SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
SROA BOARD ROOM
October 19, 2018

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

DIRECTOR ABSENT: Brad Skinner

STAFF: Hugh Palcic, Keith Kessaris, Leslie Knight, Mark Smith, Susan Berger and Joe Healy

The meeting was called to order at 9:01 am.

OWNERS IN ATTENDANCE: 18

OWNERS FORUM: Danielle Lordi, an attorney representing the property owners of 18135 Cottonwood Road, presented the Board with written material and provided an oral overview of her client’s position specific to the allowable uses of the subject property. Ms. Lordi requested that the Board reconsider its prior disapproval of a proposed use of the property as an assisted living facility.

Nancy Nelson 19 Lassen Lane, expressed her support for permitting an assisted living facility at 18135 Cottonwood Road.

Cindy McCabe, 13 River Village Condo, expressed her support for permitting an assisted living facility at 18135 Cottonwood Road. She also provided the Board with suggested upgrades to improve Mary McCallum Park along with an accompanying list of SROA owners in support of such upgrades. Finally, she requested that the Board review her prior requests specific to a refund of $20 for a Member Preference replacement card charge.

Marlene Duncan, 22 Dutchman Lane, expressed her opposition for permitting an assisted living facility at 18135 Cottonwood Road.

Sunriver Nature Center/Oregon Observatory Master Plan Presentation: Nature Center Board President Dave Buhaly and Director of Philanthropy Amy Rowland were on hand to present plans for significant modernization and improvements to the existing facility. A short campaign video was shared with those in attendance.

Plans include a new Discovery Center that will serve as the main entrance into the facility and will more than double the existing area for hands-on learning about plants and animals, expand stargazing opportunities, feature new interactive exhibits, provide a new Earth & Sky Theater, and much more. Emphasis throughout the new Discovery Center will be on dynamic exhibits that focus on human interaction with wildlife in a sustainable fashion. The proposed new campus will comfortably accommodate more than 70,000 visitors a year, while naturalists will be able to reach out to more than 5,000 students, with in-class and on-site visits and presentations.

New integrated animal exhibits proposed as part of the master plan will provide wonderful viewing opportunities for guests as well as easy and all-weather access for staff. Additionally, the Main Exhibit Hall will provide an inspiring, naturally lit space for hands-on discovery of the natural world. It will also feature an accompanying Special Exhibit Hall and an expanded Nature Store.
The Lake Aspen Learning Pavilion included in the plan will provide an outdoor learning space to support local children and teens served through the K-12 Outreach and Education Program and year-round science and nature camps.

The new Earth & Sky Theater being proposed as part of proposed upgrades to the Oregon Observatory will allow Sunriver visitors to enjoy star-gazing and a planetarium program on the same visit. A new Starport will shorten wait time at telescope stations, facilitating greater one-to-one time with astronomers. It was noted that the Oregon Observatory, a NASA affiliate, has the United States largest array of telescopes available for public viewing.

In 2017, the facility hosted 45,102 visitors, provided education programs to 2,843 people and engaged 5,720 children and teens through the community outreach program.

This fund-raising campaign kicked off in 2017 and the goal is to raise $5 million dollars by June of 2021. This master plan is designed to bring visitors closer to nature for the next fifty years. Fund raising efforts are underway and to date $1.1 million dollars have been raised. It was noted that certain aspects of the plan will be implemented as the money is raised and they will not wait until they have raised the goal amount to begin the much-needed improvements.

Interested parties are encouraged to contact Director of Philanthropy Abby Rowland at abby@sunrivernaturecenter.org.

**Amenities Workgroup Update:** Assistant General Manager Keith Kessaris reported on recreation activity over the past month. A total of 6,533 Member Preference cards have either been purchased or renewed as of October 10, 2018. This is 4 less than on October 12, 2017. Renewals account for 5,866 of those and 667 are new cards that have been issued.

843 properties have signed up for the Recreation Plus program this year compared to 836 properties at the same time in 2017 an increase of 7. Renewals account for 772 of those and 71 are new to the program. Two, three and four-bedroom homes continue to represent the highest level of participation in the program.

Through the end of September, we are at 98% of the 2018 budgeted amount for Recreation Plus sales.

