

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
FEBRUARY 15, 2025**

DIRECTORS PRESENT: Bill Burke, Clark Pederson, Gerhard Beenen, Keith Mobley, Linda Beard, & Randy Schneider

DIRECTORS PRESENT VIA ZOOM: Brad Banta, Veronica Jacknow & Mark Murray

STAFF: James Lewis, Susan Berger & Richie Villagrana

The Board of Directors meeting was called to order at 9:00 A.M.

NUMBER OF ATTENDEES: 2

OWNERS FORUM: Greg Slater, 13 Fir Cone Lane, spoke in regard to the potential tree removal at the Woodlands Golf Course. Mr. Slater noted that ribbons have been placed on numerous trees throughout the entirety of the Woodlands Course and he estimated that approximately 800 trees had been marked. Mr. Slater discussed talking with an arborist and staff that were present on site and noted that he was told the trees are intended to be removed to preserve the integrity of the paved cart paths and also for wildfire/ladder fuels removal. Mr. Slater is opposed to such a large removal of trees stating that they serve a purpose to buffer the golf course activities to the adjoining homes as well as the overall aesthetics.

In answer to a question from Treasurer Pederson, GM Lewis commented that the golf course has to follow the same process as a homeowner when they want to remove trees. For the past couple of years, the Resort has started requesting permission to take down some either dead or dying trees that are wildfire hazard trees. Those were reviewed and approved by our Natural Resources Department yet they have not been removed. Golf course personnel have now gone back out and started flagging more trees that they want to remove and those will need to be reviewed and approved prior to removal. If there is anything that does not meet the requirements, the golf course folks will need to provide justification as to why they should be removed.

Bob Stillson, 10 Belknap Lane, addressed the discussion at the previous days work session regarding ideas for potential new revenue sources as discussed by the subcommittee of the Finance Committee. Mr. Stillson stated that he favors the transfer fee increase and a special assessment for pathway improvements but is not in favor of any rental impact fees.

OWNER FORUM FOLLOW-UP FROM PREVIOUS MONTH

Director Schneider followed up with Dennis Wood, 16 Big Leaf Lane regarding his request to ask Deschutes County to place speed limit signs on Cottonwood Road between Highway 97 and Sunriver. Director Schneider collaborated with the police department who contacted the County Road Department and they have agreed to install the signs requested once the snow is gone and the ground is no longer frozen.

GM Lewis commented that he and Natural Resources Director Patti Gentiluomo will be meeting with Bill Weymer, 10 Aquila Lodge next Tuesday regarding his concerns about wildfire protection in Sunriver.

RECAP OF 2/14/25 BOARD WORK SESSION

President Beenen reported that the work session started off with the introduction of Interim Police Chief Cory Darling whom everyone knows from his time as Sunriver's police chief.

There were no owners who spoke during the owner's forum.

The SROA IT Department was introduced to the Board and each employee provided a brief background on themselves. Data Base & GIS Administrator Jack Colpitt then provided a presentation on the work he is doing with respect to GIS and the mapping of Sunriver for use by various departments for a variety of reasons.

Assistant GM Kessarlis provided an update on recreation statistics and we are currently ahead of where we were last year with respect to the Member Preference and Recreation Plus programs.

Assistant GM Kessarlis also provided an update on where we are with respect to the move to online electronic voting for SROA elections, an item that is on the agenda for action at today's meeting.

GM Lewis provided an update on the Pathway Safety Taskforce and Controller Healy provided an update on the work of the Finance Committee subcommittee who are looking at possible additional revenue sources.

The Board held a discussion on capital items and how to fund the acquisition of those which gets back to Finance sub-committee to a certain extent and the Board also discussed the items that were approved for 2024 but were not completed by year end and now are up for reapproval, an item that is on the agenda for action today.

The Board held a brief discussion on parking at the Administration building with respect to the Sunriver Service District (SSD) and their new community room in the Public Safety building.

The Board held a robust discussion on a number of other business items. Vice President Burke started off by congratulating GM Lewis on his five year anniversary at SROA. Director Banta suggested the Board consider changing the way the board meeting dates are set based on the third Friday of the month instead of the third Saturday of the month. Assistant GM Kessarlis provided an update on the Admin building remodel and lastly a lengthy discussion was held on some leaks in the main pool and lazy river over at SHARC and the various options being considered for diagnosing and repairing those leaks.

There was no executive session held at yesterday's meeting.

BOARD ACTION **BOARD MEETING MINUTES**

Director Pederson moved to approve the minutes of the January 17, 2025, board work session minutes as corrected. Seconded by Director Schneider, the motion passed unanimously.

