SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
December 21, 2019

DIRECTORS PRESENT: Bob Nelson, Jim Fister, Keith Mobley, Jackie Schmid, Gerhard Beenen, Gary Bingham, Brad Skinner, Mark Burford & Mandy Gray

STAFF: Hugh Palcic & Susan Berger

OWNERS IN ATTENDANCE: 5

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

Owners Forum: Allen Smith, 6 Aspen Lane, submitted a copy of an advertisement that ran in the Scene in 2017 that sought to have the Board at that time reflect on a number of areas in need of improvement by SROA. Mr. Smith suggested that the current Board revisit those points outlined in the advertisement and reach out to members that placed the advertisement in order to learn what items may still need to be addressed.

Steven Connelly, 4 Bunker Lane, voiced his concerns relative to snow berms left in his driveway. Mr. Connelly suggested that the Public Works staff work the plow blade controls so as not to leave berms in driveways throughout Sunriver.

Bob Stillson, 15 Belknap Lane, as a member of the Infrastructure & Amenities Master Plan (IAMP) task-force provided the Board with his observations of that task-force and its efforts to date. While careful as to not speak on behalf of the entire task-force, Mr. Stillson shared his praise for his colleagues’ efforts and respectfulness in performing their work as members of this important task-force. He also outlined for the Board, the steps taken by the task-force to date, underscoring the comprehensiveness that has been undertaken.

OWNER FORUM FOLLOW-UP FROM PREVIOUS MONTH'S MEETING
Vice President Nelson reported that Tom Kelly, 7 Forest Lane addressed the Board regarding pedestrian and cyclist safety on Meadow Road. His comments and submission of materials have been forwarded to the IAMP task-force for its consideration. Dave Legg, 17 Topflite Lane addressed the Board relative to the proposed recycle center and Sandra Henderson, 10 Big Sky Lane, had comments and a submission of signatures and paw prints in support of a dog park in Sunriver. Her submission has also been forwarded to the IAMP task-force for consideration.

RECAP OF DECEMBER 20TH BOARD WORK SESSION
President Mobley reported that the Board had a good session yesterday hearing an update on monthly recreation statistics from Assistant GM Keith Kessaris and an update from GM Palcic and Assistant GM Kessaris on the North Pool Complex project. A discussion was held on SHARC admission policies and Vice President Nelson provided an update on the general manager search efforts. President Mobley noted the hard work of HR Director Leslie Knight in this effort. The Board received information on proposed changes to the SROA employee handbook, which is on the agenda for action today. Director Schmid
reported on some upcoming Owner Enrichment Committee events and noted she recently spoke with Deschutes County Commissioner Tony DeBone who indicated a willingness to address the Board about what the role of the County Commissioners is relative to Sunriver.

An executive session was held to discuss a contractual and a personnel matter.

**ACTION ITEM MINUTES**

President Mobley asked for a motion to approve the minutes of the November 15, 2019 SROA Board Work Session.

Director Fister moved to approve the minutes of the November 15th Board Work Session as corrected. Seconded by Director Beenen, the motion passed unanimously.

President Mobley asked for a motion to approve the minutes of the November 16, 2019 SROA Regular Board Meeting.

Director Fister moved to approve the minutes of the November 16th Regular Board Meeting as corrected. Seconded by Director Schmid, the motion passed unanimously.

**FINANCIAL**

Treasurer Beenen reported for the month ended November 30, 2019 there was a net operating deficit of $101,527 which was $107,648 below budget. Total revenue for the month were over budget by $567. Total expenses were over budget by $60,314. Materials & services were over budget by $55,664 due to timing of invoices, additional IT support and road deicer. Legal and insurance costs were over budget by $45,902 for the month.

For the elven months ended November 30, 2019, there was a net operating surplus of $395,024, which was $278,023 better than budget. Total revenues were over budget by $391,723 due mainly to the LUBA settlement payment, insurance proceeds from winter storm events, Recreation Plus Plan (RPP) and Member Preference Plan (MPP). Salaries and wages were over budget by $46,328 due to overtime related to storm activity and IT labor related to the cyber-attack. Burden was under budget by $82,594 due to turnover and a State Accident Insurance Fund (SAIF) dividend payment. Material and services expenses were under budget by $27,520 through the first nine months due to timing of expenditures. There was $255,038 in total interest income earned through the first eleven months of 2019. $1,931,849 has been spent on the Abbot/Beaver Circle and road projects through the first eleven months of 2019. A total of $1,791,482 has been spent on the Abbot/Beaver project in 2018 and 2019.

Total assets as of November 30, 2019 were $29,872,850. Cash and investments total $12,931,602 was invested with First Interstate Wealth Management.

