

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS WORK SESSION  
SROA BOARD ROOM  
SEPTEMBER 20, 2024**

**DIRECTORS PRESENT:** Bill Burke, Gerhard Beenen, Clark Pederson, Keith Mobley, Mark Murray, Randy Schneider, Linda Beard & Brad Banta

**DIRECTORS PRESENT VIA ZOOM:** Veronica Jacknow

**STAFF:** James Lewis, Keith Kessariss, Susan Berger, Gary Seifert, Jacki Bue, Patti Gentiluomo, Mark Smith, Richie Villagrana & Jesus Mendoza

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

**OWNERS IN ATTENDANCE:** 12

**OWNERS FORUM**

Paul Lindstrom, 17 Cherrywood Lane, welcomed the three new board members, as well as the sitting board members and thanked them for the time and willingness they are giving to serve on the Board of Directors. Mr. Lindstrom also thanked GM Lewis and his staff for the great job they did in keeping the most current information flowing during the recent evacuations in Sunriver due to wildfire.

Mr. Lindstrom is genuinely concerned about ebikes in Sunriver and encouraged the Board to find more ways to communicate the rules on ebikes and pathway rules in general. Mr. Lindstrom referenced the “No Fireworks Allowed” signs that were scattered throughout the property prior to the July 4<sup>th</sup> holiday. Mr. Lindstrom was very happy to have not heard any fireworks this year illustrating to him that those signs obviously have some impact. To that end, Mr. Lindstrom wonders if the same type signs could be utilized to message what kind of ebikes are allowed. Mr. Lindstrom also encouraged the Board to install banners at both of the entrances to Sunriver by messaging that only Class 1 ebikes are allowed in Sunriver.

Bill Hepburn, 1 Red Cedar Lane, noted that while he is a member of the Sunriver Service District Managing Board, he is here today strictly as a homeowner. Mr. Hepburn commented that the discharge of a firearm in Sunriver may not necessarily be against the law. State law allows a homeowner on their property in an unincorporated part of the county to shoot a firearm. Mr. Hepburn went on to say that while such a law may make sense in more rural parts of Eastern Oregon, in semi-suburban areas like Sunriver, not so much.

State law also allows an area such as Sunriver to create what is called a “restricted shooting zone” which means that if someone does discharge a firearm, it allows law enforcement to get involved. A restricted shooting zone is created by approval of at least 60% of the registered voters in the proposed area to sign a petition indicating they want a restricted shooting zone. That petition then makes its way to the County Commissioners who would then vote on it.

There are some notable exceptions to a restricted shooting zone. If a person possesses a firearm, it may be used to protect that individual and their property against someone wishing to do bad against them. Law enforcement officers and Fish & Game Officials may use their firearms in the course of their jobs. It also does not affect in any way the ownership or buying or selling of firearms.

There are already a number of restricted shooting zones in Deschutes County. Areas to the east and west of Redmond and Bend, Deschutes River Woods, southwest Bend, Crosswater, and beginning at Deschutes River Recreation Homesites (DRRH) and moving south to LaPine State Rec Road, there are restricted shooting zones all along that area. Sunriver stands out by not being one those areas included in that no shooting corridor.

What Mr. Hepburn would like to see for the safety of Sunriver is for SROA to champion this effort. Whether it is via the efforts of the Covenants Committee or some other part of SROA to get the word out with the organizational might of SROA. Mr. Hepburn believes that would show owners, visitors, and full-time residents that SROA is serious about the safety of residents and visitors by forming a protected shooting zone.

There already is a protected shooting zone in Sunriver along the banks of the Deschutes River and Mr. Hepburn would like to see the rest of Sunriver incorporated into a restricted shooting zone.

Cindy McCabe, 13 River Village Condo, noted she attended a board meeting earlier this year expressing her concerns about unleashed dogs on pathways. Director Mobley followed up with Ms. McCabe and encouraged her to mention the issue again once the busy tourist season was over. She hopes this is the appropriate time to discuss this issue in more detail and perhaps consider requiring people to have their dogs leashed on the pathways. For someone like Cindy's husband who is in a wheelchair, for youngsters in strollers or young kids on bicycles, there are all kinds of problems that can happen with an unleashed dog. Ms. McCabe hopes the Board will now discuss this at greater length and seriously consider a leash law in Sunriver.

GM Lewis has three letters to read into the record.

The first was from Marc Vieira, 14 Blue Grouse Lane who spoke to the condition of the National Forest to the west of Sunriver, across the Deschutes River. Mr. Vieira stated that the fuel load (dead trees and overgrown vegetation) are significant and that SROA should discuss this condition with Forest Service representatives to see what plans are in place to reduce the fuel load.

The second letter was from Kevin Mitchell, 9 Aquila Lodge. Mr. Mitchell's comments were directed toward the August 2024 Board Election results as posted to the SROA website. Mr. Mitchell referenced a message stating that the results showing the top three vote recipients would be posted and that an audit of the vote count would be conducted for verification of the count conducted by the Election Committee and that the actual vote tallies would be posted. Mr. Mitchell stated that he is not questioning the results of the election but rather not posting the actual vote tallies (number of votes that each candidate received) is a lack of transparency. Mr. Mitchell is asking that the Board direct the actual vote tallies for each candidate to be posted for owners to review. Mr. Mitchell also noted that he believes that the fourth leading vote recipient from the election should have been appointed by the Board to fill the vacant position created by a resigning

board member. Mr. Mitchell stated that he is not intending to diminish the value of Keith Mobley who was appointed to fill the position, but that the effort of an owner to run for the Board should be acknowledged and valued.

Craig Carver, 7 Goldfinch Lane, expressed his concern about the closure of the SROA office and lack of on-site staff during the recent fire evacuation notices. Mr. Carver stated that a skeleton staff should have been in place to answer phone calls and provide information. Mr. Carver further stated that SHARC should have been made available for a public meeting regarding fire information from emergency management personnel. Mr. Carver referred to the recent fire activity actions of SROA as sending a message of abandonment to owners during an emergency situation.

### **WAGE ANALYSIS PRESENTATION**

HR Director Kellie Allen introduced Juan Garcia from Blue Whale Compensation who attended via Zoom. Ms. Allen has assisted Mr. Garcia over the past few months and was in attendance today to explain the process utilized as well as some of the early findings.