Director Pederson moved to approve the minutes of the January 18, 2025, board meeting minutes as corrected. Seconded by Director Mobley, the motion passed unanimously.

BOARD ACTION
FINANCIALS
DECEMBER 2024

Director Pederson noted that he will be reporting on both the year-end for 2024 and January 2025 today. There were no financial reports in January as staff was still closing out year-end transactions for 2024.

For the month of December, we had operating revenues that were better than budget by \$10,150 due largely to Scene advertising and TDS bulk fiber billings. For the year, operating revenues were over budget by \$38,151. Operating expenses were over budget by \$91,920 for the month which dropped down the anticipated year end surplus. This was due to a number of things including TDS expenses, sanding cinders, pool sensors at the Member Pool, water/sewer charges, CDL training for new employees, laptop replacements, cutting edges for loader plows and virtual cloud management. For the year, the variance on expenses was \$133,134 below budget largely attributable to labor costs. The net operating surplus for the year was \$171,982. We were hoping that there would be \$200-250k but that is lower due to the aforementioned reasons.

On the non-operating side, revenue for the month was \$37,519 above budget largely due to interest income. We had budgeted an average rate of 3.75% on our portfolio and we are averaging 4.27%. We anticipate that could continue for most of the year. For the year, non-operating revenue has a positive variance of \$157,141. Expenses for the month \$33,440 over budget largely due to depreciation and some write-offs. For the year, the non-operating budget surplus was \$273,935, and again a good portion of that was labor dollars saved due to unfilled positions and resulting in a net increase year-to-date in the value of Sunriver of \$1,96,840. That is an increase in value to all owners for the year, nice growth that actually ended up being quite a good year overall due to the savings in labor dollars.

President Beenen added it is important to keep in mind that there is \$1.1 million of approved capital that has not been spent and which would be deducted from that figure.

Treasurer Pederson commented that salary and burden for the year was under budget by \$318,082 due to vacant positions in recreation, administration, and public works and also due to new employees that were not yet eligible for some SROA employee benefits.

Cash balances were \$17,745,046 which is \$1.4 million above last year. Part of this is due to the fact that we did not do a tunnel project in 2024 which equates to approximately \$500k of that difference along with the capital improvements that were carried forward which are larger than in some years in the past.

In regard to capital replacement reserves we underspent by \$1.5 million which accounts for both the deferred tunnel project and the carry forward amount. In the SHARC reserve budget we underspent the money coming in versus the expenditures for the year, leaving approximately \$200k.

Referencing the aging summary, Treasurer Pederson noted that the over 120 days is \$92k. We did receive a \$5k scheduled payment that was supposed to have arrived by year end and was received in early January.

Treasurer Pederson also reviewed the FTE statistics versus budget as well as the balance sheet and investments.

For the month ended December 31, 2024, there was a net operating deficit of \$80,339 which was \$81,770 worse than the budget. Operating revenues were better than budget by \$10,150 due to Scene advertising and TDS bulk billings. Operating expenses were over budget by \$91,920 for the month. Materials and

services were over budget by \$107,822. The negative variance is due to bulk fiber billings, sanding cinders, pool sensors at the Member Pool, water/sewer charges, cutting edges for loader plows, CDL training for new employees, laptop replacements, and virtual cloud managements.

For the year ending December 31, 2024, there was a net operating surplus of \$171,982. Operating revenues were over budget by \$38,151. Positive variances in TDS bulk fiber billing, SHARC admission, Scene advertising, café revenue, ladder fuels compliance fines, and contractor parking passes were the contributors to the variance to budget. Those positive variances were offset by shortfalls in pickleball tournament revenue, SHARC special programs (Uncorked), RPP pass sales, interest income, design review fees and Sunriver Service District vehicle repairs. The Sunriver Slam pickleball tournament and Uncorked were cancelled due to smoke and fire concerns. Member Preference Program (MPP) and Recreation Plus Program (RPP) finished at 98.8% and 97.6% of their respective annual goals. There were thirty-one fewer RPP passes sold in 2024 than in 2023. Salaries and burden were under budget by a combined \$318,082 due to open full and part-time positions in public works, recreation, and administration. Materials and services were over by \$107,822 due to TDS bulk fiber fees, utility costs, sanding cinders/deicers, pool chemicals, fuel, CDL training, contract services, and collection fees. Legal fees were over budget by \$19,617 for the year.

There were 367 homes converted to bulk fiber in 2024.

On the non-operating side, there was a total of \$813,422 spent on road and pathways and \$361,706 on ladder fuels reduction. There was also \$586,068 in interest earned for the capital reserve fund and a total of \$824,879 earned in all funds.

