

SUNRIVER OWNERS ASSOCIATION
JOINT SUNRIVER OWNERS ASSOCIATION/SUNRIVER SERVICE DISTRICT MEETING
DILLON ROOM @ SHARC
April 20, 2018

PRESENT: SROA Directors: Richard Wharton, David Jendro, Pat Hensley, Gary Bigham, Jim Adams, Dwayne Foley and Mike Gocke

PRESENT: SSD Managing Board: Mark Johnson & Ron Schmid

PRESENT: SROA/SSD Directors: Jim Fister

ABSENT: SSD Director Greg Keller & SROA/SSD Director Bob Nelson

STAFF: SROA Staff: Hugh Palcic, Keith Kessarlis, Patti Gentiluomo, Mark Smith & Susan Berger

SSD Staff: Fire Captain Jared Jeffcott, Interim Police Chief Scott Hayes and SSD Administrator Debra Baker, Police Sergeant PJ Beaty

The joint meeting of the SROA Board of Directors and the Sunriver Service District Managing Board was called to order at 9:00am.

OPENING REMARKS

SSD Managing Board Chair Jim Fister called the meeting to order, welcomed those in attendance, did a roll call and introduced the members of the respective Boards.

Chair Fister noted this annual meeting is held every year in April and is an excellent opportunity to get both Boards together to discuss topics of mutual interest. Both Chair Fister and SROA President Pat Hensley noted the two entities here today equally represent the interests and desires of the owners in Sunriver. SROA President Pat Hensley added this meeting is a good opportunity for these groups to get together to hear and discuss any issues or concerns that may exist and ensure we are working together to serve the property owners of Sunriver.

Owners Forum: No owners addressed the Boards.

EMERGENCY PREPAREDNESS UPDATE

SROA GM Palcic commented that staff has been reviewing the current plan and updating where necessary to ensure the information, including the contacts lists, are accurate. SROA staff has also been working on an awareness campaign which will somewhat dovetail into a plan recently launched by Deschutes County. GM Palcic invited SROA Natural Resources Director Patti Gentiluomo, SROA Communications Director Susan Berger to elaborate on this awareness effort.

Natural Resources Director Patti Gentiluomo reported that for the last couple of years staff has been working with other collaborators through Project Wildfire, some of which are actually more extended and reach into the North Lake Tahoe/Truckee, CA regions. These are communities that also have emergency plans similar to what we have for Sunriver and which they are willing to share. These other plans serve as a good tool for comparison and/or the addition of other elements into our plan. Part of the planning we want folks to learn is to not only prepare for yourself and having “go” bags, evacuation routes, etc. but also to learn things to consider before an emergency happens. These things include how to shut your propane or electrical off, evacuation procedures, sheltering in place etc. Staff has been reviewing these different plans and comparing them to what currently exists for Sunriver.

Ms. Gentiluomo along with SROA Communications Director Susan Berger have been working on a small booklet/pamphlet for Sunriver owners that will be similar to the extensive and comprehensive emergency management handbook that Deschutes County recently put out on a smaller scale. This publication, once complete, will contain information on preparedness for both winter and summer and will cover fire, floods, sheltering in place, go bags, electrical shut-offs, etc. Instead of reinventing the wheel, our publication will essentially provide some basic information and will then direct folks back to both the SSD and county Websites for more extensive information. This keeps the information fresh as both of those entities keep their information updated on a regular basis whereas printed matter can be expensive to reprint every time there is a change. Ms. Gentiluomo and Ms. Berger have been working collaboratively with the Sunriver Police and Fire Departments and more specifically with Sergeant PJ Beaty from the Sunriver Police Department.

Once finished the publication which is geared specifically to Sunriver, will be available in print and on the SROA Website, www.sunriverowners.org. In answer to a query by SSD Chair Fister, staff will dialogue with SROA IT personnel to determine if the information will be available on the Sunriver Navigator app. Additionally, monthly stories about preparedness will be a monthly occurrence in the Scene for the foreseeable future. Chair Fister also noted the personal safety tip stories and articles that have been in the Scene in recent months thanks to Interim Police Chief Scott Hayes.

Sergeant Beaty reported on the work he has been doing to update the emergency preparedness plan for Sunriver noting this is a living document and a tool to be used once the operation center has been established in the event of an emergency situation. This tool is designed to be a guideline and things can be added to or subtracted from depending on the situation. Sergeant Beaty provided an example of the checklist to be utilized in the event of a property wide evacuation and based on the severity of the emergency. Parts of this plan could be operated by non-police personnel if necessary. Assistance will also be provided in part by the Deschutes County Sheriff's Department, Emergency Management and Deschutes County Search and Rescue, provided they are not already occupied with the event in a different area or community.