Ms. Allen commented that SROA does a wage analysis study every three years as approved by the Board noting that due to COVID it has actually been four years since a study was conducted. That has turned out to be ok as between hiring and the economy it was a rocky ride for quite some time. The additional time also gave us a little bit of stability to move forward.

Ms. Allen added this is the first time we have worked with Blue Whale having utilized the same company in previous years until the owner of that company retired back in 2019. Ms. Allen noted there are a number of exciting things available in transitioning to a new partner. Initially just having a new set of eyes looking at our data and information has been refreshing and there has been a lot of communication back and forth between the parties in breaking down who SROA is, what jobs are offered and what SROA employees do. Mr. Garcia has also provided a number of tools that SROA can use moving forward so that we have a really good system in place as we move forward. Ms. Allen noted that Blue Whale also offers a really great tool called Blue Comp which is an online tool that allows you to track employee pay, longevity, wage ranges, and market data which will be a great resource in the future.

Mr. Garcia reiterated what Ms. Allen said noting his job is to get to know the organization and to get to work with the management team and for them to be transparent and supportive of the project. Mr. Garcia noted that when his company does a project they look to do the project for the long term. The findings and information they gather is not just a snapshot in terms of what it is now. Blue Whale strives to not only provide information but to provide a plan to move forward.

Mr. Garcia provided a power point presentation noting the objectives and methodology utilized. Blue Whale Compensation focuses primarily on small to mid-size companies due to the fact that approximately 90% of the market when it comes to compensation and the need for compensation is with small and mid-size companies. Mr. Garcia noted that most small and midsize companies are very invested in getting it right.

The purpose of the project is to ensure SROA's compensation plan is competitive, equitable, and aligned with industry practices. The goals of the project were reviewed and included:

- Conducting a comprehensive market analysis, reviewing base salary and benefits.
- Performing a comparative analysis of SROA against similar organizations.
- Evaluating job classifications and organizational structure to ensure alignment with industry standards.
- Reviewing the wage and grade pay plan for consistency and fairness.

- Address pay compression by assessing current structure and proposing adjustments where necessary.

SROA has unique organizational needs that encompass managing a small municipality requiring positions aligned with public sector jobs like roads, facilities, and regulations. SROA also has support roles such as HR and IT that demand competitive salaries from the broader market and the hospitality sector that are primarily seasonal positions supporting recreation and events and which need to align with industry trends in tourism and hospitality. Some potential employees would have a long-distance commute including traveling over Lava Butte making Sunriver a less desirable place to work. Additionally, the surrounding area has a small population base to draw talent from for very specific roles.

This project was tailored to consider these factors, adjusting the market mix to enhance SROA's competitiveness in attracting and retaining the required talent across these diverse sectors. The process is a transparent and fair approach with Blue Whale reps and SROA teams collaboratively reviewing job descriptions to ensure accuracy and relevancy. Meetings were held on a weekly and bi-weekly basis and this joint effort helps tailor the grading/scoring process, fostering a shared understanding of job complexities and requirements.

A systematic grading and scoring approach was utilized using the job scoring system's eleven factors, including complexity, responsibility, experience, and impact, each role is scored. This methodical approach ensures fair and transparent evaluation, aligning with SROA's commitment for practices supporting pay equity and transparency.

Following scoring, Blue Whale and SROA collaboratively established wage ranges for each position. This process is designed to be transparent and adaptable, enabling SROA to maintain a fair compensation structure that can evolve with market changes and internal developments.

The information is gathered from the market and consists of data sources and job matching. They looked at labor markets, peer groups, surrounding counties/cities, general market, hospitality, etc. based on the duties, responsibilities, and required experience necessary for SROA's positions.

Mr. Garcia reviewed SROA's current position versus the market results by source as well as the market differences based on grade assignments for different positions.

The key findings are that SROA is trending very slightly above the 50<sup>th</sup> percentile of market but within an acceptable rate. Pay compression solutions have been proposed to address discrepancies, and tenure consideration was identified by Blue Whale with alternative markets for employees with ten years or more of tenure. While the analysis was based on the 50<sup>th</sup> percentile, SROA could aim for the 60<sup>th</sup> percentile for those critical roles/positions.

Blue Whale also compared employee benefits in both the public and private sectors including health care coverage, paid time off and benefits offered. As would be expected, public sector jobs generally provided more coverage, time off and benefits offered. SROA's benefits are competitive with both the public and private sector. It was noted that medical benefits are not available to part-time employees at this time, but it has been looked at and could be reconsidered in an effort to keep some of those key part-time employees on board. HR Director Kellie Allen added that Assistant GM Kessarlis was able to participate recently in the annual salary study conducted by the Community Managers International Association (CMIA) which is comprised of communities similar to Sunriver and the results indicated that SROA is right where the majority of other communities are at in regard to benefits offered.

Beyond 2024, SROA will have access to Blue Comp and the Compensation Management System. This will provide real-time insights and market data for compensation decisions. This ensures that SROA meets pay transparency requirements, supporting informed adjustments for talent needs. There is no cost associated with these features and Mr. Garcia noted that Blue Comp is designed to give the user the edge in managing pay equity and market trends without the burden of high annual fees.

Mr. Garcia commented in closing that the key takeaways are the utilization of the comprehensive market analysis, job scoring system, addressing of pay compression and integration of the Blue Comp tool, at no additional charge and which will provide a real-time tool to manage ongoing compensation updates, supporting future growth and pay transparency compliance. SROA's commitment to aligning compensation with market insights and equity ensures that we attract, retain, and reward the talent essential for the community's success.

Mr. Garcia noted his pleasure of working with the SROA management team who were great to work with and he looks forward to continuing to refine the final items for the project.

Mr. Garcia and HR Director Allen answered a number of questions posed by the Board who thanked both of them for today's presentation.

#### **COMMUNITY UPDATE - POLICE CHIEF LOPEZ**

GM Lewis commented that he asked Chief Lopez to be here today to provide an update on all the activity in Sunriver last week related to the Little Lava/Bachelor Complex fire and the various evacuation levels. Mr. Lewis thanked both Chief Lopez and Fire Chief Boos for providing that information to SROA.

