SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
August 17, 2019

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

DIRECTOR ABSENT: Jim Fister

STAFF: Hugh Palcic & Susan Berger

OWNERS IN ATTENDANCE: 9

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

Owners Forum: Randy Schneider, 5 Dixie Mtn Lane, thanked the outgoing members of the Board for their service to SROA. Mr. Schneider also suggested that SROA seek to transition the work of Project Ponderosa into a SROA initiative. Additionally, he recommended that all gravel drives in Sunriver be upgraded to pavement and wood shake roofs be re-roofed with fire resistant materials as a safety and property value issue. Mr. Schneider also stressed the need for enhanced transparency from input received during his board candidate campaign.

Bob Stillson, 10 Belknap Lane thanked the outgoing Board members for their service to SROA and also thanked the entire Board for the efforts made over the past decade.

Owner Forum Follow-up from Previous Month’s Meeting
Vice President Wharton reported Cindy McCabe, 13 River Village Condo thanked the Board and staff for the recent improvements to Mary McCallum Park and expressed her displeasure with the proposed idea of installing a card reader at the park that would require an owner to swipe their card to enter as some owners who like to use the park may not have or want to get an Owner Preference card. Her comments have been forwarded to staff for consideration if/and or when this item should move forward.

Bob Stillson, 10 Belknap Lane, expressed concern about what feels like the lack of presence of the bike patrol this year. GM Palcic reported this has been passed onto Police Chief Darling and Director Schmid noted she saw the chief out riding with some of the bike patrol staff yesterday.

Several owners addressed the Board about an ongoing noise issue apparently originating from the Sunriver Fitness and Aquatics facility mechanical systems. Staff is aware of the issue and are looking into it.

Recap of August 16th Board Work Session
President Nelson reported that the Board held its monthly work session yesterday and heard an Amenities Work Group update on monthly recreation activities, received a next steps report on the North Pool, discussed the Owner Enrichment Committee charter that is on the agenda for action today and discussed proposed changes to the recycle center. Additionally, the Board discussed open Board officer vacancies and reviewed the agendas for today’s regular and annual meetings.
ACTION ITEM
MINUTES
President Nelson asked for a motion to approve the minutes of the July 19, 2019 SROA Board Work Session.

Director Mobley moved to approve the minutes of the July 19th Board Work Session as corrected. Seconded by Director Skinner, motion passed unanimously.

President Nelson asked for a motion to approve the minutes of the June 15, 2019 SROA regular Board Meeting.

Director Gocke moved to approve the minutes of the July 20th Regular Board Meeting as written. Seconded by Director Adams motion passed unanimously.

FINANCIAL
Treasurer Gocke reported for the July 31, 2019, there was a net operating surplus for the month of $116,728 which was $21,328 better than budget. Total revenues were under budget by $35,038 due to lower than budgeted revenues in SHARC gate attendance, tennis lessons and timing of the SHARC Bite Café payment. There were 807 less paid admission in July 2019 compared to July 2018. These negative variances were partially offset by both Recreation Plus and Member Preference program revenue, which continued to trend ahead of budget. Salaries and associated burden costs were under budget by a combined $25,867 due to open part-time positions in Recreation and an open mechanic position in Public Works. Material and services were under budget by $33,703 due to timing of invoices.

For the seven months ended July 31, 2019, there was a net operating surplus of $360,274, which was $332,041 better than budget. Total revenues were over budget by $302,796 mainly due to the LUBA settlement payment, insurance proceeds from wither storm events and Recreation Plus Program /Member Preference revenue. Recreation Plus and Member Preference revenues are over their combined annual budget by $65,974. Material and services were under budget by $70,108 through the first seven months due to timing of budgeted expenditures. There was $172,565 in total interest income earned through the first seven months of 2019. $1,916,565 has been spent on the Abbot/Beaver Circle and road projects through the first seven months of 2019.

Total assets as of July 31, 2019 were $31,203,243. Cash and investments totaled $14,323,810, a decrease of $756,810 from June. As of July 31, 2019, there was a total of $8,744,368 invested in short-term Treasury Bills.

It was reported that due to the recent SHARC assessment payoff on a significant number of properties that had been paying the SHARC assessment on a monthly basis, the loan SROA had taken from itself to pay off the Bank of American loan for the construction of the SHARC facility has now been retired.

July 31, 2019 (Unaudited)                                      ACTUAL
TOTAL REVENUE                         $7,012,502
TOTAL EXPENSES                        $6,652,228
OPERATING FUND SURPLUS                $360,274

Director Wharton moved to approve the unaudited financial statements for July 2019. Seconded by Director Adams, motion passed unanimously.
GENERAL MANAGER’S REPORT
GM Palcic discussed his General Manager’s July 2019 Activity report noting Department Heads have completed and submitted their six-month year-end projections to Controller Joe Healy and things are looking good heading into the end of the year.