SROA, Sunriver Resort and local businesses are all familiar with the plan and ongoing contact is maintained. It was noted that SROA has been great about filling in some of the blanks to make the plan complete. Additionally, Sunriver Resort has a good internal plan to employ in the event of a major emergency situation. They are also responsible for notifying the other property management companies in Sunriver. The management team for the Village at Sunriver has the responsibility for notifying all the businesses in Sunriver.

There are three main evacuation exits from Sunriver. Cottonwood Road to Highway 97, Abbot Drive to South Century Drive and out the emergency exit on Meadow Road leading out to Spring River Road. There are also three last resort emergency exits. One is over Cardinal Landing Bridge up to Forest Service Road 41, the second is the canoe take-out road which is Forest Service Road 600/605 up to Benham Falls/Lava Butte and the third is the paved bike path that goes from East Cascade Road up to Lava Butte Road. All police vehicle key rings include the keys to all gates to emergency access routes. Sergeant Beaty also noted that as a police department they are not depending on SROA, Sunriver Resort or anyone else for that matter to be a part of what the police do in the event of a catastrophic emergency. These entities are primarily on the list for notification purposes so they can put their internal evacuation plans into action. It was also noted that Citizen's Patrol members may be able to assist depending on the severity of the event. Through the mutual aid agreements in place with other fire and police organizations, additional assistance would be up next to assist.

SSD Administrator Debbie Baker commented that in the event of a major emergency the Emergency Operations Center, which is currently housed in the Fire Station Training Room, would be operational and all the major players in the community have representatives identified who should be present so

things can be coordinated collectively. In the event that the Fire Station is not available, the Fire Station on South Century Drive would be the alternate location.

The Boards thanked Sergeant Beaty as well as Ms. Berger and Ms. Gentiluomo for these important and reassuring updates.

ADMINISTRATION CAMPUS UPDATE

GM Palcic commented that for definition purposes the Administration Campus includes not only the Administration/Police building but also the Fire Station, Public Works buildings, the owner storage area as well as the area where the future recycling center will be. The Association has engaged with a consultant to work on an overall program of the entire campus starting with the Public Works yard and the need for better cinder storage. This is one of the more urgent needs. Currently the cinders are not under any kind of cover leaving them exposed to the elements which creates situations where they are too frozen to be retrievable. It cuts down on the effectiveness of the product and creates extra work for the Public Works team.

Currently the needs of the Public Works Department are being analyzed and the entire layout of the area is being taken into account to determine how we are maximizing the space available. Public Works Director Mark Smith commented that staff has been working with the planner who has assisted staff in identifying the current physical inventory storage needs, what the assets there currently are and what those may be in the future, identifying the current weaknesses associated. The main weaknesses that keep coming out are storage. Storage for cinders, vehicles, implements for equipment, police vehicles, equipment and archives, etc. The first phase is to identify all inventory in place as well as what is planned for future. The second phase will be to reach out to the SSD (Sunriver Service District) to determine what needs they have.

There are a couple of items that are at the top of the list, one being the proposed recycle center and the second being the cinder storage. The current plan calls for determining the best location for covered cinder storage area prior to next winter. The upgraded recycle center will be next on the list with that project to be complete sometime in 2019.

Past proposed upgrades to the existing fire station to create a combined police/fire center have been dusted off and some variations of those plans are being explored to provide options to determine what will work best for all parties involved: SROA, the police and the fire departments. A review by legal counsel will be included as any major upgrades/changes to the existing structure will require a vote of the owners. It was noted that the storage needs affect the police department as well. Ultimately, they would very much like to have their rolling stock under cover instead of outside exposed to the elements.

A time-frame has yet to be determined on the police/fire combined facility and will require some commitment by the Service District as to what path they want to go down for starters, and then how the SROA Board would react to what is ultimately proposed by the SSD Board. GM Palcic believes once all the different iterations are done and the pros and cons are identified, a sit-down discussion of both Boards or representatives from both Boards will need to occur to discuss next steps. The reason a major remodel of the existing fire station building would require a vote of the owners is that it would not just be a replacement of what is currently existing. That then engages the SROA Board for the necessary ballot measure language, etc. If there are options that would be considered that don't require a vote of the ownership, it might be easier for the decision to be made and quicker timelines would apply. It's hard to say at this point, but good planning and getting everything inventoried and identified now is the first step.

