SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
SROA BOARD ROOM
June 14, 2019

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

DIRECTOR ABSENT: Jackie Schmid

STAFF: Hugh Palcic, Keith Kessaris, Joe Healy, Brad Olson, Susan Berger and Mark Smith

The meeting was called to order at 9:00 a.m.

OWNERS IN ATTENDANCE: 5

OWNERS FORUM: Dick Luebke, 11 Vista Lane, thanked the Board, General Manager Palcic and Public Works Director Mark Smith and the Public Works employees for the new tunnel on Abbot Drive. Mr. Luebke noted what an awesome addition the tunnel is and added that it will greatly help with pedestrian safety in that area. Additionally, Mr. Luebke is anxious to hear where the Telecommunications Task Force is in their efforts. Mr. Luebke reminded the Board of previous attempts, first in 1999 and again in 2010 where fiber to the home was recommended. Further, Mr. Luebke reported on Midstate Electric’s efforts going back several years in which they are switching all their connections to individual properties to conduit. Mr. Luebke urged the Board to dialogue with appropriate representatives at Midstate to see if there is an opportunity there to partner on this effort.

Paul Conte, 8 McKenzie Lane, suggested the Board consider conducting a thorough independent review of the entire Design Review process as he feels the current system is not functioning as it should. Mr. Conte provided the Board with a one-page outline of his concerns with the current system as well as his suggestions for improvements.

2018 SROA Audit Report: Candi Fronk and Heather McMeekin with Price, Fronk & Company were in attendance and provided the Board with the 2018 audit report. Ms. Fronk reported her staff audited the financial statements, which include the balance sheet as of December 31, 2018; the related statement of revenues, expenses and changes in fund equity; and the related statement of cash flows for the year then ended as well as the related notes to the financial statements.

Ms. Fronk reported that the audit process went very smoothly, and she expressed her thanks to SROA Controller Joe Healy for his assistance in having the necessary materials the auditors needed readily available to the team that was on-site for several days last month. The Association is receiving a clean opinion of the financial statements with everything being clearly stated in all material respects. Additionally, Ms. Fronk commended the Board on the decision in early 2018 to pay off the Bank of America loan for the construction of the SHARC facility.

Ms. Fronk noted the sound financial policies the Association has in place and how those aid both staff and the Finance Committee in their decision making. The internal controls and policies that are in place are providing the necessary checks and balances and there are no recommendations for change of the current practices being utilized. Members of Ms. Fronk’s staff visited the various locations owned and operated by SROA and visited with staff regarding cash handling, daily reporting, etc.
Ms. Fronk answered a number of questions posed by the Board. The Board thanked Ms. Fronk and Ms. McMeekin for this report and for attending today’s meeting.

Copies of the 2018 audit are available to owners upon request.

**Admissions Model Workgroup Update:** Assistant GM Keith Kessaris reported on recreation activity for the month of May.

A total of 4,520 Member Preference cards were either purchased or renewed as of May 31, 2019. This is 240 less than on June 7, 2018 keeping in mind that last year’s reporting accounted for seven more days. Renewals account for 4,171 of those and 349 are new cards.

838 properties are signed up for RPP (Recreation Plus Program) compared to 825 properties on June 7, 2018. Renewals account for 778 of those and 60 are new to the program. Gate admissions for May 2019 were 291 less than May 2018 (710 vs 1,001). Total SHARC admissions through the end of May, 2019 total 51,602 compared to 52,150 at the end of May 2018, a difference of 548.

37 people took advantage of Central Oregon Sundays in May compared to 88 in 2018, a decrease of 51. Mr. Kessaris noted the wet weather in May, including on the three-day Memorial Day weekend, most certainly influenced the turnout for these events.

We are currently at 100.4% of our budgeted goal for Recreation Plus for the year and at 75% for Member Preference and Extended Family passes.

38,820 paper guest passes were issued through May 31, 2019 and of those, 2,822, or 7%, have been redeemed. To date paper pass redemption numbers are lower than in the past.