Chief Lopez noted that the Bachelor Complex fires began on the weekend of September 8<sup>th</sup>. The Little Lava fire, which is the fire that affected Sunriver directly and which is included in the Bachelor Complex fires started around that same time. Chief Lopez received a call from Deschutes County Emergency Manager Nathan Garibay the evening of September 9<sup>th</sup> informing the Chief that the fire had spread several miles and as a precautionary step fire officials felt that Sunriver needed to be placed at a Level One evacuation status which is news that is not taken lightly.

Chief Lopez along with Mr. Garibay, Fire Chief Boos and the fire strike team agreed that it was the best plan of action for Sunriver, and this information was pushed out via Deschutes alerts, press releases, via the SROA website and via eblasts and through the SSD's social media pages. Additionally, stakeholders in the community such as SROA, the Resort, and the Village were notified and asked to spread the word to their employees, guests, and clients. That notification went out on Monday evening, September 9<sup>th</sup> and the call center was staffed until around 9:30 P.M. to answer the over one hundred calls received from owners with questions and/or concerns they had.

On the morning of September 10<sup>th</sup> the status of the Little Lava fire and the weather did not look great and Chief Lopez was notified of the potential that Sunriver would be moved into a Level 2 evacuation status. Preparations were made and the status was monitored all morning and once again major stakeholders were notified of this potential.

The afternoon of September 10<sup>th</sup> after a meeting with both the police and fire chiefs along with the fire strike team, and the Deschutes County Sheriff's office representatives, which given the wind and fire conditions, decided that it was best to move Sunriver to a Level 2. The call center as well as the police and fire departments were upstaffed to manage the volume of calls and preparations were also made for the potential of going to a Level 3 evacuation status. Fortunately, due to the outstanding efforts of the firefighters and the rain that arrived on the night of the 10<sup>th</sup>, Level 3 status did not come to fruition. Sunriver

and the surrounding neighborhoods to the south and west of Sunriver remained in a Level 2 evacuation status for several days as the firefighters worked to secure the eastern flank of the fire.

Chief Lopez noted he was in constant contact with SROA, the Resort, Village and many owners to provide updates as they became available and social media was updated frequently to provide the most accurate information available. Chief Lopez noted that the Emergency Operations Plan (EOP) for Sunriver had not been tested like this before, and as a whole the system works well. The Sunriver Service District (SSD) Managing Board and the fire and police departments did their jobs competently. An after-action meeting with numerous parties involved is scheduled for next week, but Chief Lopez can confidently report that after an internal review he found notifications were properly managed. Chief Lopez also noted it was reassuring to know that the Oregon State Police, Deschutes County Sheriff's office and Deschutes County Road Department were all standing by to assist if things moved to a Level 3 status.

Chief Lopez noted that a good number of owners chose to leave their Sunriver homes under the Level 2 status and the police department assisted with that as they could, assisted the Sunriver stables in identifying locations where their horses could be relocated and reviewed the list of people in the community who would require assistance should the status reach Level 3 as well as the handling of some repercussions of some motor vehicle accidents, etc. Overall, Chief Lopez feels the departments managed things well and he was happy with the response.

The Board had several questions for Chief Lopez and expressed heartfelt gratitude to him and his department for their efforts on this event.

In regard to a question from Director Jacknow who was disappointed that there was no live-stream of the public meeting that was held on Wednesday, Chief Lopez reported that the SSD was not in charge of that function, it was facilitated by the different managers of the fire strike teams and the chiefs did recommend that the meeting be live-streamed although that request was not accommodated. Chief Lopez further noted that in the follow-up meeting he and Chief Boos again stressed this point should another event like this occur. While a recording of the meeting was posted the following day, the chiefs noted in the follow-up meeting that approximately 80% of Sunriver owners are non-resident and thus it is very important that they receive information in real time, something the rest of the group seemed agreeable to.

GM Lewis noted that SROA staff did things such as opening the gates to the storage areas so people could easily access their RV in case they wanted to leave their property. As to complaints that the SROA Administration office was closed, a message was put on the phone system directing callers where to look to find various information they might be searching for. GM Lewis reminded the Board that 40% of SROA employees live in areas to the south and west that were also under the mandatory evacuation level 2 meaning those folks also needed to prepare. Email blasts were sent frequently as new information was received.

In relation to the public meeting being held at Three Rivers School versus SHARC, GM Lewis noted that Three Rivers School was under a Level 1 at that point making it a more desirable location than the bringing of 400-500 additional people into Sunriver which was already under Level 2. This was a decision that was made and agreed upon by both the Fire and Police Chiefs as well as SROA. Chief Lopez added that had Sunriver gone to a Level 3 status, door-to-door notifications would have commenced.

Treasurer Pederson added that hopefully this event will inspire those owners who have ignored doing the ladder fuels reduction work on their property to do so. Treasurer Pederson added this work is critical and it is up to everyone to do their part to protect their neighbors and the community.

Lastly GM Lewis added that the information that SROA can provide is only as good as the contact information that we have. For instance, if we have 3,000 out of 4,000 email addresses for owners, there is a thousand people we are not contacting, so it is imperative that owners ensure we have contact information on file for them and that they sign up to receive the email blasts from SROA. Controller Healy noted that he has received a significant number of calls from owners since the event checking to make sure we have the best contact information for them on file.

The Board thanked Chief Lopez for taking the time to provide this update today.

### **SROA STAFF THREE-YEAR BUDGET PRESENTATION/WORKPLAN** **CHALLENGES AND OPPORTUNITIES**

GM Lewis led the SROA Department Heads in this yearly presentation. The purpose of the presentation is to identify and address future financial impacts for SROA, long-term planning, and both the challenges and opportunities ahead in the next three years.

The primary goal of the budgeting process is continuation to providing a high level of service to owners and guests. Overall, there are no significant changes. Staff will maintain a reduction in expenditures wherever possible while acknowledging challenges posed by cost increases beyond our control and meeting of desired service levels.

The Recreation and Public Works Department budget planning must reflect flexibility to meet staffing needs to maintain service expectations and facility availability. These are the most dynamic as they have outside influences such as weather and smoke. Staff will continue to implement plans and updated documents that have been created over the past few years such as the IAMP, Pathway Master Plan, Lafder Fuel Reduction Plan, Parks Master Plan, Design Manual update and the IT Strategic Plan.

Communication with owners and visitors will continue to be an important, continually evolving element that impacts all departments.

