

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
SROA BOARD ROOM  
SEPTEMBER 21, 2024**

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

**DIRECTORS PRESENT VIA ZOOM:** Veronica Jacknow

**STAFF:** James Lewis, Susan Berger & Richie Villagrana

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

**NUMBER OF ATTENDEES:** 2

**OWNERS FORUM:** No owners addressed the Board.

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

Director Mobley followed up with Bruce Bischoff regarding incorporation and there is nothing further necessary at this time.

Vice President Burke followed up with both Ray & Marilyn Johnson and Tom Lorence regarding their pathway safety concerns and made some suggestions on how to follow what we do at our upcoming goal setting workshop.

President Beenen followed up with Josh Lawson regarding his concerns with the Recreation Plus Program and the number of days his guests are unable to use the passes due to smoke and/or fire impacted closures and what AQI process was being utilized.

Director Pederson misunderstood last months instruction for him to follow up with Aaron Coldiron regarding his concerns about the recycle center closing and will contact him to follow up.

Director Mobley followed up with Bill Hepburn regarding his concerns about firearms in Sunriver.

From comments heard at the Annual Meeting, Director Burke followed up Bob Stillson regarding his desire that we always have lifeguards on staff at the Member Pool for his and other owners safety.

President Beenen followed up with Diane Aakervik regarding her concerns about TDS, shuttle to the airport by SR Resort, recycling, SHARC hours, pathway safety, how the merchants in the Village are doing, bike patrols in Sunriver, and how SROA pays for unbudgeted projects.

Vice President Burke followed up with Frank Brocker regarding his appreciation for the Board.

Vice President Burke also followed up with Tom Kelley regarding pathway safety and access to pathways.

No additional follow-up was required from comments made at the annual meeting and the Board discussed using a different format to make things easier for follow-up next year.

## **RECAP OF 9/20/24 BOARD WORK SESSION**

President Beenen reported that the Board held a very long session on Friday starting with a presentation on the recently completed wage and salary study done by Blue Whale Compensation which was followed by the SROA Department heads presentation on the opportunities and challenges they anticipate over the next three years. The Board heard an update on the Strategic Plan now that the comment period is closed, heard about proposed improvements to Fort Rock Park slated for the next few years, and received an update on the efforts to build a connector pathway between Circles 2 and 3.

Assistant GM Kessariss provided an overview of the proposed rate increases for 2025 which will not be voted on until next month's meeting, discussed the addendum to the Deschutes County/SSD Management Agreement and heard a brief update from President Beenen on possible legislative changes to the Transient Room Tax agreement. The Board held an executive session to discuss a legal and a personnel matter.

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

Director Pederson moved to approve the minutes of the August 16, 2024, board work session minutes as corrected. Seconded by Director Burke, the motion passed unanimously.

Director Pederson moved to approve the minutes of the August 17, 2024, board meeting minutes as written. Seconded by Director Schneider, the motion passed unanimously.

Director Pederson moved to approve the minutes of the August 17, 2024, annual meeting minutes as corrected. Seconded by Burke, the motion passed unanimously.

### **BOARD ACTION** **FINANCIALS**

SROA Treasurer Pederson reported that August's results are very positive, and particularly good as we get close to the end of the year. Operating revenue ended the month of August \$49,408 ahead of budget and which is attributable in a large part to gate revenues that ended the month \$42,206 ahead of budget. The variance on gate admissions for the year totals \$74,631 which is about equal to the \$75k loss from a number of properties on Village Properties rental program that did not participate in the Recreation Plus Program (RPP) this year. Additionally, longer hours at SHARC also resulted in more Café revenue than projected.

Under operating expenses, we are slightly under budget although there was quite a swing in there due to unfilled positions which gained SROA approximately \$27k resulting in a \$5,624 deficit, however an early close to last month resulted in two months of utility bills this month. Additionally, pool chemical costs have gone up more than what was budgeted. For the month we had a surplus of \$43,784 and for the year the surplus is \$196,389, a significant amount of which we anticipate to be there at the end of the year.

In non-operating the variance of \$7,300 of the \$8,395 in revenue was largely interest income with higher interest rates than we anticipated. Year-to-date, the variance is \$64,256 and \$50k of that is interest income which Treasurer Pederson reminded the Board is starting to go down and will not be around forever.