Director Nelson moved to approve the unaudited financial statements for November 2019. Seconded by Director Bigham, the motion passed unanimously.

<table>
<thead>
<tr>
<th>November 30, 2019 (Unaudited)</th>
<th>ACTUAL</th>
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<tbody>
<tr>
<td>TOTAL REVENUE</td>
<td>$10,942,951</td>
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<tr>
<td>TOTAL EXPENSES</td>
<td>$10,547,927</td>
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<tr>
<td>OPERATING FUND SURPLUS</td>
<td>$395,024</td>
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**GENERAL MANAGER’S REPORT**

GM Palcic discussed his General Manager’s November 2019 Activity report noting the hard work of staff in the preparation of a balanced budget that was approved by the Board in November and which resulted in a 3% increase in maintenance fees. The annual employee review process is well underway and will close out soon.

HR Director Leslie Knight & GM Palcic have continued to assist with the GM search as members of that candidate search task-force and GM Palcic expressed his appreciation for Ms. Knight’s hard work in this effort.

A noise concern related to a commercial property on Cottonwood Road has been addressed and seems to be resolved.

GM Palcic thanked the Infrastructure & Amenities Master Plan (IAMP) Task-Force for their hard work and diligence in putting together the owner survey that was launched via email earlier this month. These folks deserve a great deal of credit for their commitment to this effort.

Staff finalized exhibits for the waterline easement at the Abbot/Beaver intersection and staff met with Bend Broadband (BBB) to discuss community-wide system upgrade needs. Representatives from BBB are scheduled to make a report to the SROA Board at the January 2020 meeting.

The Accounting Department presented revised drafts of the 2020 Operating & Reserve budgets to the Finance Committee and Board of Directors. Staff is in the midst of mailing invoices for the 2020 maintenance fees.

The IT Department has been working with BBB on adding a 50 Mbps fiber connection upgrade to our current slow system. This has been on the schedule for some time and everyone will cheer when it is done. Work continues on installing a new firewall and switches for additional security features as recommended by the cyber security report.

The Communications Department reports the 2020 Sunriver calendar is back from the printer and selling well. This after the decision had been made to not produce the calendar any longer due to sluggish sales. However, receiving the calendars prior to the holidays seems to have had an impact as a good number of owners are buying multiple copies to give as gifts.

The owner directory/guide is back from printer and has been redesigned to include a wealth of information about Sunriver and SROA. Owners receive a free copy with their 2020 Member Preference Card purchase or renewal and additional copies can be purchased for $2 per copy. Staff has also been extremely busy updating all the printed materials for SHARC. The first training session for the new website was held on December 17th and focused mostly on backend procedures on how to create and update pages, etc.

There were 395 reads of the digital November Scene with an average read time of 6:44 minutes.

There were 19,680 user visits to the SROA website in November, an average of 656 per day. Most popular pages were weather, staff contacts, departments and recycling center. There are currently 2,620

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accounts activated.

The SHARC website was visited by 4,400 users in November. Popular pages included winter tubing, admission and hours. 78% viewed the site on a mobile device and 19% on a desktop.

The Sunriver Style website was visited by 1,200 users with the most popular pages being weather, what’s going on and pathways. 63% viewed the site on a mobile device and 30% viewed on a desktop.

The Sunriver Tennis website was visited by 174 users with the most popular pages being facilities and clinics/lessons.

The new Sunriver Emergency website, www.sunriveremergencyinfo.com, was visited by 29 users.

Submittal and construction activity in the Community Development Department was strong again in November. The 2020 contractor registration process is underway and completed renewal forms continue to be returned at a brisk rate. Contractors are required to register with the Association on an annual basis. The committee is working on completing the satisfaction survey for owners who have projects that go before the Design Committee to complete.

The unseasonably favorable weather has allowed ladder fuel reduction work to continue on the property. Annual asbestos awareness training for field staff has been completed. Staff assisted the development team on North Pool tree protection and removals. Natural Resources Director Patti Gentiluomo worked with representatives from the Sunriver Nature Center & Observatory (SNCO) to work out the 2020 contract between SROA and SNCO that will be provided to the Board for action today.

The Public Works Department crews have been busy assisting with tree removal at the North Pool Complex. Heat tape has been installed on the roof of the fire station. The annual servicing of heavy equipment and snow tire change-over is complete. Winter equipment training for staff has been completed.

The new Fort Rock Park restroom is in place and final plumbing connections were recently completed. There are just a few punch list items to finish up.

In a collaborative effort with the Resort, Public Works crews have removed and hauled away a significant amount of reed grass and cattails from waterways that border the Meadows golf course. This type vegetation wreaks havoc for the Oregon Spotted Frog and helps SROA further their efforts in assisting the frogs.