The goal, policies, and actions of the 2030 Strategic Plan will be used in conjunction with Board and staff input to guide annual work plans that are tied to the budget. The Administration building will be remodeled and expanded into the space currently occupied by the police department. SHARC will see some remodel elements to reflect current needs based on use in the owners living room, Café, Fitness facility, and Member Services office.

We will be doing a thorough review and update of the Sunriver Rules and Regulations in 2025 which will require the help of a taskforce of owners and stakeholders. Additionally, there is a need for a Pathway Safety Taskforce to review and make recommendations for pathway use. Lastly, revisions to the SROA election process including possible Bylaw amendments will be brought to the Board for consideration.

HR Director Kellie Allen commented that compliance and safety are at the heart of everything with our 53 full-time and 100 part-time/seasonal employees. We currently have two open positions compared to seven open positions at this time last year. SROA is fortunate to have 300+ years of combined SROA experience with an average tenure of six years. While we also have a number of new employees that have been with SROA for less than a year, Ms. Allen noted an SROA employee who is celebrating his 25<sup>th</sup> year with SROA. We also have an employee coming up on their 20<sup>th</sup> year and one who is coming up on their 29<sup>th</sup> year with the Association.

It has taken the last few years to rebuild our part-time/seasonal pool of employees due to the pandemic. Thanks in large part to the efforts of Recreation Director Leigh Anne Dennis and her management team, we once again have a good pool of seasonal employees who are not only coming back for more than one season

but are also recruiting their siblings and friends to work for SROA. Word on the street in the recreation world for part-time folks is that SROA is a good place to work because we pay the lifeguards well and make it fun for the employees.

In regard to recruitment, engagement, and retention, as the Board heard earlier, we just completed the 2024 compensation study. That the Board has tasked us to do this shows that we are building credibility in our process and that we pay attention to our wages and want to make sure that they are fair. The way we recruit, engage, and retain employees is to pay them well and fairly, provide great benefits, invest in their growth and create a really positive workplace with an excellent employee experience.

On to adequate staffing levels, workloads, and workspace, it is hard for anyone to do their best work when they are overwhelmed by an unmanageable workload. Many find things have just gotten busier and busier. Technology allows us to be more effective and efficient, but it also means that one takes on more and more which has been the experience of a lot of our employees. We have been able to add a few more people as our needs have grown over the years but we have been doing that in the same amount of space. It is hard to be able to do your best work or provide the best customer service when your workstation is set up in the hallway. We are working to address this issue by expanding the administration office after SROA takes possession of the police side of the administration building.

HR Director Allen referenced succession planning and redundancy noting we have to be really forward thinking about this as the day may come when we do not have somebody to fill a critical role. Ms. Allen is working with department heads to identify these needs to ensure plans are in place.

For 2025, Ms. Allen noted the shift in pay calculation consisting of merit and cost of living adjustment and the implementation of the new human resources implementation systems (HRIS) which will benefit both SROA and the employees will both be goals for the HR department for 2025.

Natural Resources (NR) Director Patti Gentiluomo commented her department will be working on a number of things in the coming year, not the least of which is the cheat grass issue in Sunriver.

SROA has been treating cheatgrass with a pre-emergent for approximately twelve years and will be doing so again this fall. As in other parts of Deschutes County, Sunriver has seen an increase in the presence of cheatgrass in the last couple of years. As Ms. Gentiluomo stated, we are all part of the problem, and we are all part of the solution. Cheatgrass seeds can be imported on shoes, tires, on a bike or car, from snowplowing to LFR activities, all of which contribute to the spread of this plant.

We are at a pivotal point of where we go from here. In those areas that are not associated with transportation we might be able to eradicate it, however it is an annual grass, and the seeds stay viable for one to three years. It is a matter of keeping those seeds from dropping to reduce the spread, but in transportation corridors, SROA staff will always be working on mitigation of the cheatgrass. There will always be a constant introduction of cheatgrass to address so we are at the juncture where additional funds are being proposed in the 2025 budget to address it.

In terms of management plan review, the NR department has two plans that are included in the governing documents for Sunriver. The Ladder Fuel Reduction (LFR) Plan was adopted by the Board in April of 2023 and was a collaborative effort with the Sunriver Fire Department to develop that document. That document will receive some anticipated edits in 2025, such as refining things or adding some additional definitions.

Additionally, when the review of that document commenced in 2021, the NR staff knew there were some legislative concepts that they would need to respond to and as such that has remained on their radar to facilitate any changes required.



The Noxious Weeds Management Plan will undergo a thorough review in 2025 as it has been a number of years since any updates were made to that document. This will include looking at plants such as cheatgrass that is currently listed as a “weed of concern” in the document and which it was back when the plan was last revised. Other weeds that could be bumped up are scotch broom and ragwort which are also becoming more prevalent in Sunriver. These plants can really make a difference in Sunriver as anytime you have noxious weeds you have an economic as well as ecological impact. This review will commence in the new year and will be brought to the Board for approval once completed.

In regard to tracking legislation outcomes, NR staff carefully tracks what is happening in Salem and there will be an update about the wildfire season that might affect the LFR plan. Another update on the committee in Salem next week is for potential grant funding. Those are watched as it impacts Sunriver in the way we formulate our LFR plan but also it helps provide a path for the future.

Ms. Gentiluomo noted she has mentioned Senate Bill 762 on more than one occasion, which was the omnibus wildfire bill in 2021 and that was designed to put in those state-wide wildfire risk preventive measures and Senate Bill 80 which is the hazard classification map. Notifications from the state will go out to anyone who is within the wildland urban interface and also have a high-risk classification on October 1st. Once the map is finalized that is when the defensible space code will start to go out for public review.

In terms of personnel, the NR Department has a lot of years of experience, however it is a challenge each year as the amount of work that needs to be done exceeds the current staffing. In fact the department is currently understaffed, and this is one of the departments busiest times of the year. A significant amount of field work occurs in the fall along with tying up all the non-compliance violations for LFR for 2024. We have an incredible number of non-compliant properties again this year and there are still five properties that are outstanding and have significant escalating monetary violations against them. Those fines will continue to escalate until the property is brought under compliance.

Recreation Director Leigh Anne Dennis thanked the Board for taking the time to hear this presentation this morning. She as well as the rest of the department heads appreciate the Board’s willingness to learn about the challenges and opportunities facing the different departments.

