

**JOINT MEETING OF THE
SUNRIVER OWNERS ASSOCIATION (SROA) & SUNRIVER SERVICE DISTRICT (SSD)
DILLION ROOM AT SHARC
April 19, 2024**

PRESENT: SROA Directors: Bill Burke, Keith Mobley, Clark Pederson, Scott Gillies, Mark Murray & Linda Beard

PRESENT: SSD Managing Board: Jim Fister, John Ralston, John Shoemaker, and Denney Kelley

PRESENT: SROA/SSD Directors: Tony De Alicante & Gerhard Beenen

STAFF: SROA Staff: James Lewis, Keith Kessarlis, & Patti Gentiluomo

SSD Staff: Fire Chief Bill Boos, Police Chief Stephen Lopez, Police Captain Tory Kornblum, SSD Administrator Mindy Holliday & Office Assistant Heather McGuire

Also in attendance was Public Safety Building Project Manager Kenny Tyler & Project Superintendent David Martin

The joint meeting of the SROA Board of Directors and the Sunriver Service District Managing Board was called to order at 9:00am.

ROLL CALL

SSD Managing Board Chair Jim Fister called the meeting to order, welcomed those in attendance and did roll call for the SSD Board declaring a quorum present.

SROA President Gerhard Beenen did roll call for the SROA Board declaring a quorum present.

Public Forum/Owners Forum: No owners addressed the Boards.

OPENING REMARKS

SROA President Beenen commented that as everyone here is aware SROA and the SSD are the two governing bodies for Sunriver. Each Board has its unique responsibilities. Together the Boards are responsible for the infrastructure and services that define Sunriver as a community. Whether it is roads, pathways, parks, recreational facilities, public safety, or emergency services keeping us safe while allowing owners and guests to recreate while living in a natural environment.

President Beenen noted he serves on both the SROA and the SSD Managing Board and wanted to mention how much he appreciates the dedication of both the SROA and the SSD staffs. The SROA and SSD employees, who are not residents of Sunriver, work around the clock to preserve Sunriver, provide needed services, and keep owners and guests safe. President Beenen added he can assure all Sunriver owners that the two boards, staff and volunteers take their responsibility seriously and have dedicated hundreds of hours in service of the community.

As a Sunriver owner, President Beenen heartily thanks them for their service. Sunriver is Sunriver because of the SSD and SROA employees and all the volunteers that give their time and service to the community. As long as we continue to work together, the future of Sunriver as the unique special place that people know, and love will be preserved and prosper.

SSD Managing Board Chair Jim Fister commented that the SSD is a function of Deschutes County. The district is managed by Deschutes County and the County Commissioners who serve as the governing body for the district. Chair Fister noted the SSD enjoys the good relationship they have with SROA and hope that continues moving forward.

PUBLIC SAFETY BUILDING UPDATE

Owner representative and Project Manager Doug Nelson was on a scheduled vacation this week, so SSD Managing Board member John Ralston provided the update on the progress of the Public Safety building. Director Ralston noted the committee is fortunate to have Mr. Nelson as the project manager. Mr. Nelson does a terrific job at managing both the interests of the Managing Board and those of the contractors from Kirby Nagelhout, creating an atmosphere on this project that is very enjoyable. Things are going very smoothly and the project is currently on schedule and on budget.

Kenny Tyler, Project Manager and David Martin, Project Superintendent for Kirby Nagelhout were both in attendance and introduced themselves to the rest of the group.

Mr. Martin reported that currently, schedule-wise, they are right on track. The police station portion of the building as well as the first and second floor of the firehouse expansion are moving forward nicely.

The ceiling grid, finishes, and painting are currently underway and flooring installation will begin next week. Case work, i.e., cabinets, bookcases, drawers, etc. will begin on April 29th. Next up will be the prep for curbs and sidewalks in preparation for installing the asphalt.

After the firefighters move from their existing quarters into the second floor of the new firehouse expansion at the end of June or beginning of July, the contractors will gut and remodel the existing portion of the firehouse. Overall, the project is still on schedule to open in January 2025. Director Ralston noted that as the fire station must be available 24 hours a day, the SSD appreciates the inconvenience that poses for Kirby Nagelhout and their willingness to work with the SSD to make that happen.