Fore the year ending December 31, 2024, there was a combined operating and non-operating surplus of \$1,961,840 which was \$445,917 better than budget.

Total assets as of December 31, 2024, were \$40,514,468. Cash and investments totaled \$17,745,997, an increase of \$2,862,536 from November due to annual maintenance fee payments along with RPP and MPP passes. Total cash increased by \$1,406,165 from December 31, 2023. As of December 31, 2024, there was \$14,503,708 invested in the Goldman Sach Financial Square Government Fund and US Treasuries with durations between 90-day and 5-years with an average annual yield of 4.27%. Fixed assets placed into service in December included a 930 Loader, the A/V system at SHARC, Benham Hall flooring and painting, floatable toys, cargo net and pads, and park benches.

FINANCIALS JANUARY 2025

Turning to January of 2025, Treasurer Pederson reported that operating revenues for the month were exceeded by \$59,388 due to Recreation Plus Program (RPP) sales, Scene advertising and design review fees. A number of Scene advertisers paid for the whole year in January, which will most likely result in lower Scene revenues in February and March.

Under operating expenses, there is a difference of \$46,778 better than budget. That would have been a bit higher except for vacation accrual, merit pay, and COLA that happen at the beginning of the year. The variance year-to-date on the operating side is \$106k to the positive.

On the non-operating side, both revenues and expenses were a bit higher than projected resulting in a positive variance of \$23,873.

Referencing the aging summary, Treasurer Pederson noted the current to 30-days category currently sits

at \$74,299, which is mainly attributable to owners who were a bit late in paying their yearly or monthly maintenance fees and is pretty typical due to holiday travel, misplaced invoices, etc. This number will decrease in the next couple of months as those payments come in.

For the month ending January 31, 2025, there was a net operating deficit of \$7,784 which was \$106,166 better than budget. Operating revenues were over budget by \$59,388 due to Recreation Plus Program (RPP) sales, Scene advertising and design review fees. At the end of January, there were 115 additional home RPP participants than at the same point last year. Salaries and burden were over budget by a combined \$25,527 due to an increase in vacation accrual from COLA/merit increases. Material and services are under budget by \$64,902 due to timing of payments. Legal fees are under budget \$9,840 for the month.

As of January 31, 2025, there was a combined operating and non-operating surplus of \$304,953 which was \$130,040 better than budget. A 2015 Ford 150 was sold in January for \$13,800.

Total assets as of January 31, 2025, were \$43,554,231. Cash and investments totaled \$19,663,760 and increase of \$1,917,763 from December 2024. As of January 31, 2025, there was \$17,572,828 invested in Goldman Sach Financial Square Government Fund and US Treasuries with durations between 90-days and 5-years with an annual yield of 4.25%. Deferred revenue increased by \$2,989,229 due to annual dues payments, RPP & MPP sales. Construction in progress included the new public works building and replacement fitness equipment at SHARC.

Director Schneider moved approval of the unaudited SROA financial statements for the month ending December 31, 2024. Seconded by Director Jacknow, motion carried unanimously.

Director Burke moved approval of the unaudited SROA financial statements for the month ending January 31, 2025. Seconded by Director Mobley, motion carried unanimously.

GENERAL MANAGER'S REPORT

GM Lewis reported his recap is for activities in January.

GM Lewis attended the regular monthly meeting with the Sunriver/LaPine Economic Development (SLED) Board regarding coordination with south county efforts for economic development. This will continue to be a monthly, on-going participation.

GM Lewis continued follow-up work with SROA legal counsel regarding fine/fee lawsuits.

GM Lewis participated in multiple issues with the SROA Human Resources Director and appropriate staff.

GM Lewis held regular "check-in" meeting with Josh Willis, Sunriver Resort Director of Operations.

GM Lewis participated in the on-going Newberry Regional Partnership Strategic Action Plan for South Deschutes County.

GM Lewis completed all director employee evaluations for 2024.

GM Lewis conducted follow-up with various Board members and owners regarding comments during the owner's forum portion of the Board meetings.

GM Lewis continued the ongoing/regular meetings with TDS staff regarding the physical construction and eventual migration of owners to high-speed fiber and SROA account.

GM Lewis participated in the Sunriver Service District's (SSD) Strategic Planning meeting.

GM Lewis organized and conducted the first Pathway Safety Taskforce meeting on January 30th.

GM Lewis met with SSD Managing Board Chair Jim Fister regarding SSD/Public Safety Building parking for community meeting room overflowing into SROA parking lot.