Nine new ADA accessible concrete picnic tables on pads have been installed at Fort Rock Park and not only look great but will save a great deal of staff time that was previously dedicated to periodically refinishing the wood tables that were previously at that location.

The Recreation Department recently conducted a lifeguard class and certified two new lifeguards including the SROA Recreation Director. Two additional classes are scheduled for December and January.

Recreation Plus Program renewal documents have been updated for 2020 with the addition of fillable pdf documents for all agreements that are available on the SHARC website. SHARC’s liquor license has been expanded to include the Crescent Room & Amphitheater patio.
Tubing hill operations started over the Thanksgiving holiday and the Black Light Blast event held that weekend was sold out. SHARC staff received training in snow plowing, snow blowing, snow removal strategy and operations during the snow event in late November.

The locker rooms and interior stamped concrete were deep cleaned and sealed with anti-slip material. They look and feel great.

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 Fister reported the District is seeing revenues come in at a brisk rate as a result of the recent mailing of county tax statements. Currently the District is just under $100k above budget for revenues with additional dollars still coming in. Also, a recent change in ambulance billing providers as well as utilizing some government refund opportunities are both saving the District money.

The District recently learned that the Oregon Legislature has made some recent changes to PERS that will impact the district budget by approximately $50k. Director Fister noted the District operates on a July 1st to June 30th fiscal year budget so they will soon begin work on their 2020/21 budgeting process.

In addition to their normal monthly meeting, the District Managing Board held their annual meeting yesterday with the Deschutes County Commissioners as well as other representatives from the county. A number of topics were discussed including some building and staffing options the District is considering, data operations and some minor concerns in the existing management agreement between the District and the County.

New SSD Managing Board member John Ralston was sworn in yesterday and Director Fister thanked the SROA Board for approving this appointment.

Sunriver Police & Fire have replaced the old Citizens Academy with a series of free events. The one in December focused on winter driving and while not well attended, provided a lot of good information. The next session is scheduled for Wednesday, January 8th and will focus on the use of force. Director Fister has attended this training session in the past and reports it’s very informative. You can RSVP to the Police Department or can just show up to the event.

Copies of the approved minutes from the October 17, 2019 SSD Board meeting were included in the Board binders.

**BOARD ACTION**

**COMMITTEE APPOINTMENTS**

Director Fister moved to accept the roster of names presented for resignation and appointments and further moved to thank these individuals for their willingness to serve the Sunriver community.

**Resignation**

Mike Brannan, Judicial Council

**Appointments**

Pat Hensley, Judicial Council

Randy Schneider, Nominating Committee
Chair Person Appointment  
Patty Smith, Covenants Committee

Seconded by Director Schmid, the motion passed unanimously.

BOARD ACTION
SROA EMPLOYEE HANDBOOK REVISIONS
Director Nelson moved to approve the proposed revisions to the SROA Employee Handbook as presented. Seconded by Director Gray, the motion passed unanimously.

BOARD ACTION
BYLAWS, ARTICLE IX, SECTION 11 REVISION & SUSPENSION OF PROPOSED RECYCLE CENTER BALLOT MEASURE
Director Nelson moved to revise Article IX, Section 11 of the SROA Bylaws to reflect the postponement of the recycle center ballot measure until a date certain as determined by the SROA Board. Future notification and ballot measure processes surrounding this measure shall be in accordance with all other applicable sections of the Bylaws.

Seconded by Director Bigham.

Director Fister moved to amend to the motion to include the following language after the word Board in the first sentence: “to be addressed no later than the end of December 2020.” Seconded by Director Nelson.

The amendment to the motion passed with 7 yay votes and 1 nay vote.

The vote on the amended motion passed unanimously.

BOARD ACTION
SROA/SUNRIVER NATURE CENTER 2020 CONTRACT
Director Nelson moved to authorize President Mobley to execute an agreement on behalf of SROA for the delivery of services for the calendar year 2020. Services are to be provided by the Sunriver Nature Center and Observatory. Seconded by Director Gray, the motion passed unanimously.

There being no other business, President Mobley asked for a motion to recess the public meeting and move to executive session to discuss a personnel matter.

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 Beenen; motion passed unanimously.

The public meeting recessed at 10:59 A.M.

The executive session adjourned at 11:20 A.M.

There being no other business, President Mobley asked for a motion to adjourn the meeting.
Director Been moved to adjourn the meeting. Seconded by Director Skinner, the motion passed unanimously.

The meeting adjourned at 11:22 A.M.

Respectfully Submitted,

Gary Bigham, SROA Secretary