As there were no questions for Mr. Martin or Mr. Tyler, the Boards thanked them for being in attendance today and for the terrific job they are doing, and the gentlemen took their leave.

SSD Chair Fister added that while it is an active construction site, if someone would like to tour the building and see the progress being made, that can be arranged. Chair Fister added it is very impressive to see the project taking shape and they have received a lot of positive feedback from the County who supplied \$8 million of the \$18 million dollar project cost from transient room tax (TRT) dollars.

The SSD wants to be very responsible with the Sunriver owners tax dollars to make sure they are providing a building that is on time and on budget. SROA Director Pederson noted that SROA had provided the building to the SSD for a cost of \$1. SSD Director Ralston noted the SSD's appreciation for that gesture, which is yet another example of these two entities working together for the benefit of the community.

Director Ralston echoed SSD Chair Fister's comments about touring the facility noting the police station will include things like holding cells as well as meeting the requirements for security and safety of staff members. The fire department side is equally impressive, and the SSD is hopeful that this new state of the art facility will serve as a good recruitment tool as well.

SSD Chair Fister added that in addition to the police and fire side of the new building, there will also be a public side with a conference room, newly named Doug Seator Hall. This training and conference room will be a public space that will be available to the public to use and will seat approximately 100 people.

In the event of an emergency this public space will also serve as the South County Emergency Operations center as it has full generation backup should there be a power failure.

SSD Administrator Holliday noted her appreciation to SROA and the SROA staff for the continued use of the SROA Board room for many of the SSD's meeting needs while this construction is going on.

Director Ralston reported one issue they need to make the SROA Board aware of and which is included in the project plans is a widening of the driveway from Abbot Drive to the entrance of the RV storage area three feet to the north. The driveway was not in great shape when the project started and is in way worse shape now. The SSD would like to split the cost of this between SROA and the SSD. Director Ralston reported he has held discussions with both SROA GM Lewis and SROA Public Works Director Mark Smith about the feasibility of this proposal. A geotechnical study was recently conducted to determine the actual condition of the current road base and those results will be back in time for the May board meetings.

Currently the work is scheduled for June 3-11, weather permitting. This will affect all employees and visitors to the SROA and SSD offices for that entire week. Additionally, access to the RV storage area will be extremely limited.

CHIEFS REPORTS **FIRE DEPARTMENT**

Sunriver Fire Chief Bill Boos reported when he first started working as a volunteer at the Sunriver Fire Department it was located right off of Circle 1 in a structure that no longer exists, and their equipment was stored in the tiny structure that now houses SR Resort's HR Department. When the existing fire station was built, it was a big deal, and this building that is being constructed now is just phenomenal. Mr. Boos added there are very few true public safety buildings in the state of Oregon that compare with what is being constructed. Mr. Boos added that it is unique being able to work and integrate two different departments like this with one another and he enjoys the relationship he has with Chief Lopez and his staff.

Chief Boos reported that his staff ran a total of 576 calls in 2023, which was down from 647 in 2022. Chief Boos commented he cannot give a reason for that difference other than the fact that call loads vary from year to year. Chief Boos has been working with the LaPine Fire Department on collaboration of mutual aid responses noting the number of aids given and received in 2023 was much closer to even than in 2022. Total training hours completed in 2023 totaled 3926 up from 3508 in 2022.

From an administrative perspective Chief Boos reported that upon starting his employment with the SSD last July, he met with each staff member individually to get to know the staff as well as learn of any questions or concerns they may have. Chief Boos currently oversees a staff of 14, noting that during a recent period of being short-staffed he and Deputy Fire Chief Rod Bjorvik both worked several shifts at the department, something neither one of them had done in a number of years and which provided him the opportunity to get to know the crews on a more personal level which was phenomenal and something he would recommend all fire chiefs do.

Three fire fighter/paramedic positions were filled last year. There is one more individual who the department has made a conditional offer to and if accepted, they will be fully staffed by June 1st.

Chief Boos commented that his staff have been working through the construction process going on all around them and although it has been tough on staff, they know when it is complete, they will have an exceptional facility to work out of. Having been through major construction projects at two of his previous locations, Chief Boos complimented Kirby Nagelhout's employees and operation as outstanding.

