SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
May 18, 2019

DIRECTORS PRESENT: Bob Nelson, Richard Wharton, Mike Gocke, Gary Bigham, Jim Fister, Jackie Schmid, Brad Skinner, Keith Mobley & Jim Adams

STAFF: Hugh Palcic & Susan Berger

OWNERS IN ATTENDANCE: 6

The Board of Directors meeting was called to order at 9:00 am by President Nelson.

Owners Forum: Bob Stillson, 10 Belknap Lane, commented he has been an owner in Sunriver for approximately 18 months now and has seen an impressive uphill trajectory that in his opinion has exceeded the most optimistic of expectations, the most recent example being the new roundabout at Beaver and Abbot Drives and the plans that will hopefully come to fruition at the North Pool Complex. Mr. Stillson urged the Board to stay the course and not fall victim to reactionary impulses. It’s important that items take their place in the cue and are dealt with in a timely and thoughtful manner.

Owner Forum Follow-up from Previous Month’s Meeting

Vice President Wharton reported there was no owner follow-up needed from the SROA/SSD Joint Meeting as no owners addressed the Board. At the SROA Board Work Session held in the afternoon of that day, Cindy McCabe continued to ask what is being done to enhance Mary McCallum Park. Public Works Director Mark Smith was in attendance and was able to inform Ms. McCabe of what is planned for that area for this summer season. Ms. McCabe was in attendance at yesterday’s work session and provided the Board with a lengthy list of additional things she would like to see and which come back to Mr. Stillson’s point, that these things will all be given consideration in due time.

At the regular Board meeting on April 20th, Lee Stevenson, 21 Wallowa Lane, invited the Board to take part in the annual ponderosa tree planting event. Additionally, Pat Hensley, 5 Vista Lane, expressed her concern about the amount of contingency built into the North Pool Complex project and urged the Board to reconsider adding more to that contingency amount.

Recap of May 18th Board Work Session

President Nelson reported that the Board held their monthly work session yesterday. These work sessions provide the Board the opportunity to thoroughly discuss issues before them at length without taking action. The Board has found these work sessions to be very beneficial in assisting them with their decision-making duties.

President Nelson reported that the Board heard from owner Cindy McCabe, 13 River Village Condo regarding both Mary McCallum Park improvements and the safety decision made that has eliminated banners from being posted at the main entrance. It was noted that this is already a very busy, congested area and adding another element of distraction displaying up to three banners, i.e. three additional distractions, is strongly frowned upon and discouraged by our engineering team and safety professionals as a safety hazard.

Magistrate Jo Zucker provided her 2018 annual report including the number of citations written, for which type violations citations are being written, fines collected and dealing with chronic offenders. Ms.
Zucker provided a very complete report and it was noted what a great job she does for the Association. For the 39th year in a row, Sunriver received the Tree City USA award. Sunriver is the only unincorporated area in the state of Oregon to receive this award due to the early involvement of the Association prior to the rule changing to no longer allow unincorporated areas to be included. The Board heard an update from both the North Pool and IAMP (Infrastructure & Amenities Master Plan) task-forces as well as a Telecommunications Task-Force update from IT Director Brad Olson. The Board held an Executive Session to discuss a legal matter.

**ACTION ITEM MINUTES**

President Nelson asked for a motion to approve the minutes of the April 19, 2019 joint SROA/SSD Board Meeting.

Director Wharton moved to approve the minutes of the April 19th Joint Meeting as corrected. Seconded by Director Fister, motion passed unanimously.

President Nelson asked for a motion to approve the minutes of the April 19, 2019 SROA Board Work Session.

Director Wharton moved to approve the minutes of the April 19th Board Work Session as written. Seconded by Director Fister, motion passed unanimously.

President Nelson asked for a motion to approve the minutes of the April 20, 2019 SROA regular Board Meeting.

Director Wharton moved to approve the minutes of the April 20th Regular Board Meeting as corrected. Seconded by Director Adams, motion passed unanimously.

**FINANCIAL**

Treasurer Gocke reported for the month ended April 30, 2019, there was a net operating surplus of $13,706, which was $65,250 better than budget. Total revenues were over budget by $33,381 due to new trail and pasture lease agreements, Recreation Plus Program and interest income all trending over budget. Salaries and wages were over budget by $7,096 mainly due to an increase in vacation accrual. Materials and services were under budget by $33,369 due to timing of payments and the deposit for Sunriver summer concert not being paid in April. Legal and insurance expenses were under budget by $7,079.