Ms. Dennis reported that one of the most significant increases at SHARC will be in utility rates in 2025. There will be increases in water, natural gas, and electricity rates next year that all have to be factored into the budget.

Also in 2025, the Recreation Department will move to a digital membership migration which will allow an owner to have their Member Preference Program (MPP) card displayed on their electronic device instead of having to always have their MPP card with them. This will be a monumental undertaking with the number of membership cards that are in the system including the rental pool, so they will be working closely with the accounting and IT departments to facilitate this rollout.

As both Ms. Allen and Ms. Gentiluomo previously spoke about, increased usage of the facilities has created more of a workload for existing staff and to that end Ms. Dennis is requesting an additional FTE in next year’s budget to help with that.

Last year at this time Ms. Dennis talked with the Board about how to program the Member Pool to increase usage and she was happy to report there was increased usage this year although there is more room to grow in the future. This year we were able to open the facility earlier in the season and keep it open later in the season as well as expanding operating hours to accommodate lap swimmers, which has been one of the largest growth areas in our programming. Since the pandemic, the number of lap swimmers has consistently

increased and having the Member Pool as a second option for those lap swimmers has been great to eliminate some of the lap swimmer overcrowding at SHARC.

In relation to tennis and pickleball, in prior years we have used part-time seasonal staff to operate tennis and pickleball, however, due to the increased demand in pickleball it is requiring a full-time staff member who has knowledge of all the different operating groups to make that process as seamless as possible. Additionally, we had a phenomenal tennis year in 2024 resulting in a full season for our tennis pro. Fortunately we were able to add an assistant pro this year which will also help bolster the expansion of our junior pickleball and tennis programming.

We are finally fully staffed in our Events Department with a new manager who has put a number of systems in place to allow us to take better advantage of the ability to rent those facilities. New printed materials have been produced advertising the event spaces available and upgrades such as new paint, flooring and AV system are being installed in Benham Hall. Ms. Dennis feels we are now positioned well to have a very successful 2025. Assistant GM Kessarlis added that we are also hoping to bring back the Home Expo that we did prior to COVID.

Ms. Dennis also noted that the majority of the cardio equipment in the workout facility will be replaced before the end of 2024.

For 2025 capital projects, the Board will see a proposal to start some remodeling at the SHARC facility to include a remodel of the Member Services office, expansion of the owners living room, Café, and fitness area. If the remodel is approved some additional fitness equipment will be necessary. Also scheduled for 2025 is a remodel of the North Tennis hut and adding some additional patio/shade area.

For 2026 capital projects the barbecue area at the Member Pool will be upgraded and the Café and owners living room are scheduled for new fixtures.

Directors Burke and Pederson both commented on what a fantastic job the recreation staff does and how much their friendly professionalism is appreciated.

Communications Director Susan Berger reported that the top concern for her department is how much longer print newspaper can survive. Ms. Berger noted she is constantly monitoring what is happening with newspapers. The biggest challenge is with printing presses closing.

Currently the Scenes are printed in Wenatchee, WA which is a seven-hour drive from Sunriver. Fortunately, we have only had one delay in receiving the papers due to inclement weather. Additionally, as the presses become less available, prices keep going up, which will necessitate a small increase in ad rates for 2025 simply to cover the cost of those increases. The price of postage also keeps increasing with rates going up one to two times per year and sometimes without warning.

In regard to marketing, in reviewing the 2030 Strategic Plan there are numerous mentions of additional marketing such as revising Sunriver Style, which still receives a good number of visitors. Depending on what we plan to accomplish, additional funds may need to be allocated for these endeavors.

Lastly, Ms. Berger noted that she will be looking to retire in the next few years so succession planning will need to happen.

Public Works (PW) Director Mark Smith, in answer to a question from Director Pederson, reported the garage doors on the new Public Works building will be painted soon. The project is still on track for the PW crew to move in at the end of October. Mr. Smith thanked the Board for supporting this project. It is a huge

deal for his staff to move from a former sewage tank to this building. One of the major advantages of this new building is that rolling stock will be able to be kept inside eliminating the need for PW staff to dig equipment out of the snow before they can commence working. This will make their ability to be efficient during winter events much better.

Mr. Smith noted that currently we have reserve items fully funded for 2025 totaling almost \$4 million dollars, also noting that approximately \$1 million dollars' worth of items that were fully funded for 2024 have been moved down the road. One example is a grader that has, according to our schedule, reached the end of its useful life. However, due to the fact that the equipment is still in great shape, and we have really good mechanics that service it, the resale value on it is pretty low, so the decision was made to increase the useful life of the machine by five years resulting in a savings of over \$350k. This is one example of the process the department undergoes every year from the largest piece of equipment down to the smallest generator.

In terms of new capital items, there are three different items they are looking at bringing in and which are all focused on bringing the work internally done. One example of this would be road dig outs. This is something contractors charge a lot for as it is not the type of work they prefer, and it is something our crews are capable of doing if we have the proper equipment such as a compactor. Another example would be striping. Mr. Smith has been trying to get tunnel striping scheduled all summer and no contractors have been available. Again, this is something the PW crews can do if they have the proper equipment.

Mr. Smith added that his folks do a wide variety of projects and if they are doing their job well, they essentially fade into the background. If the roads and pathways are clean and/or plowed, if facilities are functioning well, if the dead squirrel has been picked up off the roads, the parks, sports courts, and commons are looking good, these are all things that PW employees do that some people may not even know about.

Mr. Smith commented that his staff consists of eighteen people and come the first of the month, the department will be fully staffed for the first time in over a year having lost 75 years of experience last year due to losing three long-time employees to retirement or other opportunities.

Mr. Smith talked about the top items in relation to movement in Sunriver facing us in the next few years. These include a tunnel replacement each year, the Circle 2-3 evaluation and possible solution (2025-26), Meadow Road connectors and safety issues (2026-29), and the possible rerouting of Theater Drive and the tunnel in that area (2026-29) and complete circulation gaps (ongoing).

Mr. Smith reported that amenities will include Fort Rock Park improvements phase 1-3 (2026-29) Cottonwood Regional Park design build (2026-29), Meadow regional park design (2027-30) and riverbank stabilization (2025-26).