Chief Boos also reported he has been working with SR Police Chief Lopez and Captain Kornblum as well as Deschutes County Emergency Services Manager Nathan Garibay discussing and reevaluating evacuation routes and processes. Information on that will be disseminated soon as it is available.

Deputy Fire Chief Bjorvik also works overhead teams in the summertime which generates additional revenue for the department. Overhead teams are made up of wildland fire personnel who are assigned to supervisory roles. It is impossible to determine what the need will be for those services this year although Oregon may fair a bit better this year due to increased snowpack which has helped to offset the drought some.

In regard to training, the fire department does water rescue, ventilation, confined space, high angle rescue and extrication training, just to name a few. Some of these are done via individuals on staff who participate in tri-county rescue teams where there are individuals from different agencies working together on these important training exercises. The fire department also works a lot on vehicle rescue training as they frequently are called to respond to wrecks on Highway 97. The joint training the department has done with the LaPine Fire Department has come in immensely helpful when responding to these kinds of calls.

Chief Boos has also been working closely with the new La Pine Fire Chief Erick Holsey who came to that department from Columbia Fire & Rescue last May. Due to the efforts of the two chiefs, Sunriver and La Pine are working more jointly and collaboratively to understand each other's equipment and processes to be more effective in their joint responses to incidents.

The Fire Department has purchased two new thermal imaging cameras allowing them to gauge the heat behind a wall. At a recent fire where an indoor pool heater was to blame, they were able to determine the source of the heat utilizing this device.

Chief Boos also noted a new cutting-edge dispatch alerting system is being installed in the public safety building that should cut 10-15 seconds off turnout times.

As far as community events, Deputy Chief Bjorvik led a wildfire roundtable at SHARC, team members participated in the Three Rivers School Otter Run, the Village @ Sunriver Halloween event, the SROA Health & Safety Fair, SR Resort's Grand Illumination event and Wonderland Express at the Resort.

The departments goals include continued operations integration with the La Pine Fire Department, the health and wellness of the departments employees both physical and mental, the fine tuning of internal communications, and continually searching for ways to be more innovative. Chief Boos also hopes to bring the reserves program back to levels seen in the past by working closely with COCC and the students enrolled in their fire science programs. The department is also updating their Emergency Operations Plan with assistance from Nathan Garibay as well as their continuity of operations plan.

In closing, Chief Boos noted they plan to start the sale of metal ash cans and the Knox Box emergency key program again once they are in the new facility and can house and distribute these items. In answer to a question, Chief Boos said he believes the Knox Box program is very valuable as it allows firefighters to access to your home without having to break the door down. All businesses in Sunriver have installed these important devices to their locales and it is just as important for residential properties to install them. Only the fire department has the key to unlock the box, so owners do not have to worry about any unauthorized personnel having access to their property and the fire chief highly recommends installing these devices in your home or condominium.

POLICE DEPARTMENT

Police Chief Stephen Lopez echoed Fire Chief Boos' comments on the collaboration of their departments and Administration all working so well together. It is unique, yet the departments get along and collaborate well together.

Chief Lopez reported the department received approximately 8,000 calls for service in 2023, 620 of which were emergency calls and approximately 2,000 non-emergency calls. The majority of the calls the department receives are self-initiated. 450 criminal case reports were filed and around 130 people were arrested.

Chief Lopez referred to the 10-year reflection of calls the department received noting the bump upwards in 2016 and 2017 where prior administration had an emphasis on other types of calls, and which inflated the total calls for service. Additionally, the department has been short-staffed in recent years, which contributes to overall activity.

Administratively, Chief Lopez, who has been with the Sunriver Police Department since 2021 first as a sergeant and then as a lieutenant was promoted to the chief position last December and Tory Kornblum was promoted to Captain in December of 2023. Captain Kornblum came to Sunriver from the Contra Costa County Sheriff's Office in the San Francisco Bay area. She started in Sunriver in 2022 as an officer, was promoted to corporal and then to her present rank of captain with the department. Captain Kornblum and Chief Lopez met while attending the FBI Academy together. A new Administrative Assistant Katie Warren was hired and is doing a fantastic job. Additionally, three new entry-level officers were hired and are in various stages of their onboarding. One is completely "signed off" and able to patrol on their own, one is in training which requires them to be with another officer and the third is still at the police academy.