Treasurer Pederson reviewed the aging summary noting it will go down as the remainder of fine payments plans that were negotiated earlier in the summer come in.

For the month ended August 31, 2024, there was a net operating surplus of \$98,367 which was \$43,784

better than budget. Operating revenues were over budget by \$49,408. Gate revenue exceeded the budget by \$42,206. Other positive variances included café revenue and bulk fiber billings. Salaries and burden were under budget by a combined \$26,982 due to open positions in administration, public works, and recreation. Materials and services were over budget by \$39,789 due to utility costs, pool chemicals, and TDS fiber charges (these are offset by member billings).

For the first eight months of 2024, there was a net surplus of \$216,538 which was \$196,389 better than the budget. Operating revenues were over budget by \$72,342 mainly due to SHARC admissions, Scene advertising, café revenues, and ladder fuel compliance fines. Member Preference Program (MPP) and Recreation Plus Program (RPP) are at 98.1% and 97.1% of their respective annual goals. There have been thirty-four fewer RPP passes sold in 2024 compared to the same time frame as 2023. Salaries and burden were under budget by a combined \$219,786 through the first eight months of 2024 mainly due to open f/t positions in public works and recreation. Materials and services were over budget by \$63,886 due to utility costs, sanding cinder/deicer, pool chemicals, fuel, and building supplies. Legal fees were over budget by \$49,994 through the first eight months.

As of this report, 220 homes have been converted to bulk fiber and transitioned to SROA’s master billing account.

As of August 31, 2024, there was a combined operating and non-operating surplus of \$1,870,970 which was \$269,327 better than budget.

Total assets as of August 31, 2024, were \$39,453,735. Cash and investments totaled \$17,332,891, a decrease of \$114,251 from July. As of August 31, 2024, there was \$17,026,589 invested in Federated Hermes Government Obligations Fund and US Treasuries with durations between 90-days and five years with an annual yield of 5.03%. Construction in progress items included the public works building, SHARC/Admin building design, flooring at SHARC, and Circle 2 to 3 pathway study.

August 31, 2024 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$ 9,622,044
TOTAL EXPENSES	\$ 9,405,506
OPERATING FUND SURPLUS	\$ 216,538

Director Banta moved to approve the unaudited financial statements for the month of August 2024.  
Seconded by Director Jacknow, the motion passed unanimously.

**GENERAL MANAGER’S REPORT**

GM Lewis reported his recap is for activities in August.

GM Lewis attended the regular monthly meeting with the Sunriver/LaPine Economic Development (SLED) Board regarding coordination with south county efforts for economic development. This will continue to be a monthly, on-going participation.

GM Lewis continued follow-up work with SROA legal counsel regarding fine/fee lawsuits, HR issues, threatened litigation and more.

GM Lewis met with the Chair of the Election Committee regarding the annual Board of Directors election process.

GM Lewis met with Scott Larson, new Executive Director /CEO for Visit Central Oregon.

GM Lewis met with Shannon Ries, new Executive Director for the Sunriver Nature Center, and Oregon Observatory.

GM Lewis met with SROA Natural Resources staff and a Sunriver owner regarding cheatgrass problems in Sunriver as well as potential actions.

GM Lewis met with Fire Chief Boos and Police Chief Lopez on regular coordination on a variety of topics.

GM Lewis met with SR Resort Managing Director Tom O'Shea regarding their maintenance fee agreement.

GM Lewis met with PW staff and engineers regarding the Circle 2 to 3 conceptual pathway analysis.

GM Lewis met with SR Utilities, Sunriver Resort and Sunriver owners regarding proposals to restore the Woodlands golf course pond #9 so that it holds water again.

GM Lewis continues to attend monthly meetings with TDS staff regarding the physical construction and eventual migration of owners to fiber.

GM Lewis coordinated with the SRPD regarding and enforcement/criminal issue.

In Accounting, the Controller presented the unaudited financial statements for the month ending July 31, 2024, to the Finance Committee and Board.

Accounting staff continued the billing process for bulk fiber to home accounts.

Accounting staff began working on 2025 budget spreadsheets and distributing such to department heads.