Jacki Bue, Community Development Director reported that the Community Development fees will receive updates in 2025 to better correlate with the Design Manual requirements.

New citation forms/rules are being updated for 2025. Ms. Bue is collaborating with the Magistrate and the Covenants Committee to update the rules as a result of the revised DC Manual, revised LFR plan, proposed changes to the Noxious Weeds plan, and recent changes to the SRPD Agreement for Enforcement of Rules and Regulations. The current form/rules have been in place for over 40 years and do not lend themselves to a virtual society.

The Community Development Department will move to the new office space that will be created in the summer of 2025 to better accommodate the needs of owners/contractors submitting or reviewing projects.

Ms. Bue thanked the Board and noted how grateful she and her staff are for their approval of this project. Currently she has two employees whose workstations are located in hallways, which is not the best location when an owner needs to discuss their project one on one with staff. This new area will provide plenty of room for owners/contractors to spread their plans out and have an uninterrupted discussion with staff.

Additionally, due to increased workloads because of the increased number of hearing requests and projects, the half-time assistant position is being requested to move to a three-quarter time position in 2025. The Community Development Department also plan to provide more education/information programs and tutorials on a bi-annual basis. Assistant GM Kessarlis noted they get requests frequently for these type tutorials, so they see this as a great opportunity to produce some how-to videos, etc. to help educate our owners and contractors too.

Lastly, the annual paint survey which has been in place for many years requires Design Committee members to go on site and inspect everything from homes to well pump stations once a year. Because the new tree protection rule has also been put on the books and because they need a starting point for the four-year timeline owners have to keep a tree protection in place, the Design Committee members will also be noting any tree protections that are in place on a particular property. This will provide staff with the starting information they need to implement this new rule.

Gary Seifert, IT Director reported that when he arrived at SROA, the Association was into year two of a three-year IT road map which was fantastic. Mr. Seifert reported that SROA will continue to use cloud-based infrastructure migration where it makes sense. Consideration is being given to potentially migrating our current point of sale (POS) solution to a Jonas solution which makes sense with the ability to dove tail into our finance and accounting system. We have had four power outages with our current Active Net system this summer, so we are looking at a different solution to eliminate those issues. The cost for that would be approximately \$50k and that covers software licensing, implementation, transition training, etc.

The database was migrated to MS Azure after the May outage and in 2025, the IT department will continue to add best practices to that. IT will continue to deploy guest wireless network capability.

In terms of security and continuity, the IT department will continue refreshing hardware, primarily switching infrastructure in 2025, establishing Payment Card Industry (PCI) and Decision Support System (DSS) policies and audit program as well as continued staff awareness of security programs, quarterly vulnerability scanning and annual penetration testing, and business continuity and disaster recovery process formalization.

In regard to GIS, which touches a lot of SROA departments, in 2023 SROA engaged the services of Tetra Tech for a one-year engagement. We are currently in month nine of that journey and approximately 70% of our ARC GIS to an online solution and we are about 30% completion for ARC GIS Pro. The difference between those two solutions is that ARC GIS Pro is what our individual departments will go into to update their specific information, and the GIS online is more of a collaboration solution. This will give our departments the opportunity to take iPads out in the field and update the information to the mapping solution online rather than jotting it down and having to enter it into their pc once they return to the office. This initiative will continue through 2025/26, and it touches most of our organization.

Staff will continue training as necessary and in the IT department, it's always necessary as there is always something new coming on the market. We are seeking a database administrator with GIS expertise due to an employee relocation and we took that opportunity to migrate the database, just care and feeding, to a managed service provider who have done a fantastic job on the upgrading of some of the backup and processes that we have in place.

At the end of 2025, beginning of 2026 the department will refresh its strategic plan, identify new software solutions for the database and replacement of the reporting solution used for the database both of which have reached their end of life.

Controller Joe Healy reported that primarily his department continues to be responsible for making sure that everything that each department head submits is properly accounted for and proper purchasing rules have been followed. This ensures that when the auditors come in yearly to perform the audit everything is in order. Joe's staff also assists lots of owners with numerous questions they may have regarding maintenance fees, TDS payments, etc. Currently, that department has two employees besides the controller who have both been with SROA for a number of years now.

Controller Healy reported that 220 or approximately 5% of the 4,174 SROA accounts have been connected to the TDS fiber to the home. Once they are connected, Controller Healy is notified and sets the account up accordingly, as it becomes fairly easy to facilitate. Most owners and especially those who pay their maintenance fees in full for the year are also choosing to pay their TDS fees for the remainder of the year. Hopefully TDS will be stepping up the actual connections in the coming weeks as there are a lot of homes that now have the infrastructure to their circle or street but have not yet been connected to the actual service. Some of this is due to properties being booked during the summer/fall months making it hard to schedule a day when both the owner can be here, and the tech is available. They are required to the project completed by the end of 2026.

The Association has a full reserve study done every three years and in the interim we do our own mini reserve studies to determine the percentage funded for the reserves. This is done on a continual basis as items get shifted earlier or later based on useful life while still ensuring we are on track to be between seventy and one hundred percent funded by 2042. Timing of new capital items is particularly important so that we remain on track for our 70-100% funded goal.

The Accounting Department currently use the fixed asset feature in Traverse, the old accounting software for SROA and SSD which was maintained as SROA was still doing some of the SSD's accounting work last year and until the SSD's audit was complete, Traverse was kept live. While it is ok for SROA's fixed assets, it has really reached the end of its useful life and there are now programs with much better features available without an increase in price.

Lastly is the maximization of interest income. While we were earning close to zero percent interest when COVID was here to earning the 5% for the last couple of years and it is now starting to slowly inch back down the other way, but we can certainly manage our cash flow appropriately, we can maximize our investments and pay as low of fees as possible.

Controller Healy concluded by noting that department heads are all turning in both their year-end forecasts and 2025 budgets to Joe and in October that information will be presented to the Finance Committee, who have two meetings scheduled in October for review. Following that, Controller Healy and GM Lewis will meet individually with Treasurer Pederson and President Beenen and see where we are.