A Corporal position has been developed which allows for more supervision into the evening and nighttime hours especially in light of the number of newer employees on staff and the busy season right around the corner. One individual, Corporal Elizabeth Lawrence, has been hired after having spent thirty years with the Bend Police Department. A second corporal position which they are currently seeking to fill, remains open at this time.

A drone program was rolled out in 2023, with approval from SROA and that program has been a success. Currently, there is one trained drone operator who has been deployed on various missions both in and outside of Sunriver. This capability has assisted in the location of missing persons, suspect apprehension, tracking through snow, etc. They hope to expand that program to two drone operators in 2024 if it is deemed someone is qualified to do so.

Staff firearms were updated in 2023 with new rifles, pistols, and tasers. Some new patrol vehicles were received, and the department is starting the switch over to some pickup trucks in their fleet which are often times more advantageous to the weather conditions in Sunriver than a cruiser. Additionally, police officers now all have body cameras.

Monthly training exercises have been established. These are in-service, four-hour mandatory sessions for all police personnel. While they still rely on regional training as well, the Chief feels it is important to have an internal training mechanism as well.

In regard to operations, in 2023 there were seven bike patrol officers which was the maximum number of suitable applicants they received. The department is finding it difficult to fill those bike officer positions, noting that this year they have only received 2-3 applications. Chief Lopez noted it is not for a lack of trying. As an instructor at Central Oregon Community College (COCC) he tries to recruit there on a regular basis as well as personally going to all the local high schools. Add to that, the fact that interest in

working in public safety service has been waning making it an even more challenging task.

Calls for service in 2023 totaled 7969 and included 620 emergency calls, 1,714 non-emergency calls. Non-emergency calls included 105 noise complaints, 141 animal complaints/issues, 272 parking complaints, 38 other rule violations and 16 bike crashes, none of which involved ebikes.

Other incidents of note in the police department included vehicle pursuits, SWAT call out, significant drug arrests including an owner who was arrested for dealing drugs, numerous thefts, and burglaries and over forty citations were issued for driving while under the influence of intoxicants. Also notable is the reduced number of incidents at Cardinal Landing Bridge and the marina.

Police Chief Lopez commented that his department has put a renewed emphasis and concerted effort to participate in community events. In 2023 he and/or his staff were present for Coffee with a Cop, the Polar Plunge, National Night Out, Faith & Blue, Shop with a Cop, Wonderland Express @ the Resort, Halloween @ SR Village, the 4th of July Bike Parade, and the local job fairs.

It was also noted that the SR Police Department ranked first in the Polar Plunge fund raising effort for the second year in a row! This event raises funds for the Special Olympics.

Chief Lopez commented that he has been part of the Sunriver police department for over three years working from patrol officer to sergeant to lieutenant and now to the chief position. When he assumed his new role in late 2023, he had a unique perspective having served under two different chiefs before him, and different sergeants and lieutenants that have come and gone. Historically the culture has been reestablished as one of the best departments in Central Oregon.

One of the things the chief wants to emphasize is putting more structure in the department Police Department so Chief Lopez's three points of emphasis for 2024 include hiring and retention, Standard Operating Procedures (SOP), and policy review. The department is moving forward efficiently in reviewing and revising the SOP's, as necessary. Some new policies have been implemented and others streamlined.

The Sunriver Police Department is an accredited department meaning they must achieve and maintain legal, ethical, and operational standards set by the state of Oregon. 2024 is an accreditation year. This happens every three years and requires an on-site visit by staff from the Oregon Accreditation Alliance which will occur in September 2024.

The police department is working with the SSD Managing Board on the development of a strategic plan for the department and district. A full risk assessment plan is also in the works as are plans for transitioning into the new public safety building in early 2025.