Accounting staff had another busy month processing recreation receipts.

The IT department reported there have been some intermittent hardware issues with individual Point of Sale (POS) devices at SHARC.

The new audio/video installation at SHARC will occur in Oct/Nov of 2024.

Azure Administrator training continued in July.

IT staff met with Community Development and Tetra Tech to discuss GIS Mapping data input via iPad and reports.

The VPN access issue Tetra Tech was having with GIS was resolved.

The IT department has developed a custom program for boat launch reporting. This has improved and streamlined this process, which historically took approximately an hour down to five minutes or less.

In the Communications Department, Scene advertising was at \$22,290 (\$19,823 in 2023).

There were 166 reads of the online August Scene including readers from the Israel and the Philippines.

There were 23k visits to the websites including users from Canada, India, Germany, Pakistan, United Kingdom, and Australia.

SROA websites most popular pages in August were weather and noxious weeds.

The SHARC websites most popular pages were aquatic hours, today's schedule, admission rates and recreation swim.

Sunriver Style received more than 4,400 site visits in the last month.

Social media: SROA Annual Meeting, Uncorked early bird tickets, Sunriver Slam pickleball tournament, tennis clinics, petanque club play, event space and toad migration.

Eblasts included: Annual Meeting, Strategic Plan comment period, tennis clinics, early bird Uncorked tickets, last chance for ballot submissions, fall aquatic hours, owner happy hours, golf carts on roads/pathways.

Other projects included formatting the Strategic Plan as a final draft document for sharing with the Board and owners, held a meeting with the DEQ regarding air quality monitoring in the Sunriver area, continued to promote and create materials for Uncorked, updated the SHARC website with September hours of operation, and designed an LFR fall reminder postcard for Natural Resources.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule. There was one submittal for the first meeting in August and one project for the second meeting in August.

There are currently approximately 289 active projects/building permits (down by 12 from the previous month of July.)

The number of applications submitted in August was down slightly from the same month in 2023 – from 115 in 2023 to 94 in 2024.

Community Development staff continued issuing compliance letters for design and rule violations.

Community Development staff participated in Magistrate Hearings for background on violations and citations.

Community Development staff continue modifying the new application forms and informational handouts, as necessary.

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

There are still 45 homes identified by the annual paint survey that have not been painted. A third letter has been sent and staff is continuing to perform inspections and the deadline to comply is October 31, 2024.

The Design Committee is drafting a rule related to fencing on non-single residential properties.

The Natural Resources (NR) department reported that ladder fuels reduction (LFR) and tree thinning contracts are continuing.

NR staff reported that thanks to 37 volunteers, the August 2024 War on Weeds was another great success.

NR staff participated in the Deschutes County Yellow Flag Iris Working group.

NR staff prepared and mailed Ladder Fuels Reduction (LFR) 2<sup>nd</sup> violations.

NR staff prepared and mailed noxious weed courtesy letters and noxious weed deficiency letters.

Noxious weeds on commons were sprayed.

Staff did the necessary planning for the 24<sup>th</sup> annual War on Weeds (WOW) that runs from August 1<sup>st</sup> to August 14<sup>th</sup>.

NR staff performed site visits regarding tree removal requests and LFR compliance on private properties.

In Public Works, the Fort Rock Park plan design with three concepts was delivered.

The Cottonwood Dog Park is complete.

The Winners Circle Park layout has been established.

All sport courts continue to be cleaned on a weekly basis.

All twenty-four way finding kiosks are installed and the signs will be installed next week.

Ladder fuel pickups continue with the last round scheduled for October.

The canoe takeout road has been graded and treated again.

Failed road sections and root damaged areas on the road will be overlaid in September.

All roads and pathways were swept in August.

The Fire Department 224 Pumper unit was serviced, and the annual pump test completed.

A new sander/plow truck chassis is in buildout.

In Recreation, 47,208 owners and guests visited the SHARC facility in August compared to 43,370 in August of 2023.

There were 5,851 owners and guests who visited the Member Pool in August compared to 5,108 in August of 2023.

Rec staff continued planning for the Sunriver Slam Pickleball tournament and Uncorked.

Recreation is operating at fully anticipated summer staffing levels in order to maintain maximum open hours.