Overall attendance for SHARC aquatics for September was 14,901 visits, which was 421 fewer people than September of 2017. Gate admissions were down 37 entries for September totaling 1,107 versus 1,144 in 2017.

Recreation Plus visits were down for the month of September by 567 compared to September of 2017, and year to date visits were down by 337 totaling 141,452 versus 141,789 in 2017.

Through the end of the 2018 season there were 11,005 visits to the North Pool in 2018 versus 11,532 visits in 2017.

51,470 paper guest passes have been issued this year and of those 15,130 were redeemed at SHARC and 2,028 were redeemed at the North Pool.

Through the end of the season 5,929 owners and 2,799 Recreation Plus participants have taken advantage of the river access site. Additionally, 1,422 tickets were issued for the shuttle service provided by the Resort (SRLP) through an agreement between SROA and SRLP. There were 491 shuttle van card swipes.
The combined SROA/SRLP tennis program continues to be very well received by the community. The program offerings are now being held inside at Sage Springs for the fall and winter months.

**Abbot/Beaver Intersection Next Steps:** Public Works Director Mark Smith was in attendance and reported there will be some traffic flow changes starting early next week as the contractors complete the other side of the new circle. Traffic will be filtered on to the new Ponderosa Road access through the area next to Café Sintra for those wishing to access Beaver Drive or allowed to proceed on down Abbot Drive towards Circle 1.

The weather has been excellent this fall and has allowed the contractors to accomplish the necessary work in a timely fashion. Staff continues to meet on a weekly basis with the contractor and engineers. The contractors, Marcum and Sons have been excellent to work with and the first phase of the project is on schedule to be completed in mid-November. At that time the traffic lights will go away until the second phase of the project kicks off next spring. Consideration is still being given to the addition of a tunnel to replace the crosswalk in the Abbot House area. A number of utilities will need to be relocated to accommodate the structure and the necessary due diligence is underway.

**Civility Code Update:** The SROA Board previously acted to adopt a code of civility along with implementing a rule relative to respectful behavior. The Board further instructed SROA staff to seek additional input from the Sunriver Magistrate Jo Zucker along with publicizing the action item on the front page of the Scene. The Scene ran a front-page article detailing the Board’s actions to date in the September 2018 edition. In addition, SROA staff met with the Sunriver Magistrate again to review the Board’s action. In reviewing the board actions, the Sunriver Magistrate provided certain edits and explanations for amending several sections.

HR Director Leslie Knight was in attendance and illustrated how the rule would be implemented, investigated and enforced if/when necessary. Magistrate hearings were detailed as well as the Judicial Council process. This item is on the agenda for action at tomorrow’s meeting.

**Committee Policy Discussion:** President Nelson opened the discussion with a brief history of committees in Sunriver noting that when Sunriver started there were very few staff members and technology was not near what it is today. As a result, a good number of committees and volunteers were needed to accomplish field work in a number of different areas. Over time and as the Association staff has grown with the growth of the community, along with the advances in technology, there has been less need for volunteers to do a lot of those things. Several years ago, the Board made the hard decision to sunset a number of committees whose duties had been primarily absorbed by staff. Around that same time the Board started utilizing task-forces and work-groups on a more regular basis. These generally have a specific task which includes a beginning and an end date for whatever project they may be working on or an ongoing assignment that includes regular updates to the Board.

President Nelson commented that the Board has not done the best job in recent years in providing both training and oversight via board liaisons to the remaining committees whose charters call for a board liaison. One of the requirements for a board liaison is to regularly attend the committee meetings and report to the committees what was going on at the Board level as well as serve as the board conduit to the committee in an advisory capacity to assist in keeping the committee on track. Additionally, the liaison then keeps the Board abreast of what is happening at the committee level that the Board may need to be aware of.
President Nelson reported that Vice President Wharton has recently been appointed by the President to provide oversight for training of liaisons and committee chairs and for ascertaining - what support the committees might need.

VP Wharton commented on his own experience on the Long-Range Planning Committee, and as the chair of that committee, he had invited the President of the Board to come and speak to the committee about the expectation of the group from a Board perspective. The response received was less than helpful and left the committee to fend for itself. Director Wharton feels that if the committee would have had a liaison who was acting as that conduit between the committee and the Board, they may have been more successful.