The police department is developing a license plate reader program which includes purchasing and installing license plate readers at both the fountain circle at the main entrance to Sunriver as well as one on the Cottonwood entrance to the north. That entails installing four auto license plate reader (ALPR) cameras that will allow the police department to be notified when a wanted person or high-risk vehicle enters the community. Notification is almost instantaneous about the presence of a particular vehicle in the community and retroactively it can be used as an investigatory tool in cases of burglaries or the like. Chief Lopez added there are several investigations in the past year or so that could have been aided by these tools.

One example the chief provided was the recent situation where an individual barricaded himself in a Sunriver home and the SWAT team was called in. Had the readers been in place the police most likely would have been able to identify him much sooner and may have reduced the on-scene time necessary to

deescalate the situation. Additionally, there was an armed burglary where a stolen vehicle was left in Sunriver in the Country Store parking lot. More than one officer drove by the vehicle not knowing it was stolen while enroute to an armed burglary in the SR Business Park. The ALPR would have alerted the police department to exactly where the stolen vehicle was had it been in place.

The department is currently working to procure those devices and will be working with SROA to establish where those will be located. No infrastructure will be needed as the devices are solar powered and can be easily moved or relocated if necessary. Public education will be provided especially to ease any apprehension individuals may feel over their license plate being read. The Department is required to obey the fourth amendment which protects people from unreasonable searches and seizures. Once implemented, SR Police will be the fourth law enforcement agency in Deschutes County to implement these devices. The others are Redmond and Black Butte Ranch. The city of Bend has them in all of their patrol vehicles.

Finally, the police department will continue to put more emphasis on attending and/or being part of community events.

RULES ENFORCEMENT

GM Lewis noted for anyone not already aware, that SROA has a contract with the SSD to enforce certain Sunriver rules and regulations. Three years ago, a Rules Awareness & Compliance taskforce that included public safety personnel, resident and non-resident owners, community members and SROA staff was formed to address a number of things that had become issues in the community. The taskforce met numerous times and, in the end, completed a report for the SROA Board.

A couple of the major things that came out of that process were the development of a Nuisance Property rule that tracks the number of complaints and/or citations against an individual property. A database that only the police and the SROA IT Department have access to was created to log violations. The property manager or owner, if they do not use a property manager, is notified when something occurs at a particular property. GM Lewis also noted there was property manager representation on the taskforce, and they appreciate being notified first as they want to know if there are issues with the properties they manage. Ultimately though, the owner can be held accountable if the property reaches the threshold of a certain number of violations during a certain time period. Since that rule was put in place a few years ago now, the number of complaints that the GM has heard has significantly dropped.

The second piece was a big educational component which included providing consistency in messaging and signage and letting guests know up front what is expected when they visit the community. The taskforce continues to meet on a yearly basis to discuss results of the most recent summer season as well as any changes/modifications necessary.

GM Lewis reported that he recently met with Captain Kornblum about providing training in June for all police department officers who may not be familiar with the SROA rules they are contracted to enforce. This issue requires collaboration between the two entities so that everyone is on the same page and as the police department has several new officers, this will be a good opportunity to get them up to speed on these rules.

Chief Lopez added that the nuisance property data base has been a success, and the department has seen fewer "repeat customers." The other very helpful feature is the police are able to tell at a glance if the property is managed by a property manager and who that property manager so they can be contacted.

Chief Lopez echoed what SROA GM Lewis said regarding education. Again, due to the constant turnover of guests during the busy season, there is the need to constantly be providing education to owners and visitors so they can enjoy their stay in Sunriver while adhering to the guidelines provided by the

community via the SR Rules & Regulations.

Chief Lopez also noted his department is working on a tow policy for the department that could prove useful for some issues.

GM Lewis noted that SROA staff is in charge of issuing citations for certain things not contracted for in the agreement between the District and SROA. GM Lewis feels there is a clear delineation of what SROA is responsible for and what the SSD is responsible for. GM Lewis also stressed that the goal is not to issue citations but to correct the behavior.

SROA Director Pederson asked the chief to expand a bit on rule infractions and the police departments ability to conduct a traffic stop or pull over. Chief Lopez responded that law enforcement as a government entity can only infringe upon ones fourth amendment rights or detain a person, to investigate a crime. Rules and regulations do not fall into that category, so they have to use more of an ask rather than tell approach to violations.

