SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
PRINGLE ROOM @ SHARC & VIA ZOOM
August 15, 2020

DIRECTORS PRESENT: Bob Nelson, Keith Mobley, Jackie Schmid, Gerhard Beenen, Gary Bigham, Brad Skinner, Mike Gocke & Jim Fister via Zoom

DIRECTOR ABSENT: Mark Murray

STAFF: James Lewis, Jesus Mendoza & Susan Berger via Zoom

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

OWNERS IN ATTENDANCE: 5

OWNERS FORUM: Doug Hoschek, 7 Tournament Lane commented on the lack of wildfire risks mitigation in Sunriver. He also discussed the visitors to Sunriver and the need for the Board to follow Roberts Rules of Order to address appropriate actions in this regard.

RECAP OF 8/14/2020 BOARD WORK SESSION
President Mobley reported the Board heard a COVID-19 update from GM Lewis. Assistant GM Kessaris provided updates on the latest recreation statistics and the progress of the North Pool Complex and President Mobley urged any of those in attendance who have not driven by lately to do so. It’s coming together nicely and is looking very impressive. Discussion was held regarding the need to fill Position 1 on the Sunriver Service District Managing Board as well as the need to appoint board liaisons to both the Recycle and the Rental Registry Taskforces. Additionally, the Board held discussion relative to the Comprehensive Owner Survey scheduled for this fall. The Board reviewed the agendas for today’s regular and annual board meetings. An executive session was held to discuss a legal matter.

ACTION ITEM

MINUTES
President Mobley asked for a motion to approve the minutes of the July 17, 2020 Board Work Session.

Director Bigham moved to approve the minutes of the July 17th Work Session as corrected. Seconded by Director Beenen, motion passed unanimously.

President Mobley asked for a motion to approve the minutes of the July 18, 2020 SROA Regular Board Meeting.

Director Bigham moved to approve the minutes of the July 18th Regular Board Meeting as written. Seconded by Director Schmid, motion passed unanimously.

FINANCIAL
Treasurer Beenen noted the revenue shortfall that we experienced in July is directly related to COVID-19 related restrictions on our recreational facilities and programs and is something we will most likely continue to see for the next couple of months and possibly the remainder of this year. Revenues came in at approximately $576K under budget and interest income was at $10K under budget at the end of July. Most of the shortfall is due to the restrictions in place at SHARC due to COVID. On the revenue side, for
the month of July we came in $576K below budget and we are now $1.44 million below budget year for date. Some of that is real lost revenue due to the fact that SHARC is not allowing any general public use this year so we are losing that gate fee revenue. Some of the shortfall will be corrected, in part, once the decision is made on what the Recreation Plus Program (RPP) refund to owners will be. Currently Controller Healy is recognizing only a portion of the RPP revenue with the assumption that we will be providing the maximum refund/discount to the RPP participants. If the Board decides in September on less than the maximum amount, Controller Healy will be able to recognize additional revenues.

Department expenses came in under budget by a little more than $270K for the month of July. Year to date we are $885K under budget in departmental expenses. The majority of that has come from money saved in salaries and burden due to layoffs earlier in the year. A number of those positions have not been refilled and the number of part-time staff we generally have this time of year is significantly less.

Insurance and legal expenses are under budget for the month, but it was noted that due to the way the dates fell in July, there was a shorter window for invoices to be submitted for payment in July so some of those July expenses will be reflected on the August statements. Overall, and given the current circumstances we are dealing with, Treasurer Beenen assured the Board the Association is in sound financial shape overall.

For the month ended July 31, 2020, there was a net operating deficit of $100,666, which was $304,165 worse than budget. Total operating revenues were less than budget by $576,808 for the month of July. Recreational revenues (admissions, special programs, merchandise, MPP & RPP) were under budget by a combined $565,083 due to the limited opening of recreation facilities. There was $58,268 of RPP revenue recognized in July, this was based on the potential of a 50% refund in September for those participants that stayed in the RPP. SHARC admissions and merchandise revenues were under budget by a combined $334,268. Interest income was under budget by $10,293 due to lower interest rates. Wages and burden costs were under budget by a combined $106,288 due to staffing reductions and limited hours and days open. Material and services expenses were under budget by $163,998 due to reductions in expenditures and timing of invoices.

For the seven months ended July 31, 2020, there was a net operating deficit of $791,348 which was $676,657 behind budget. Operating revenues were less than budget by $1,442,334 due to the above-mentioned COVID-19 related reasons. Salaries and burden combined were under budget by $348,548 through the first seven months. Material and services expenses were under budget by $536,614 through July due to the reduction in recreation expenditures and timing of invoices. Total interest income earned in the first six months of 2020 was $104,804 which is $73,196 behind budget.