VP Wharton reviewed the role of a board liaison for the group and the importance of the liaison in keeping the rest of the Board in the loop about items or issues that a committee may be bringing to the Board. Director Wharton also noted the importance of committees utilizing the Decision-Making Checklist if they are looking at an issue or project they anticipate bringing to the Board. Additionally, the group discussed the role of staff and training. Director Schmid noted she believes it would be important to provide training for all committee chairpersons either together or individually and further discussion was held as to how that might best be accomplished.

Discussion was also held relative to the role of staff members and the necessary protocol committee members, committee chairs and board liaisons should follow when requesting staff member’s assistance. The Board held further discussion on a number of items currently included in the committee policy and suggested several edits. GM Palcic will work on edits to the current policy and bring that back to the Board next month. Board members were asked to get any edits they would like to see to VP Wharton who will work with GM Palcic on the document that will come back to the Board for further discussion.

**Board Training - Reserves** – SROA Controller Joe Healy conducted a training session on reserves. Mr. Healy provided some history on the reserve fund which was established as part of the Consolidated Plan and requires the Board of Directors to follow the multi-year funding plan for the Reserve Fund as recommended by the Certified Reserve Specialist. This plan was designed to gradually bring the reserve threshold amount to the 70-100% funded by the year 2042.

In 2007, the Board, for the first time, approved hiring a Certified Reserve Specialist to analyze all aspects of the Association. That study revealed the Association’s reserve account was only 17% funded. Immediate changes were needed to adequately fund the reserves. In 2010, owners voted to increase the monthly dues by $30 to boost that effort. As a result of that increase, as well as the practice of contributing 5% above the previous year’s contribution to the reserves each year, the Association is now in a more desirable position than it was eleven years ago.

Mr. Healy noted that dollars are transferred on a monthly basis from the operations fund to the reserve fund as owner payments are received and those dollars are kept to pay for reserve items and are invested in CD’s and treasury bonds to earn some interest based on cash flow needs for projects that are going on at the time.

Mr. Healy explained that a reserve item is an item that has a useful life of three to thirty years and it can be a group of smaller items, such as banquet chairs at SHARC, that as a whole can be considered a reserve item. This includes all vehicles, equipment, etc.

Every three years, the Certified Reserve Specialist spends several days visiting all SROA owned facilities and identifies all of the Association’s assets, expected useful life, cost at time of purchase and estimated
future replacement cost. The study does not include new capital items not on regular replacement schedules and when not replacing a component like-for-like such as the Abbot/Beaver intersection or the future of the North Pool.

Additionally, we utilize an asphalt specialist who assists us in determining the useful life of our roads and pathways as this is such a large component of the yearly budget. Controller Healy works closely with Public Works Director Mark Smith on a regular basis to ensure things are kept up to date and accurate. The total of all components divided by the reserve fund balance equals the percentage funded. All items are reviewed internally on an annual basis by staff as part of the budget process, which was just over $3.1 million dollars in 2018 and is approximately 30% of the entire operating budget.

**IAMP (Infrastructure & Amenities Master Plan)/North Pool Task Forces:** GM Palcic reported staff was directed at last month’s meeting to bring back to the Board a slate of names to populate these two recently appointed task-forces. Well over 100 owners indicated interest in assisting in these efforts and Assistant GM Keith Kessaris along with GM Palcic have reviewed and narrowed down the field to 18 people, nine for each group. For the North Pool Task-Force staff is recommending Ellen Rau, Sally Blanchard, Louise Hoppes, Marian Griffiths, Brian Berg, Chris Kent, Jeff Mengis, Gale Greer and Heather Wiley. For the IAMP Task Force staff is recommending Jill Stephens, Philo Hall, Bill Burke, Bob Stillson, Dan Kress, Betsey Nelson, Kathleen Meyer, Pat Hensley and Herb Dix.

This is an item the Board will be asked to take action on at tomorrow’s meeting.

The Board held their meeting debrief.

**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 12:00 pm.

The executive session adjourned at 1:26 pm.

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

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

The meeting adjourned at 1:30 pm.

Respectfully submitted,

Gary Bigham, SROA Secretary