BIKE PATROL/COMMUNITY SERVICES OFFICER

Chief Lopez commented that, as was mentioned earlier, it is becoming increasingly difficult to fill the bike officer positions in the summer despite a reduction in the age qualification a couple of years ago from 18 down to 16 and an increase in pay. This is an overarching issue with public safety in general at this time which also contributes to less applicants as well as the reluctance to being more proactive on the pathways.

Another issue that is difficult is that with lowering the age to become a bike patrol employee, these folks are not able to start their employment until school is out for the year, so they are only in the community for a couple of months before they have to get ready to go back to school.

Chief Lopez has been working with and has had several discussions with SROA GM Lewis and several other contributors along the educational path/component that is desired. They have been discussing the development of a position along with a reimagination of bike patrol in general to get more results while still staying within the budgetary guidelines.

Livability and rules compliance situations are a year-round issue in Sunriver. They may slow down in the slower months of the year, but they do exist year-round. To that end, the chief has been developing a year-round, full-time position to be known as a Community Services Officer (CSO) who can address some of these issues year-round.

During the summer months, the CSO will be on bike patrol with a reduced number of bike officers, but it will be a professional position more integrated into the police department with direct oversight of the bike officers along with the ability to write a citation if necessary, something the rest of the bike patrol personnel are not authorized to do.

A year-round position also lends itself nicely to the on-going education efforts that are necessary in a community like Sunriver and the CSO will be able to talk to different groups or organizations.

This does mean a significant reduction in the number of bike officers that will be employed from six to eight down to three or four. The chief is confident that with the CSO overseeing operations and the bike patrol personnel that are hired will be proactive and effective than the seven bike patrol officers we had in 2023. It will also allow the police department to maintain a presence on the pathways after the rest of bike patrol go back to school, but while many people are still visiting Sunriver.

The chief did point out that this will be a trial year for this program, and it will be evaluated at the end of the year to determine the success and effectiveness of this approach.

GM Lewis added his support to this trial program and approach.

DESCHUTES COUNTY/SSD/SROA MANAGEMENT AGREEMENT

SSD Managing Board Chair Fister thanked the SROA Board for the opportunity to speak to them at last month's meeting relating to the proposed changes to the above referenced agreement. Chair Fister acknowledged the input the SROA Board provided to the Deschutes County Commissioners regarding the proposed changes.

Chair Fister continued that Deschutes County legal counsel is advising the county, but they also are the County counsel for the Governing Board and Management Board for the SSD.

One further recommendation from county legal couns since Chair Fister spoke to the Board last month is to also remove Position #1 from being an SROA officer held position to an open position which would remove all specified SROA positions from the SSD Managing Board. Chair Fister noted he pushed back on that and also noted something was added to offer an ex-officio non-voting position to SROA. Chair Fister noted that is something the SROA Board would need to discuss but as a managing board they do appreciate SROA presence and input into the daily activities that go on and he personally would like to see that continue.

The SSD Managing Board will be presenting to the Deschutes County Commissioners at their next meeting on Monday, April 22nd, and the proposal they will submit would open up Positions 1 & 2 that are currently required to be held by a sitting SROA Board member. These positions would be open to all Sunriver owners at large as well as district voters and business owners.

Some additional language was added very specifically to the new nominating process. Rather than being extremely specific in terms of who can and cannot be officers, a system for unresolvable conflicts of interest was added that would prevent people from being board officers. Background checks on candidates would be managed by a third party.

In answer to a question regarding the elimination of the SROA Board members presence on the Board, Chair Fister responded that a sitting SROA Board member could apply to be a member of the SSD Managing Board like anyone else, the difference being that they would have to run for the position instead of being appointed to the position. Currently the Deschutes County Commissioners approve the recommendations to the SSD Managing Board, and they have not denied any recommendation since the district was formed. The change would be that the recommendations would come from the SSD Managing Board instead of the SROA Board of Directors.

SROA Director Pederson noted that he personally objects to this proposed change. SROA Board members are elected to their position by the owners of Sunriver whereas owners do not have any say in who is recommended to the SSD Managing Board. To have no representation on the SSD Managing Board that were elected by the owners is objectional to him as well as Directors Murray and Beard. Director Pederson went on to say it does not tend to suggest that the SSD wants to work with SROA.