GM Lewis met with Scott Larson the Executive Director of Visit Central Oregon.

GM Lewis participated in SROA Manager/Supervisor Legal Training.

GM Lewis met with Deschutes County Solid Waste Director Tim Brownell to tour Sunriver multi-family sites for possible recycling areas.

In Accounting, the Controller presented the unaudited financial statements for the month ending November 30, 2024, to the Finance Committee and Board.

The SROA Controller worked on closing out fiscal year ended December 31, 2024.

The Accounting Department staff continued processing 2025 maintenance dues payments, bulk fiber billings and RPP/MPP pass sales.

The SROA Controller conducted the first meeting of the sub-committee of the Finance Committee that was formed to study possible new revenue sources.

Accounting staff was temporarily relocated to the old public works department building while the remodel of the Administration office continues.

The IT department reported no outages in the past month.

In information technology, IT cabling requirements for the new portion of the Administration building have been configured.

New Audio/Visual equipment has been installed at SHARC and IT staff have collaborated with Bend AV to isolate faulty control unity, monitoring solutions for stability. The final invoice was to be paid once final walk through and training were complete.

The new Jonas Point of Sale (POS) replacement project is well underway and is estimated to be operational in January. Six new POS devices, one scanner and one printer have been ordered. New banking connectivity has been established and inventory has been uploaded.

The IT Department has been meeting with Tetra Tech to discuss the finalization of statement of work (SOW) and key deliverables. The Tetra Tech deliverables have been moved into the SROA database.

IT staff created, tested and deployed the annual owner's coupon mailing for annual/monthly maintenance fees.

IT staff prepared the GIS presentation for the board for delivery at the February Board Work Session reporting on Tetra Tech SOW and overall GIS program effectiveness.

In the Communications Department, Scene advertising was at \$51,782 (\$21,713 in 2024). Some annual payments are still coming in, boosting numbers for the month.

There were 227 reads of the online January Scene including readers from Ireland, Singapore, and Lithuania.

There were 13,000 visits to the websites including users from Ireland, the Philippines, Canada, and Romania.

The SROA and SHARC website statistics were not available due to changes made with Go Daddy, which disrupted our link and which is in the process of being relinked.

Sunriver Style received 2,176 site visits in the last month. Top pages were weather, what is going on, getting here, and pathways.

Social media: Fitness center closure; Sunriver Home Expo, Yoga classes; Benham Hall.

Eblasts included: Sunriver Utilities water/sewer meeting; pickleball social, Board candidates sought, SROA website down.

Other projects included creating a new webpage for the Home Expo coming on April 4th to SHARC. Met with a work group (headed by the SR Area Chamber of Commerce) to plan a Sunriver Oktoberfest event September 26-28th. Our department is generating an event logo and other marketing materials, as needed.

Scene staff are packing their office up in preparation of the administration building remodel, including moving some items temporarily to the Conex box.

Scene staff continue to meet with event staff every other week to ensure everything is adequately promoted in the Scene, websites, etc.

Scene staff participated in the first Pathway Safety Taskforce meeting.

Scene staff worked on new “Leslie Award” promotional materials for SROA’s internal employee safety committee.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule. The first meeting in January consisted of four submittals, (2 small additions and 2 preliminary additions). The second meeting consisted of one new home project.

There are currently approximately 256 active projects/building permits (down by 14 from the previous month of December.)

The number of applications submitted in January up slightly from the same month in 2024 – from 46 in 2024 to 53 in 2025.

Community Development staff continued issuing compliance letters for design and rule violations where

appropriate.

Community Development staff participated in Magistrate Hearings for background on violations and citations.

Community Development staff modified the new applications forms and informational handouts, including the updated fee schedules.

Community Development staff is working with the Communications Department on messaging the new 2025 fees.

There are still ten homes that were identified on the 2023 paint survey who still have not painted their homes. Monthly citations are being issued.

The new 2025 fee scheduled was rolled out.

The Community Development Director participated with the Covenants Committee in drafting the revised Section 1 of the Rules & Regulations.

The Natural Resources (NR) Department hired new Natural Resources Specialist Michelle Phillips who previously was working part-time in Community Development.

NR staff completed the annual Ladder Fuels Reduction (LFR) inspections of private residential properties on the north end.

NR staff coordinated GIS projects with the IT Department.

NR staff processed private property LFR inspection data.

NR staff performed site visits regarding tree removal requests on private properties.

In Public Works (PW), staff repaired the card reader at the north RV storage area.

PW staff have built and installed some new tables at the Fort Rock Park Pavilion.

