTION**  
**2024 MAINTENANCE FEES**



Director Murray moved approval of the 2024 Maintenance Fund assessment of \$159.51 per month an increase of 3.75% or \$5.77 per property per month. Further move to approve a discount of \$57.42 resulting in an annual payment of \$1,856.70 to owners who pay their regular maintenance fees in full, excluding special purpose assessments, by the 25<sup>th</sup> of January 2024. Seconded by Director Burke, the motion passed unanimously.

**BOARD ACTION**

**2024 SKYPARK ASSESSMENT AMOUNT**

Director Burke moved to approve the 2024 Skypark Fund assessment of \$68.99 per month, an increase of 3.75% or \$2.49 per property per month. Seconded by Director Mobley, the motion passed unanimously.

**BOARD ACTION**

**INVESTMENT PROPOSAL**

Director Pederson moved to approve the authorization of the SROA Controller to purchase up to \$3 million in US Treasuries with maturities of over two years and up to five years in duration. Seconded by Director Murray, the motion passed unanimously.

There being no other business, President Beenen asked for a motion to adjourn to executive session to discuss a personnel matter.

Director Murray moved to recess the public meeting and reconvene in executive session under the authority given in the SROA Bylaws, Article 4, Section 10 to discuss contractual, personnel, or legal matters that may be subject to a claim of privilege. Seconded by Director Mobley, the motion passed unanimously.

The public meeting recessed at 10:24 A.M.

The public meeting resumed at 10:45 A.M.

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

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

The meeting adjourned at 10:49 A.M.

Respectfully Submitted,

Linda Beard, SROA Assistant Secretary