SROA Director Mobley added that he would be interested to know and understand the rationale behind this proposed change.

Director Pederson added that the fact that after SROA provided their input to the County on the proposed changes, expressing concern about eliminating the SROA positions on the managing board and the County has come back with direction to completely eliminate SROA participation on the Managing

Board is very disheartening.

SROA Director Murray also noted that the County Commissioners need to understand that this is a unique district and not just a run of the mill road district situation.

SROA Board President and current SSD Managing Board Treasurer Beenen added he expressed these same concerns at the regular SSD Managing Board meeting yesterday. While he understands why the County is proposing what they are, they do not live in Sunriver every day whereas the owners of Sunriver have to look at it from the perspective of what is in the best interest for Sunriver owners.

President Beenen added he floated an idea at yesterday's SSD meeting of having an SSD Managing Board member on the SROA Board as well as SROA maintaining a position on the SSD Managing Board. Mr. Beenen said he believes in the Sunriver community as a whole concept, and we are better off if we are more closely integrated than if we are separate organizations.

SROA/SSD Board Member De Alicante added it could decrease the cooperation between SROA and the SSD if all SROA representation on the SSD Managing Board is eliminated.

SROA Director Pederson added that it is also disappointing that the SSD Managing Board is not being more forceful in supporting SROA's continuation on the SSD Managing Board.

SROA Director Mobley repeated his request to see the rationale behind the County's position on this matter, something SSD Chair Fister said he would request. SROA Director Mobley added there are many practical reasons for continuing to have the kind of relationship SROA currently has with the SSD. It has worked very well and to his knowledge there has not been any incident or problem that would precipitate this very substantial change.

SROA/SSD Director De Alicante commented that there was a substantial amount of cooperation between SROA and the SSD in getting the new Public Safety building off and running. Without representatives from SROA on the SSD Managing Board, Director De Alicante believes we lose that sense of cooperation and can become disjointed, which seems to be where things are headed.

SROA Director Pederson also commented that who knows what issues may come up in the future where that mutual cooperation is going to be especially important, something that might be more difficult if SROA does not have a seat on the board.

SSD Managing Board Chair Fister responded that he completely understands this feedback provided by the Board and he will relay the comments to the County Commissioners at their meeting next Monday.

SROA GM Lewis added that following last month's report from SSD Managing Board Chair Fister, the SROA Board composed a memo to the Deschutes County Commissioners regarding the concerns they have, and the same rationale being expressed here today as to the validity of SROA retaining a position on the SSD Managing Board. A response from Deschutes County Legal Counsel was received but it did not address the questions and concerns laid out and instead pointed out that SROA does not have the legal ability to instruct them on what to do. GM Lewis also plans to attend the Deschutes County Commissioners work session on Monday and can convey any additional comments the Board would like to have passed on.

Assistant GM Kessarlis noted that the staffs of both the SROA and the SSD have a fantastic working relationship that has developed over the past few years and something the County should be aware of. These two entities work very well together and cooperate on efforts of mutual interest with SSD staff participating on taskforces or work groups where their input and expertise is beneficial to the good of the

whole. That commitment to what is good for the community as a whole is important and the Commissioners should be aware of it.

SSD Managing Board Chair Fister noted he has previously pointed these things out and but is happy to do so again. He added he has relayed to the County that cooperation between the boards is what best serves the combined tax/rate payer community.

SROA President Beenen added he feels that a unified message needs to come strongly from both boards that this is not the way Sunriver desires to be run.

SROA Director Murray added he believes it is a very bad move that sets a dangerous precedent and in the long run it will separate SROA from the County and the SSD.

SSD Director Ralston noted the immense amount of cooperation between SROA and the SSD on the public safety building. Director Ralston sees the need to continue that cooperation and communication moving forward. Director Ralston also pointed out however, that for any SROA Board member who also serves on the SSD Managing Board, the fiduciary responsibility of that person is to both boards.

Director De Alicante added that but for having SROA members on the SSD Managing Board, he is thoroughly convinced the public safety building project would not have gone so smoothly.