### **2030 STRATEGIC PLAN UPDATE**

GM Lewis reported this is a follow-up from two months ago when the Strategic Plan was presented to the Board prior to it going out to the owners for input. We did receive seventeen owner comments some of which were more grammatical in nature, while some were of substance as well. The taskforce met again once the comment period closed to review those comments, some of which were incorporated into the new draft of the document. Overall, with only seventeen comments over a 45-day period out of over 4,000 owners shows the validation of all the work that was put in by the taskforce on this project. It is important to note that the collaboration between the other stakeholders in the community, the 32 members of the

taskforce and the 13 meetings that were held really showed great credence and validation to the process overall.

The Board will be asked tomorrow to accept the Strategic Plan as presented based on the final draft version that was provided to all the board members. Assistant GM Kessariss felt it important to note that the plan going forward with the Strategic Plan itself is to really look at it as a guide for the Board, staff, and stakeholders to review on an annual basis to make sure that action that is taken in the future is looked at in a way that is collaborative and also anything that has a financial impact is reviewed each year during the budget cycle. This document was not meant to sit on a shelf and collect dust and that the actions that are proposed in the plan itself do come to fruition when it is appropriate based on financial constraints and/or financial availability, but also the need of the community and the need of those assets/infrastructures for replacement in the future.

This item is on the agenda for action tomorrow.

### **PARK PLANNING UPDATE**

Public Works Director Mark Smith commented that discussions have been held for some time now on what we want to do at Fort Rock Park as part of the Parks Master Plan.

Currently Fort Rock does not have a sense of place or feel, it just feels like any park you could find anywhere. It also does not fully meet ADA standards. It was identified through the budget process last year to do an analysis and PW worked with a landscape architect, who has done many of these type plans to produce three different concepts which have now been narrowed down to one. We have looked at doing this in phases due to budget constraints while really trying to incorporate elements that mean something to Sunriver or the actual namesake of the park. There is currently quite a bit of unused space at the park and this plan calls for having more diverse type activities available that are more nature-based.

The plan has been broken up into three different segments which include the playground area in phase one, the ballfield area in phase two and the large grassy area adjacent to the ballfield in phase three.

In reference to the playground area, PW Director Smith noted that currently the park does not offer amenities geared toward disabled visitors, especially kids. The surface that we currently have around playground equipment is either pea gravel or wood chips which are not very wheelchair friendly. Mr. Smith shared the rendering of the proposed improvements that will all stem out from a central sunburst comprised of wheelchair friendly pavers and which provide straight lines out to the different features that will be available. The idea is to provide more natural play elements while accommodating multiple age groups. This phase one work is scheduled for completion in 2025 and the cost estimate including soft costs and contingency is approximately \$776k although PW Director Smith believes a number of the items could be accomplished in-house saving some dollars off of that estimate.

The ballfield area will be a 2026 budget item to include features that are akin to rock formation known as Fort Rock with a labyrinth at the bottom of it. The idea being to take advantage of some of the natural play area that is there and is already utilized by youngsters to formalize it and have something that actually feels like a true park that belongs in Sunriver and not just a hodgepodge of amenities that are not necessarily tied to a theme.

The third phase will address the large grassy area adjacent to the ballfield and will look to pare down some of that grassy area to something more meaningful and letting some of the surrounding area go back to more natural vegetation and landscape. Additionally, there are plans to add another bathroom and pavilion area in that third phase.

We also need to evaluate who we are drawing to the park and how we are getting them there. We will continue to encourage people to walk or bike to the park due to the limited parking available, however, an overflow parking area has been identified in the area of the park closest to Shamrock Lane.

### **CIRCLE TWO TO THREE CONCEPTUAL PATHWAY DESIGN**

Public Works Director Mark Smith reported that the lack of a pathway between Circles 2 & 3 has been an issue that predates Mr. Smith by many years. All of us have no doubt seen people walking or biking on Abbot Drive between the two circles and this being a main road in Sunriver makes it a more challenging issue.

At least four previous public works directors have attempted to find a solution and were unsuccessful in the process, thus this new effort to address what is a major safety issue. Funding was approved in 2024 to conduct a feasibility study to determine where we stand.

Unlike in the past where the proposed path was always going through where the Wildflower Condominiums are located, a different concept is being proposed this time around. To accomplish it, SROA will need easements from SR Resort who are receptive to the idea as well as Meadow House Condominiums close to Circle 3 and Mr. Smith along with GM Lewis will be meeting with Meadow House representatives in November to discuss the proposed project and it was noted that the pathway would be a considerable distance from any of the condominiums. What we are looking at doing is instead of a tunnel that goes underneath roadways, a bridge would be constructed over the tunnel where golf carts currently go under the roadway.

### **ADMISSIONS MODEL WORK GROUP UPDATE**

The Board was provided a breakdown of recreation statistics for the month of August.

As of August 31, 2024, a total of 7,110 Member Preference Program (MPP) cards have either been purchased or renewed. Of that total, 5,671 were renewals and 623 were new cards. The remainder are extended household, long-term renter, or commercial passes. This is 70 less MPP cards than at the end of August of 2023. At the end of August, the MPP revenue totaled \$619,825 or 98.06% of the annual budget.

Regarding the 2024 Recreation Plus Program (RPP), as of August 31, 2024, there were 884 homes and/or condominiums signed up for the program. Last year at the same time there were 918 properties participating in the program. Mr. Kessarlis also provided a breakdown of the RPP's by the number of bedrooms. RPP revenue is at \$2,506,156 or 97.08% of the 2024 budget.

Gate revenue is currently sitting at \$602,988 or 100.40% of the budgeted \$580,357.

SHARC hosted a total of 47,208 attendees at the facility in the month of July compared to 43,670 in 2023, an increase of 3,538 attendees. Of that number, 4,577 were owners, 32,680 were RPP pass holders, 241 were member guests, 477 were extended family, and 6,160 were gate admissions.

17,322 people have visited the Member Pool this season compared to 17,137 in 2023.

By the end of August 2024, staff have issued 56,280 paper guest passes and of those 9,539 have been redeemed at SHARC and 4,375 have been redeemed at the Member Pool.

Year to date, there have been 182,687 guests at the SHARC facility compared to 176,454 by the end of August of 2023, an increase of 6,233 visitors.

Owners can renew or purchase their cards for 2024 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.

Tennis/pickleball, when comparing revenues to expenses are up by \$9,902 however compared to budget we are down by \$16,245. Again, this is attributed to fewer people who have paid the gate fee to play than projected and merchandise sales being down some as well. Equipment rentals are also down as more owners supply their rentals with pickleball paddles and balls for their guests use.