Total assets as of July 31, 2020 were $33,015,376. Cash and investments totaled $14,029,582, a decrease of $1,401,907 from June. As of July 31, 2020, a total of $11,094,462 was invested with First Interstate Wealth Management (FIW). As of this report date, all payments due for outstanding RPP enrollment fees have been received. There was $767,382 recorded in construction in progress for the North Pool Complex project in July.

<table>
<thead>
<tr>
<th>July 31, 2020 (Unaudited)</th>
<th>ACTUAL</th>
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<tbody>
<tr>
<td>TOTAL REVENUE</td>
<td>$5,490,376</td>
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<tr>
<td>TOTAL EXPENSES</td>
<td>$6,281,724</td>
</tr>
<tr>
<td>OPERATING FUND SURPLUS</td>
<td>$(791,348)</td>
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Director Beenen moved to approve the unaudited July financials as presented. Seconded by Director
Schmid, motion passed unanimously.

**GENERAL MANAGER'S REPORT**

GM Lewis noted this report is for the month of July activities. GM Lewis took a moment to thank and congratulate staff for their efforts since the pandemic began noting the first few bullet points on his report reference staff efforts in response to the pandemic. Everything requires additional steps and additional work and our staff continues to persevere through the daily challenges with ease.

GM Lewis met with the Community Development Department staff to discuss among other things, the current workload in that department, potential changes to the Design Manual and review procedures, the possible need for additional staff and revising department hours. GM Lewis noted the Design Manual of Rules & Regulations, while having had many changes done to it over the years, has not had a thorough review in many years and that is something that will be happening in 2021.

Meetings have been held with multiple staff members and a data base consultant to look at IT needs for better function of, and communication between, the various SROA databases.

Work has begun on the development of the 2021 SROA work plan including projects, staff and budget needs, to be related to the 2021 budget development process.

Staff worked on the scope of work for the Rental Registry and Recycle Taskforces that were approved by the Board at their July 18th meeting.

GM Lewis met with the Sunriver/Lapine Economic Development (SLED) Board regarding coordination with south county economic development efforts through the Economic Development for Central Oregon (EDCO).

Staff continues to work with the SSD, Police and Fire staff to address the effects of COVID-19 and provide consistent messaging to owners and guests. Staff continues to respond to owners emails, calls, letters and visits as well as providing frequent updates on the SROA website; www.sunriverowners.org.

Controller Healy spent considerable time in July compiling data and producing updated Option 1 & Option 2, Recreation Plus Program (RPP) findings to the Finance Committee and Board. As has been mentioned previously, only 5% of the participants chose to exit the program and receive a full refund with the other 95% choosing to remain in the program and ride it out.

Controller Healy and Treasurer Beenen met with bank representatives regarding investment options.

The reserve software has been updated in preparation of the full reserve study that was recently completed.

It was noted that 40 properties in Sunriver changed ownership in the month of July, a one-month record for the number of sales.

The IT Department has been changing out the older switches on the network backbone providing better security and higher throughput.

IT Director Brad Olson, as a member of the Telecommunications Task Force, participated in two virtual townhalls in July.

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IT staff worked with the Public Works Department staff on the installation and programming of the new gate at Mary McCallum Park.

In Communications, advertising for the August Scene was at $16,317 compared to $23,239 last year. We continue to print fewer Scenes than normal due to the lack of racks available in the community to put them on.

There were 310 digital reads of the July Scene.

The SROA website, www.sunriverowners.org continues to feature a COVID-19 page, which is updated frequently to ensure the most current information is available.

The SROA website was visited by 10,000 users in July with popular pages being river shuttle, COVID-19, weather, tennis & pickleball. The SHARC website was visited by 24,000 users in July with popular pages being COVID-19, admission, outdoor pool and hours.

Sunriver Style was visited by 1,500 users looking at pathways, river and fishing. The Sunriver Tennis website was visited by 1,500 users looking at Tennis/Pickleball Facilities.

Staff continues to use Facebook to post information such as reminders about physical distancing protocols, mask wearing mandate, common Sunriver rules and pathway rules.

The new Sunriver maps have been received. Included on the map are both the pathway rules as well as some of the basic good neighbor rules for Sunriver. These maps are distributed or picked up by thousands of visitors every year, so again, staff is using every avenue possible to message the basic information people need to know when they visit Sunriver.

The Community Development Department continued their protocols for safe submittal of applications/plans and for applicant meetings/contacts, including means for electronic submittals.

Submittals are at an all-time high and there are currently 274 open permits which reflects the number of people holed up in Sunriver with time on their hands. Projects run the gamut from dog runs to new builds and the department is down an employee due to layoffs earlier this year, so they are stretched thin at present. One thing that COVID-19 restrictions have taught us is that the electronic submittal process is much more efficient than our old paper system. Staff will continue to use this process moving forward. Office hours have been adjusted slightly to allow staff an hour in the morning and a couple hours in the afternoon two days a week to catch up on phone calls, emails, voice mail messages, etc.