SSD Managing Board Fister added that his understanding from Deschutes County Legal Counsel is that their main concern is about the potential for conflict of interest. Chair Fister also confirmed he would pass on that the SROA Board totally objects to what is currently being proposed.

SROA Treasurer Pederson added he does not why the conflict of interest has become such a big issue. Board members on all kinds of different boards know there may be times when they have to recuse themselves from an issue but why should SROA's ability to do so be negated while the SSD's is still appropriate.

Director Pederson underscored the importance of keeping those lines of communication open and he does not agree with the suggestion that the boards could always accept what is being proposed and seek to make a change to the management agreement in the future if they find the suggested changes are not working. It goes without saying that communication is going to decrease without the members who serve on both board's reporting back and forth on a monthly basis.

TRANSIENT ROOM TAX (TRT) UPDATE

SROA Board President commented that as is already known, Deschutes County collects approximately \$6 million per year in transient room tax dollars from Sunriver nightly rentals. Sunriver represents approximately 52% of the TRT dollars generated in Deschutes County. Over the past ten years, Sunriver has generated approximately \$42 million in total of TRT taxes.

That money is used by Deschutes County but due to state regulations, 38% of those dollars must be spent on tourism promotion or tourist infrastructure. Most of that money, or approximately \$2.5 million goes to Visit Central Oregon (VCO) leaving the remaining 62% as discretionary. Most of those discretionary dollars go to the Sheriff's Department, some goes to restaurant health inspectors, some to the fairgrounds, some is going toward servicing the debt for the new/remodel of the County Courthouse, and some is used as a tool for building up a capital reserve fund.

A few years ago, the County had a surplus in their discretionary fund. The Sunriver Service District was working on their plans to build the new Public Safety building and the SSD Managing Board went to the

County and asked them to contribute to this infrastructure that plays a vital role in serving the tourist population. The County Commissioners agreed and contributed \$8 million towards the \$18 million dollar project, which is a significant amount of money. Additionally, six years ago, the County agreed to contribute \$250k to the fire training facility up off of Cottonwood Road. While these contributions are appreciated, it would be nice to see some money go towards things that are operational and/or capital items that promote and support tourism on a regular basis.

SROA President Beenen reported that over the past year both SROA and SSD representatives as well as representation from SR Resort have been meeting with the Deschutes County Commissioners and Administration personnel. The position is that Sunriver operates very much like any other Deschutes County city. We maintain roads, pathways, parks, recreational facilities, and we have full police and fire services. From a county perspective on a financial basis, Sunriver is no different from any of these other cities such as Bend, La Pine, Redmond, except that all of those cities are able to collect 100% of the TRT dollars inside of their jurisdiction.

That point has been made to the County officials along with Sunriver's request that some of those TRT dollars be shared with Sunriver organizations such as SROA and the SSD. The County's response to Sunriver's request has been no, there are no dollars available to Sunriver at this time.

SROA GM Lewis noted that this past week VCO submitted documentation to the County that they intend to spend 10% of the money collected in Sunriver, which equates to approximately \$300k, on marketing Sunriver. SROA President Beenen added that again, it would be nice to have that money goes towards something operational or a capital project that benefits tourism.

SSD Managing Board Chair Fister added that he is disturbed by the fact that VCO currently receives approximately \$450k of taxpayer dollars and there is no transparency in terms of its distribution. They are a privately owned company that has a contract with the County and Chair Fister would like to see more transparency on their part as to how funding is spent.

SROA Director Mobley noted that he believes we are in a position where we need more information on a number of things including the topic of incorporation. He has a retired city manager friend who has agreed to provide us with more information and work with us to gather more detail about what incorporation might mean if it were tried again in Sunriver. It was very unpopular when attempted in the past, but Director Mobley feels it would be good to go through the exercise again and to know all the pros and cons of both sides of the situation so the Board is in an educated position on the matter.

There being no other business, SSD Managing Board Chair Fister asked for a motion to adjourn the meeting.

SROA/SSD Director De Alicante moved to adjourn the meeting, seconded SSD Director Ralston, motion carried unanimously.

The public meeting adjourned at 11:00 A.M.