The Café had another good month in August with total seasonal sales sitting at \$578,484, of which SROA receives 18% or \$104,127.

Facility event space rentals are \$13,471 to the good having hosted several events in August. Events Manager Beth Herron continues to do a great job and is happy to have an events coordinator on board to assist her. The annual budget for events is \$115k and current events on the books through the end of the year total \$93,107. There continues to be a lot of non-paid events for local groups on the books as well.

The flooring in Benham Hall is going to be changed out in October from carpet to a laminate wood flooring so there will be a three-week period when that facility will be offline.

### **2025 FEES FOR SERVICES**

Assistant GM Kessarlis directed the Board to the information provided to each of the Board members in regard to this topic. The Admissions Model Workgroup met and reviewed the proposed changes earlier this week.

Starting with RV storage rates, Assistant GM Kessarlis commented that back in 2022/23 when the Board considered the RV storage rates in comparison to other storage options in the area, the Board agreed to a plan that would get the RV rates to 50% of market value by the 2025/26 year. The RV calendar runs from July 1<sup>st</sup> to June 30<sup>th</sup> and Assistant GM Kessarlis used a blended average of four different Central Oregon facilities rates. This year to get to that 50% of what it was in 2023 for those comparisons, it ends up being an approximately 12% increase across the board which meets the target of getting to 50% of market value. It was also noted there are costs associated with maintaining which totaled \$27k in 2023 and include equipment, repairs, upgrades, and staffing to those facilities.

At Fort Rock staff is recommending a general public rate of \$150, a \$10 increase, for a six-hour timeframe at the park and \$75 for owners, also an increase of \$10. There are definite hard costs associated with maintaining that facility that necessitate a small increase. Additionally, the price of propane tank rental would go from \$10 to \$13 for general public and from \$10 to \$11 for owners due to propane prices increasing over the past couple of years. Small increases are also being proposed for corporate rates.

In regard to recreation, an increase of \$10 or 13% is being proposed for Member Preference cards, a 5% increase to \$200 for an extended household pass, and a 3% increase to Recreation Plus Program cards putting them at \$340 per card. Also being proposed is the elimination of the seven-day extended household pass.

Also being proposed for increases are some of the rental rates for Benham Hall and the Amphitheater event space. The rates being proposed include increases between 25% & 34% and are based on market research. Event rental extras such as linens, bar service and AV equipment are being proposed for a 10-25% on average increase based on SROA's costs to provide those items.



In Community Development, staff is proposing a 25% increase on average for review fees which are tied specifically to the Design Manual itself and how those are administered by SROA staff and the time involved with working with Design Committee members and the committee itself.

The Communications Department is proposing a 5% increase to ad space for 2025.

We would also look at increasing the percentage that we receive from the Café if some of the remodel work can occur prior to next year's operating season.

After further discussion, the Board requested that they receive a printout of all the rates for 2025 including a complete breakdown of rates for the past several years instead of just the items that are increasing for 2025 prior to making a decision. GM Lewis pointed out that this was merely to provide the Board with an update of what came out of the Admissions Model Workgroup this past week. The Board is not voting on this item this month and will have another full month to review the information line by line prior to voting. Assistant GM Kessariss will send electronic copies of all the rates to the Board members so they will have ample time to review them in detail prior to next month's meeting.

### **ADJOURN TO EXECUTIVE SESSION**

Director Murray moved to recess the public meeting and reconvene in executive session under the authority given by the SROA Bylaws Article 4, Section 11 to discuss contractual, personnel, and legal matters that may be subject to a claim of privilege. Seconded by Director Burke, motion passed unanimously.

The public meeting recessed at 1:06 P.M.

The public meeting resumed at 1:30 P.M.

### **SROA ADDENDUM TO DESCHUTES COUNTY/SUNRIVER SERVICE DISTRICT (SSD) MANAGEMENT AGREEMENT**

GM Lewis reported that Deschutes County, acting as the governing body for the SSD Managing Board recently entered into a new management agreement concerning the makeup of the managing board. The board went from seven members to five when the two appointed SROA Board member positions were eliminated. A non-voting ex-officio position has been offered to the SROA Board instead which has since been filled by Director Schneider.

That agreement included a signature block for the SROA to acknowledge the changes to the agreement. Due to lack of a motion at last month's meeting, the Board did not sign to acknowledge that agreement but did give direction to go back and create this addendum to bring to the Board today for possible action at tomorrow's meeting. If approved, it would be forwarded to the Deschutes County Commissioners with a request that this be added as an addendum to that previous agreement at which time the Board will consider signing that agreement and acknowledgement.

There were a couple of minor edits proposed by the Board prior to it coming to them for approval.

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

### **TRANSIENT ROOM TAX (TRT) LEGISLATIVE ACTION**

President Beenen referenced a recent editorial in the Bend Bulletin about that mentioned there is some discussion taking place at the state legislative level about making changes to the transient room tax legislation. Mr. Beenen believes they were talking about some jurisdictions/cities/counties, would like to see the percentage of the dollars that must go to tourism promotion reduced. President Beenen feels if they are indeed going to review the TRT legislation, it would be an ideal time for SROA to voice their

perspective. While we would most likely not be successful in requesting a review of that legislation on our own, if it is being redone for other reasons, it might be a good opportunity for SROA and Sunriver to participate.

President Beenen feels Board leadership, or an appointed board member be assigned to approach state legislature to inquire as to whether or not discussions around this topic are being considered and if so, could SROA have the opportunity to provide SROA's perspective. To that end, President Beenen hopes the Board will entertain a motion at tomorrow's meeting to address this opportunity.

#### **REVIEW OF TOMORROWS MEETING AGENDA**

The Board reviewed the agenda for tomorrow's meeting.

#### **OTHER BUSINESS**

GM Lewis reported that the Finance Committee reviewed the management fees associated with managing SROA investments. As a result of that review other options were considered and it was determined that Morgan Stanley offers substantially lower management fees (.08%) compared to First Interstate Wealth Management (.27%) for the same level of service including being a fiduciary of the investments. This will be on the agenda for action at tomorrow's meeting.

#### **ADJOURN**

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

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

The public meeting adjourned at 1:50 P.M.

Respectfully submitted,

Mark Murray, Secretary