For the four months ended April 30, 2019, there was a net operating surplus of $58,444 which was $128,852 better than budget. Total revenues were over budget by $134,045 due to the above-mentioned items and insurance proceeds from the January windstorm and February snow event. Salaries and wages were over budget by $49,266 due to additional overtime in Public Works from the wind and snow events and additional vacation accrual. Materials and services were under budget by $70,465 through the first four months due to timing of budgeted expenditures. There was $102,685 in total interest income earned through the first four months of 2019. $543,287 has been spent on the Abbot/Beaver Circle and road projects through the first four months of 2019.

Total assets as of April 30, 2019 were $32,805,180. Cash and investments totaled $15,521,289, a decrease of $364,340 from March. As of April 30, 2019, there was a total of $12,514,000 invested in short-term Treasury Bills.
April 30, 2019 (Unaudited)

<table>
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<th>ACTUAL</th>
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<tr>
<td>TOTAL REVENUE</td>
<td>$3,568,330</td>
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<tr>
<td>TOTAL EXPENSES</td>
<td>$3,509,886</td>
</tr>
<tr>
<td>OPERATING FUND SURPLUS</td>
<td>$58,444</td>
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Director Bigham moved to approve the unaudited financial statements for April 2019. Seconded by Director Fister, motion passed unanimously.

**GENERAL MANAGER’S REPORT**

GM Palcic reported that an all-employee orientation and teambuilding event was held at SHARC in April. Staff participated in interviews with the auditors during their on-site visit. The GM finalized essential terms of stipulated settlement agreement relative to SROA’s LUBA appeal of the Caldera expansion. Staff played a leadership role in facilitating meetings between differing parties/stakeholders involved in the Pacific Crest event. The GM met with Deschutes County representatives regarding the county parking plan for the roadway near Harper Bridge.

The Accounting Department is in the midst of the conversion from Traverse to Jonas software and, so far, things have been going smoothly. Controller Healy assisted the auditors from Price, Fronk and Co. in their work on the 2018 SROA audit.

The IT staff has provided accounting software support and migration for the change to the Jonas software. Staff posted an RFP for the installation of conduit and fiber from the Admin building to Fort Rock Park and have also developed an RFP for a telecommunication consultant with the Telecommunications Task-Force. IT staff have been training new SHARC employees on all aspects of IT elements within their work areas. Meetings continue with Bend Broadband regarding future deliverables.

In Communications, advertising revenue for the May Scene was $21,404, an increase of $325 more than the year prior.

In March, the SROA website was visited by 14,693 users, an average of 490 people per day. The most popular pages: weather, resource center, tree markings/flagging and how to reach staff. There are currently 2,619 activated owner accounts.

The SHARC website was visited by 5,000 users with the most popular pages being rates, outdoor pool and hours. 60% viewed the site on a mobile device.

The Sunriver Style website was visited by 1,200 users with the most popular pages being pathways, what’s going on and river adventures.

The Sunriver Tennis website was visited by 488 users with the most popular pages being Sunriver Solstice, facilities and clinics/lessons.

Communications Director Susan Berger and her staff assisted SHARC with their “Clean Campaign” signage, which has been installed in all locker rooms, entryways and pool decks.

A Summer Safety Workshop has been coordinated that will include a representative from the National Weather Service, Sunriver Police and Fire Chief and Deschutes County’s Emergency Manager, Nathan
Garibay. This free event is set for June 11th at 5:30 p.m. at SHARC and you can reserve a spot at Everbridge.

The display case has arrived for the historical timeline display going in at SHARC to display artifacts found during the construction of SHARC.

The Community Development Department staff reports that the annual paint survey is in progress with notification to those homeowners that need to repaint this year. Construction and submittal activity remain strong.

The Natural Resources Department staff continues to perform windstorm clean-up on commons. Staff also continued Oregon spotted frog spring monitoring and egg mass survey. 1,500 ponderosa pine bare-root seedlings were prepared for Arbor Day activities. Staff also assisted with documenting damage for open insurance claims due to the windstorm in January.

The Public Works Department remains extremely busy with windstorm cleanup. There is still a dedicated crew working on nothing but roadside pick-up and chipping each day of operations. Both SROA staff and contracted staff have noticed a big dip in employee moral due to the number of owners being verbally abusive when they don’t get their way.