The Natural Resources Department continued ladder fuels reduction and tree thinning on commons. It was noted that as a matter of efficiency, the contractors doing the work cut and buck up all the trees in one area first then go back and pick up all the limbs and branches so all brush piles are cleaned up and removed eventually.

Noxious weed pulling continues on commons. The War on Weeds (WOW) went to a virtual format this year and there was a great turnout of owners and some SROA staff members who have assisted in combating noxious weeds in the community. A huge thank you to all who have and are participating in this effort.

The Public Works Department has spent a significant amount of time chipping roadside piles from owners who are clearing and/or cleaning up their lots, another sign of people with time on their hands!
There have been more piles this year than in any year in the past.

The Abbot/Beaver landscaping is complete and looks great. Striping of a number of roads in Sunriver is complete.

The Public Works Department has received their new dump truck.

Staff is finalizing the cinder storage shed permitting. Deschutes County has approved the project and the SROA Design Committee granted approval at their regular meeting yesterday.

In the Recreation Department, July marked a major change in SHARC operations moving from the reservation system to a first-come-first-serve system, while also adding two additional sessions per day. The new system has been a huge success for guests and staff with less frustration, phone calls and troubles experienced with the online system. We are currently able to accommodate a maximum of 1,000 people per day, broken into five sessions of 200 people per session.

Two lap swim sessions have been added to the morning schedule and additional afternoon court times have been added for tennis and pickleball. The Fort Rock Refreshment stand is open and is selling grab and go snacks. This location also allows staff to have a better view of the tennis & pickleball courts to ensure people are following proper protocols. Disc golf has been extremely busy this summer.

The Jumbo’s Tennis Bash was held on the North Courts over a four-day period in July. They were very organized and provided staff with an operational plan based on Oregon Health Authority (OHA) guidelines. All other 2020 events on the tennis courts and at SHARC have been cancelled or rescheduled for 2021.

Two 4K cameras were installed on the pool deck that provide complete coverage of the lazy river, splash down of the slides and main outdoor pool.

Several maintenance items including repair of chlorine lines, pressure washing, etc. were completed in July.

Copies of the general manager’s entire report was 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 two full-time firefighters and one reserve firefighter were sent to assist on the Mosier Creek Fire. This was possible due to the addition of the three seasonal staff members that were approved in the 2020/21 budget for the district. It was noted that the fire station was fully staffed during the time in which these firefighters were gone. These changes in seasonal staffing are working very well and provide better coverage for fire and paramedic services. Assistant Fire Chief Rod Bjvork, is one of the most respected in the wildland interface fire personnel in Central Oregon and was one of the first people requested to assist on this fire as well as at the command station on other fires this season which speaks to the high quality of the Sunriver personnel.

The Police Department is still down one officer and Chief Darling is working on determining the best way and time to fill that position while also exploring the possible opportunity to do some liaison work with the district attorney’s office, which would cover the expense of a full-time officer for the period of
that agreement.

While the SSD had planned on hiring two additional bike patrol officers for the summer, they only ended up hiring one additional person as the second candidate broke his leg so was out of commission. Due to the population density that appears will continue into September, Chief Darling is planning to keep the bike patrol on for at least a week after Labor Day and possibly longer depending on the crowd load.

Work continues the SSD Strategic Plan and the SSD Board has approved it to go out for owner input/comments. A former SSD Board member who was previously a consultant is assisting the District with drafting the plan at no cost to the district through the end of the year.

Copies of the approved minutes from the June 18, 2020 SSD Board meeting were included in the Board binders.

**BOARD ACTION**

**COMMITTEE APPOINTMENTS**

Director Bigham move to approve the appointment of Curt Wolf as Chairman and Mark Feirer as the Vice Chairman of the SROA Design Committee. Seconded by Director Schmid, motion passed unanimously.

**BOARD ACTION**

**CERTIFY 2020 ELECTION RESULTS**

Director Skinner moved to certify the election of three SROA Board members; Bill Burke, Scott Gillies & Clark Pederson for a three-year term beginning in September 2020 and ending in August 2023. Seconded by Director Beenen, motion passed unanimously.

**BOARD ACTION**

**AFFIRM BOARD ACTION WITHOUT A MEETING APPROVAL OF UNAUDITED JUNE FINANCIALS**

GM Lewis commented that while the Board received the June 2020 financial report both orally and in written form at the July 18th meeting, due to an oversight a motion was not made to approve. Once GM Lewis discovered this the Board was contacted via email and per Article IV, Section 12 of the SROA Bylaws the Board voted unanimously to approve the unaudited financials via an email vote.

Director Beenen moved to affirm the July 18, 2020 Board Action without a Meeting approving the unaudited June financial statements as presented. Seconded by Director Fister, motion passed unanimously.

**SSD POSITION #1**

This item has been pushed to the September Board meeting.

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

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

The meeting adjourned at 10:48 A.M.

Respectfully Submitted,

Gary Bingham, SROA Secretary

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