When time allows PW staff have been cutting and splitting firewood at Mary McCallum Park.

In regard to roads and pathways, snow plowing training has been ongoing.

Staff is reviewing the road and pathway projects scheduled for 2025 and selecting sections for pathway treatment.

PW staff has been re-engaging in the Wildflower tunnel project that will kick off in March.

PW staff are repairing road shoulders where people are cutting corners.

The Fleet Services staff have completed cleaning and reorganizing the mechanic's shop.

Fleet Services staff are starting the bid/quotes process for 2025 capital/reserve projects.

In Facilities/Aquatics, pool water loss at SHARC includes audio leak detection and scheduling pressure and dye testing.

Fire alarm repairs were completed at SHARC.

Staff is working with the recreation department on scheduling several projects that will have an impact on programming.

The new Public Works building is 90% complete and staff is 90% moved in. The Open House event held in January was well received with approximately 60 people attending.

Hazardous Materials surveys for all facilities has been completed.

PW employee Greg Koozer is assisting where necessary with the administration building remodel.

PW employee Angela Hacking is on the Deans List at COCC with a 4.0 average in her GIS class. Ms. Hacking is taking 17 credits and working at the same time.

Several PW employees are working towards their Tech 2 position which requires 30 hours of outside classes, two years as a Tech 1, and an area of responsibility.

In Recreation, 10,320 owners and guests visited the SHARC facility in January compared to 7,150 in January of 2024.

There were 1,687 MPP memberships purchased to date and 694 homes are enrolled in the RPP program.

Both the pool and the fitness area were very busy over the Martin Luther King holiday weekend.

Rec staff have been repurposing the first aid room and fitness closet to help offset retail storage space.

Yoga has been added to fitness class offerings and has been well received.

The new cardio equipment in the workout facility has been well received.

Currently there is a part-time summer front desk position available and the search for an aquatic supervisor will hopefully be filled in March.

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

Ex-officio member Randy Schneider the SSD Managing Board does not meet until next week so there is nothing to report today.

BOARD ACTION COMMITTEE APPOINTMENTS

Director Burke moved approval of the appointment of the change of Don Barnes from an alternate member to a full-time voting member of the Design Committee. Seconded by Director Banta, motion carried passed unanimously.

BOARD ACTION
4th QUARTER CAPITAL ACQUISITIONS TRANSFER

Director Pederson moved approval of the transfer of \$516,002.10 from the Regular Reserve Fund to the Operating fund and the transfer of \$217,262.02 from the SHARC Reserve Fund to the Operating Fund for the 2024 Fourth Quarter Acquisitions. Seconded by Director Mobley, motion passed unanimously.

BOARD ACTION
2024 RESERVE CARRY OVER/NEW 2025 CAPITAL BUDGET

Director Pederson moved approval of the carryover of \$1,106,604 from the 2024 Reserve & Capital in the following manner: staff is being informed to indicate which of the items on the carryover have already been purchased or have a money order or have a contract signed and those are approved. Other items that staff feels are still essential, they can continue to have authorization to commit those funds over the next month and then they will report back any items that they feel we do not need to the Finance Committee next month. The Finance Committee will finalize this carry forward and it will be back on the agenda next month. Seconded by Director Banta, motion passed unanimously.

BOARD ACTION
SKYPARK YEAR END TRANSFER

Director Pederson moved to approve to transfer the net Skypark deficit of (-\$32,780.96) from the Skypark Fund to the SROA operating account for the year ending December 31, 2024. Seconded by Director Murray, motion carried unanimously.

BOARD ACTION
ONLINE VOTING

Director Schneider moved to approve the switch to an online voting platform for the SROA Elections as permitted in Articles III and IX of the SROA Bylaws and further move approval of staff finalizing a contract with the vendor prior to the 2025 election. Seconded by Director Jacknow, motion carried unanimously.

OTHER BUSINESS

GM Lewis reminded the Board of the Open House event next Thursday, February 20th at the new Public Safety Building with the ribbon cutting slated for 11 A.M. Prior to that event there will be a joint meeting of the SSD Managing Board and the Deschutes County Commissioners that will start at 9 A.M. ‘

GM Lewis also reminded the Board of the annual State of South County event that will take place on February 25th which will take place at SHARC. The Deschutes County Commissioners will be in attendance to update attendees on what is happening in south county and what their plans for 2025 are.

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

Director Pederson moved to adjourn the meeting. Seconded by Director Burke, the motion passed unanimously.

The meeting was adjourned at 10:23 A.M.

Respectfully Submitted,

Mark Murray SROA Secretary