Exit to Highway 97 signs have been added to all circles in Sunriver. The Abbot/Beaver project is near completion and looks great. The paving will occur on June 3rd and the main entrance to Sunriver will be closed for the day with traffic being re-routed to the emergency access on Spring River Road or the Cottonwood Road exit.

The Recreation Department is looking for summer employees in most all areas. There is a severe shortage of teens available this year and staff is doing everything they can to find the necessary people to fill the open slots. The Clean Campaign is underway and teaser flyers notifying owners and guests of the launch have been handed out.

An on-site auditor visit was conducted that entailed physical accounting of assets and review of processes for handling money.

Swim lessons continue to be full. Summer prep and deep clean are well underway. The ticketed concert artist, Melissa Etheridge was announced. The concert will be held on July 24th and to date over 600 tickets have been sold. Five owner and four general public events were held in April. The Home Expo was attended by over 150 people with 49 vendors and community booths.

Copies of GM Palcic’s entire report were included in the Board binders.

**LIAISON AND COMMITTEE REPORTS**

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

**SUNRIVER SERVICE DISTRICT (SSD) REPORT**

Director Fister reported there will be a siren test next Monday. If you didn’t hear, there was a substantial fire last week in LaPine where a home was lost. Sunriver was involved in the response to this event. The chief’s have been focused very heavily on engaging with the local property managers regarding emergency preparedness. The response has been excellent and the companies are now supplying the chiefs with their weekly occupancy numbers to assist the chiefs in determining how many people are in Sunriver at any given time.
There is a request from the SSD to SROA to come up with a way to include the Emergency Preparedness brochure at the map kiosks.

Director Gocke reported on the 2019/20 budget and noted that 51% of the salaries budgeted are for the cost of PERS and medical insurance for SSD employees. That is only going to increase year after year. As part of the budgeting process, the budget committee worked out five years ahead and Director Gocke remarked that in three years, the PERS and insurance amount will be 63% of the budgeted salaries. It’s a serious issue and yet they don’t have much control over it.

Copies of the approved minutes from the March 14th SSD Board meeting were included in the Board binders.

**BOARD ACTION**

**COMMITTEE & BOARD ACTION REQUESTS**

The Owner Enrichment Committee is currently set to sunset in October 2019. The committee and Board Liaison Jim Adams are asking the Board to approve a change in the status of the committee from ad-hoc to permanent to enable the committee to continue its charge of providing input regarding recreational, social, and educational enrichment programs and services to all Association members.

Director Adams moved to approve the change in status of the Owner Enrichment Committee from ad-hoc to permanent committee status. Seconded by Director Mobley, motion passed unanimously.

**BOARD ACTION**

**CALDERA SPRINGS/LAND USE BOARD OF APPEALS SETTLEMENT & RELEASE AGREEMENT**

Director Skinner moved to authorize President Nelson to finalize and execute a settlement and release agreement on behalf of SROA relative to withdrawal of SROA’s appeal before the Land Use Board of Appeals regarding the proposed Caldera Springs expansion. Seconded by Director Gocke, motion passed unanimously.

**BOARD ACTION**

**RATIFICATION OF AUTHORIZATION TO INTERVENE IN A LAND USE MATTER WITHIN SUNRIVER REGARDING PROPOSED REMOVAL OF CERTAIN RESTRICTIONS TO SUNRIVER’S GOVERNING DOCUMENTS AND DEEDS**

On May 2, 2019, a Sunriver property owner filed a petition in the Deschutes County Circuit Court, which seeks to remove certain use restrictions imposed by Sunriver governing documents and deeds. SROA has a beneficial interest in and right to enforce those restrictions. To protect SROA’s interest and discharge its fiduciary duties to all its members, the SROA Board President and SROA GM authorized our legal counsel to file emergency motions to intervene. The SROA was briefed by legal counsel in a confidential executive session. Director Wharton moved that the Board ratify the authorization to intervene in the action and further to authorize the Board President and General Manager to direct legal counsel’s representation of SROA in this matter. Seconded by Director Bigham, motion passed unanimously.

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

Director Skinner moved to adjourn the meeting. Seconded by Director Adams, motion passed unanimously.

The meeting adjourned at 10:18 a.m. 

Sunriver Owners Association 
Board of Directors Meeting 
5/18/19
Respectfully Submitted,

Gary Bigham, SROA Secretary