With Communications Director Susan Berger’s help, communications with the USFS (United States Forest Service) and other stakeholders are underway for the new mountain bike trails west of Cardinal Landing Bridge. Sign locations will be determined over the winter months and placement will occur next spring.

Deschutes County has gotten involved with the noise concerns brought forth by property owners located near the subject property of concern, Sunriver Fitness and Aquatics.

The Accounting Department has been busy inputting the previously mentioned six-month year-end projections and Controller Healy recently announced the 2020 budget schedule to all department heads. Staff assisted with the SHARC and the North Pool inventory process for the month.

The IT staff installed a new server and tape backup system, migrated the file server, user directories and the database files onto the new file server. The report from the June cyber-attack is scheduled to be available in the next one to two weeks. The Telecommunications Taskforce meets again next Monday, and an update will be provided to the Board at next month’s meeting.

In July, the SROA website was visited by 15,805 users, an average of 527 people per day. There are 2,627 activated owner accounts. Most popular pages: weather, pools & boat launch, calendar and Resource Center.

The SHARC website was visited by 17,000 users with the most popular pages being rates, admission, outdoor pool, hours and FAQ’s. 76% of users viewed the site on a mobile device.

The Sunriver Style website was visited by 4,800 users with the most popular pages being pathways, river adventures, what’s going on and aquatics. 63% viewed the site from a mobile device and 23% viewed on a desktop.

The Sunriver Tennis website was visited by 1,200 users with the most popular pages being facilities, clinics/lessons and pickleball.

The new Sunriver Emergency website, www.sunriveremergencyinfo.com, was visited by 86 users with the most popular pages being emergency, non-emergency activity, evacuation and preparedness.

The Sunriver Navigator realized 3,300 users last month. 73% were returning users and 27% were new users. Maps, activity planner, events and eats/treats were the most popular features.

Communications Department staff has also been busy with producing a significant number of “No River Access” signs which were requested by the SR Police Department and several owners and which have been posted in areas experiencing an influx of abusers. Work continues on the new website hierarch/structure and mobile design options. Additionally, new signage has been completed for the new tunnel.
Social media posts continue to grow in popularity allowing us to share information quickly with visitors and owners. Local property managers are also sharing this information.

Submittal and permit activity continue to be stronger than anticipated in the Community Development Department. There has been an increase in the number of owner concerns regarding wood piles, noise, parking, general maintenance and appearance and common area destruction/degradation. Staff sent out 190 paint survey letters, an increase of 30 from last year. Many owners have completed the work and many others are starting to come into compliance.

The Natural Resources Department staff continued ladder fuels reduction and tree thinning on commons. Planning continued for WOW (War on Weeds) week and all are invited to help with this effort on Friday, August 9th from 9am until noon. Windstorm debris clean-up on commons continues with the initial focus being to remove limbs, branches, etc. first with logs, stumps and root balls to be dealt with down the road.

Bullfrog eradication continues in the effort to save the Oregon Spotted Frog. Staff member Claire McClafferty recently attended an ESRI GIS user conference. Ladder Fuel Reduction citations were mailed, and a significant number of owners attended the last Magistrate hearing to discuss their citations with the Magistrate.

The Public Works Department continues working on post windstorm clean-up and chipping. The rail fence along the Sunriver property line has been repaired in places where trees fell during January’s wind event. Crews continue to do road-side chipping for owners cleaning up debris on their property. These efforts will continue on a monthly basis through the end of October.

The canoe take-out road has been graded and this year’s pavement crack repair is 80% complete. A drinking fountain has been installed at the Meadow tennis complex. The Abbot/Beaver complex is essentially complete. Next steps are for the completion of signage and landscaping.

Willows along river pathways have been trimmed to allow for better sight lines and several new trash receptacles have been installed throughout the property.

The filtration system in the tot pool has been replaced due to sand damage. This is an ongoing issue and staff has rebuilt the old system to keep as a backup. New HVAC controllers have been installed in the Crescent Room at SHARC.

Lights in the Sunriver Police Department building have all been changed out to LED bulbs.

The Recreation Department continues to face a challenge with aquatics staffing but have recently certified four new lifeguards including one local teacher, which should get us to the end of the season. After approval from the slide manufacturer, staff was able to reduce the height requirement of the body slide to 42 inches, which has gone over very well with staff observing lots of happy kids.

Site prep work for the new storage facility unit is complete and the fence deconstruction and shed installation is in progress for late August.