The Board commented on how successful the implementation of the punch cards for the fitness classes have ended up being. Assistant GM Kessaris reported we are still looking for lifeguards for both SHARC and the North Pool. GM Palcic reported they are trying to find creative ways to perhaps entice teachers who have the summer months off to take the lifeguard classes and perhaps we could create a win-win situation there. We are fortunate to have several tennis employees that will be returning this summer.

President Nelson provided a brief background on the Admissions Model workgroup and described the data they review monthly, which includes the pools, tennis, pickleball, RV storage, the river access and the shuttle service provided for owners when they float the river and need a ride back to the marina. GM Palcic added that the group analyzes the data monthly and reports back to the Board any recommendations, suggestions or ideas that the Board should consider.

**North Pool & IAMP Task Force Updates:** GM Palcic commented on and thanked Assistant GM Kessaris for his hard work on this project. The survey work at the site has been completed and test pits are being updated for geo technical work. This required process will determine if the existing ground beneath the site can bear the total weight of all elements of the proposed project. Those soil tests will take a few weeks and the findings will be reported back to the Association as well as McKenzie Architects. Additionally, these tests will determine the amount of rock under the surface that will need to be excavated.

The task-force has been assisting with the FAQ’s that will be included in the Voter’s Pamphlet and mailed with the ballots. The ballot packet will be mailed on July 11, 2019 and ballots are due back no
later than noon on Saturday, August 10, 2019. A poster board detailing the project has been created and will be posted both at SHARC and up at the North Pool for the summer to allow owners a visual of what is being proposed. Mr. Kessaris expressed his kudos to the task-force for all their hard work and commitment to this proposed project.

**IAMP:** GM Palcic reported that like the North Pool Task-Force the IAMP Task-Force is also very engaged and focused. The task-force continues to make their way through subjecting each element of the IAMP to the grading matrix that was shared with the Board last month. While a laborious task, it was rewarding to watch the group work through the various issues while respectfully listening to differing opinions. Additionally, while the task-force has made it through the list completely, this is still very much a work in progress. GM Palcic anticipates some elements of the IAMP should be ready to consider in next year’s budgeting cycle this fall.

As with the North Pool project, input on the elements of the IAMP will be sought from owners as priorities and demographics can have an impact on what owners would like to see in the way of future improvements and amenities and what owners desired a few years ago can be completely different now.

The Board thanked both GM Palcic and Assistant GM Kessaris as well as the other staff members and community volunteers involved in these efforts for their hard work and dedication to the Association and the community.

**Telecommunications Task-Force Update:** IT Director Brad Olson provided an update of the task-force’s activities noting they met recently to discuss the bids received in response to the RFP (Request for Proposal) for a consultant to assist with this project. The group is now working on the logistics of getting all the necessary parties together to interview vendors who responded to the RFP. Once that part of the process is complete, the opportunity will be offered to one of the respondents to complete the projects we have in store for them by the end of October of this year.

The consultant will assist in looking at what we currently have in place and determining the direction we should consider going in the future along with building an RFP for future implementation including cost estimates for the Board to consider. GM Palcic forewarned the Board that this is not an inexpensive venture and the consultant will help in determining how the final options will look and what the costs associated with such an endeavor will be.

Director Fister, a member of the Telecommunications Task Force, noted just to be clear, that SROA has no desire to be in the telecom business but does have a desire to provide the infrastructure that would allow multiple vendors to come in and compete for a share of the market.

There will be much more to come on this going forward and the Board will be kept apprised.

**Executive Session:** Director Bigham moved to recess the public meeting and reconvene in Executive Session under the authority given in the SROA Bylaws, Article IV, Section 10 to discuss contractual, personnel and legal matters that may be subject to a claim of privilege. Seconded by Director Wharton; motion passed unanimously.

The public meeting recessed at 10:34 a.m.

The executive session adjourned at 12:26 p.m.

The public session resumed at 12:26 p.m.
There being no other business, President Nelson asked for a motion to adjourn the public meeting.

Director Wharton moved to adjourn the public meeting. Seconded by Director Fister, motion passed unanimously.

The meeting adjourned at 12:27 p.m.

Respectfully submitted,

Gary Bingham, SROA Secretary