**LIAISON AND COMMITTEE REPORTS**

Copies of the minutes received from committees that met last month were included in the Board binders.

**SUNRIVER SERVICE DISTRICT (SSD) REPORT**

Ex-officio member Randy Schneider reported that Dana Whitehurst, who has been with the police and now fire department for a number of years is retiring from the SSD in early October.

Mr. Schneider was introduced to the rest of the SSD Managing Board.

The Public Safety building continues to move along. \$200k was transferred to contingency to account for the covered parking for the police vehicles and radio repeaters. \$757k was paid this month on the project.

Owner Bill Hepburn who is on the SSD Managing Board and who came to the SROA Board wanting a no discharging of firearms rule in Sunriver, also appealed to the SSD Managing Board about the process through Deschutes County he wants to pursue that would require a 60% approval from those registered to vote in Deschutes County to pass a rule prohibiting the discharging of firearms in the community.

The fire chief reported that calls are down, and turnout and response times are down a bit.

Seventeen of 54 calls for the Police Department were outside of Sunriver, the vast majority of which are on the highway and the chief reports that overall calls were up for the month.

A letter regarding snow removal on Lava Butte this winter was sent to ODOT from the SSD.

The SSD is planning to update their website to make it more helpful and user friendly.

**BOARD ACTION**  
**COMMITTEE APPOINTMENT**

Director Murray moved approval of the roster of names for committee appointments, resignations, and end-of-term departures as presented. Further move to thanked these individuals for their service to SROA. Seconded by Director Burke, motion passed unanimously.

**BOARD ACTION**  
**CERTIFY ELECTION RESULTS**

Director Burke moved to approve the revision to the Covenants Committee charter allowing for up to seven members on the committee and that a quorum shall consist of a majority of voting members. Further move to allow for alternate non-voting member on the committee. Seconded by Director Murray, the motion passed unanimously.

**BOARD ACTION**  
**DESCHUTES COUNTY/SSD MANAGEMENT AGREEMENT**  
**ADDENDUM**

Director Mobley moved approval of a recommendation to the Deschutes County Board of Commissioners as the Governing Board of the Sunriver Service District to add the proposed addendum/amendment as attached hereto as part of the Deschutes County Restated Sunriver Service District Management Agreement (Deschutes County Document Number 2024-395, approved July 24, 2024/ Effective August 1, 2024). Seconded by Director Schneider, the motion passed unanimously.

**BOARD ACTION**  
**2030 SROA STRATEGIC PLAN**

Director Burke moved to accept the 2030 SROA Strategic Plan final document as presented. Seconded by Director Mobley, the motion passed unanimously.

**BOARD ACTION**  
**3% DISCOUNT FOR FULL PAYMENT OF 2025 MAINTENANCE FEES**

Director Pederson moved to approve a 3% discount to owners who pay their regular maintenance fees, excluding special purpose assessments, in full by January 25, 2025. Seconded by Director Jacknow, motion passed unanimously.

**BOARD ACTION**  
**RESERVE INVESTMENTS TO MORGAN STANLEY**

Director Pederson move to approve a recommendation of the Finance Committee to move SROA's operating and reserve investments from First Interstate Wealth to Morgan Stanley. Seconded by Director Banta, motion passed unanimously.

**BOARD ACTION**  
**GM ANNUAL EVALUATION/NEGOTIATION**

Director Beenen moved to authorize Directors Pederson, Banta, and Beenen to enter negotiations with General Manager James Lewis for renewal of his employment contract. These directors are to report back to the full SROA Board of Directors no later than the December 2024 meeting with a new proposed contract. Seconded by Director Mobley, motion passed unanimously.

**BOARD ACTION**  
**TRT WORKGROUP**

Director Beenen moved to authorize SROA General Manager James Lewis, Director Keith Mobley, and Director Gerhard Beenen to contact/meet with one or more Oregon State Legislators to discuss potential legislation authorizing SROA to be the recipient of short-term transient room tax revenue collected from homes/apartments/condominiums that are included in the Sunriver Owners Association. Seconded by Director Burke, motion passed unanimously.

**OTHER BUSINESS**

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

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

The meeting was adjourned at 11:03 A.M.

Respectfully Submitted,

Mark Murray, SROA Secretary