The Melissa Etheridge concert was a sell out and people seem to be really enjoying themselves at the event. Turf Tunes had great participation this year with 150-300 people attending during the five weeks it was offered. Staff helped facilitate the USTA 55 & Over Sectionals at the North Tennis Complex and also hosted the Jumbo Fernando’s Tennis Bash/Camp.
The end of the summer party will be held at the North Pool on Friday, August 30th from 5-7pm.

The Uncorked Wine, Cheese & Chocolate Event will take place from September 13th and 14th, an event that is growing in popularity every year.

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

**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**

Director Gocke reported the personnel reviews for the Police and Fire Chief’s as well as the District Administrator were recently completed.

The assessment of the fire station and police station by McKenzie Architects is continuing and their recommendations should be available soon.

Copies of the approved minutes from the June 13th SSD Board meeting were included in the Board binders.

**BOARD ACTION**

**COMMITTEE APPOINTMENTS**

Director Wharton moved to approve the resignation of Sandy Hogue from the Election Committee and of Dwayne Foley from the Finance Committee. Seconded by Director Bigham, motion passed unanimously.

**BOARD ACTION**

**OWNER ENRICHMENT COMMITTEE CHARTER**

Director Adams moved to approve the proposed revisions to the Owner Enrichment Committee as presented. Seconded by Director Wharton, motion passed unanimously.

**BOARD ACTION**

**CERTIFY 2019 ELECTION RESULTS**

Director Wharton moved to certify the 2019 election of three SROA Board members; Gerhard Beenen, Mark Burford & Amanda Gray for a three-year term beginning in September 2019 and ending in August 2022 and the affirmative approval of the ballot measure for maintenance, repair, restoration and construction of the North Pool Complex located on West Core Road in Sunriver as described in the Voters Information Pamphlet. Seconded by Director Mobley, motion passed unanimously.

**BOARD ACTION**

**SROA TREASURER APPOINTMENT**

Director Gocke moved to approve the appointment of Gerhard Beenen as the Treasurer of SROA and as Chair of the SROA Finance Committee. Seconded by Director Gocke, motion passed unanimously.

**BOARD ACTION**

**ASSISTANT TREASURER AND SECRETARY**

Director Skinner moved to approve the appointment of Jim Fister as Assistant Treasurer and Jackie Schmid as Assistant Secretary for the Association. Seconded by Director Adams, motion passed unanimously.

**BOARD ACTION**

**RESOLUTION 2019-005 BOARD SIGNATORIES FOR 2019/2020**

Director Skinner moved to approve Resolution 2019-005 authorizing designated signatories for the
Association accounts. Seconded by Director Mobley, motion passed unanimously.

**BOARD ACTION**

**SUNRIVER RECYCLING COMPLEX LEASE AGREEMENT**

Director Adams moved to authorize incoming President Mobley to finalize and execute a lease agreement with Deschutes County Solid Waste Department and Waste Connections, Inc. for the purposes of providing land and improvements for a new area recycling center located at the SROA Administrative/Public Works Campus. Seconded by Director Schmid, motion passed unanimously.

**BOARD ACTION**

**1ST INTERSTATE WEALTH MANAGEMENT AGREEMENT**

Director Schmid moved to approve engagement of First Interstate Wealth Management to administer SROA’s investments. All investments purchased shall adhere to SROA’s current investment policy and follow the main objectives of the preservation of capital, liquidity and rate of return, in that order. Seconded by Director Adams, motion passed unanimously.

**BOARD ACTION**

**RESOLUTION 2019-006 SSD BOARD MEMBER RECOMMENDATION**

Director Schmid moved to approve Resolution 2019-006 to the Deschutes County Commissioners recommending Mark Burford to fill Position 2 of the Sunriver Service District Managing Board for a two-year term beginning September 1, 2019 and ending August 31, 2021. Seconded by Director Gocke, motion passed unanimously.

**OTHER BUSINESS**

**GM SUCESSION PLANNING**

GM Palcic has informed the Board President that he will be leaving SROA at the end of his current contract in 2020. A task-force consisting of former Board members Roger Smith and David Jendro along with Keith Mobley, Bob Nelson and Bill Burke, Police Chief Cory Darling and staff members Patti Gentiluomo and Leslie Knight (both non-voting members) will begin their work next week as they have a very ambitious timeline to follow. The Board will receive regular updates on the progress of this task-force in the coming months.

**OTHER BUSINESS**

**CONTE/GOTCHELL LETTER**

The Board held discussion on the letter received last month from Mr. Conte and Ms. Gotchell regarding the Design Review process. Board Liaison Gary Bigham is working on a response to make them aware that the committee is looking into their concerns and will report back to the Board in the coming months.

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

Director Gocke moved to adjourn the meeting. Seconded by Director Bigham, motion passed unanimously.

The meeting adjourned at 10:45 a.m.

Respectfully Submitted,

Gary Bigham, SROA Secretary