SSD Director Johnson commented that in addition to the storage needs touched on earlier another issue for the Fire Department is that the way the living quarters are currently laid out, it's not possible for them to hire more than one female firefighter. GM Palcic noted that gender-based quarters is something SROA

staff is not only aware of but have talked with SSD representatives about. Chair Fister commented, for clarification purposes, that there are monies that SROA, as the owner of the structure, has in reserves for improvements to existing SSD lease holds of various types and in fact GM Palcic has had conversations with Interim Chief Bjvork regarding how the fire staff would prefer to see those monies utilized. Overall, Director Fister sees this as a three to five-year plan not something that is a long way off.

President Hensley recapped that how as this project evolves so many things have to be taken into consideration moving forward.

ABBOT/BEAVER INTERSECTION UPDATE

Public Works Director Mark Smith reported things are on track with this project. The project went out to bid some time back and the bids closed a week ago. The bids received are all within the budgeted amount allowed and those bids will be discussed with the SROA Board later today as part of their Board work session. The timeline is in place and the project will go to a vote of the owners in July if the proposed ballot language is approved by the Board at their regular meeting tomorrow.

The bids received for the project were all very close in cost, but staff also considered how each contractor would handle the logistics of the project. To that end, a couple of the bidders have come up with some creative ways to keep traffic moving throughout the community while the project is taking place. Conversations have also occurred with SSD personnel to ensure things will flow as smoothly as possible.

President Hensley noted that one of the crucial aspects to the design was to first ensure that both the fire vehicles as well as large trucks servicing the community would be able to navigate the proposed circles, an item that has been successfully addressed. It was also noted that four owner workshops were held earlier in the year for owners, two in Sunriver, one in Lake Oswego and one in Eugene. A good deal of input was received from owners regarding pedestrian safety. All the input received was given to the engineers who spent a lot of time taking that input into account. They addressed the concerns about pedestrian crosswalks as best they could. Unfortunately, we are not working with a blank slate and we have to be cognizant of the fact that the intersection is surrounded by existing property owners and businesses and we can't force them to change their footprint to accommodate the perfect design. Public Works Director Mark Smith added that this really comes down to being an incremental improvement. It is not the end all perfect solution, but it is a strong solution and will be way better than what currently exists. Additionally, Mr. Smith acknowledged the cooperation and assistance of the Resort in entering into an easement agreement with SROA to allow this project to move forward.

SSD FINANCIAL REPORT

SSD Director Mark Johnson reported on the SSD financials through the end of March 2018, which is nine months into their fiscal year budget. Current revenues are at \$4.7 million against a budget of approximately \$4.6 million placing the SSD \$88k ahead on tax revenue. Expenses to date are a little over \$3 million against a budget of \$3.1 million a savings of approximately \$63k. That combined with the additional tax revenues results in a current surplus of approximately \$150k through the first nine months of the fiscal year. Additionally, a \$450k contingency was built into this year's budget so, barring any unexpected surprises, the year should end with an approximate \$600k surplus. Projections for the next five years that show revenues exceeding expenses will not continue for the long-term. The main source of revenue comes from property taxes which increase approximately 3% each year. The main source of expenses is related to fire and police personnel. The cost of PERS and health insurance will likely exceed the revenues received in the next three years. The current tax rate remains at \$3.31 per \$1,000 assessed value with the maximum allowed being \$3.45 per \$1,000 assessed value. Anything beyond the \$3.45 would require a vote of the Sunriver homeowners registered to vote in Deschutes County.

The projected budget for the 2018/19 fiscal year shows revenues at \$5.1 million and expenses at \$4.3 million which would provide for an approximate \$700k surplus. Of that however, \$300k must be

transferred to the capital fund due to the depreciation of the costly, yet necessary, equipment utilized by district personnel. A contingency of a bit less than 10% of projected expenses has also been factored into next year's budget. In terms of the capital fund for this fiscal year, \$400k will be spent on the fire training facility, which is being built with the help of \$200k in grant dollars from Deschutes County and \$200k will be spent on replacing depreciated asset vehicles. Director Johnson noted that there has been some deferral of those items and next year over \$500k will be spent on vehicles. An ambulance will be receiving upgrades and a water tender vehicle will be purchased for the fire department.

OPERATING PHILOSOPHY DISCUSSION

SSD Chair Fister started the discussion off by noting that both of the entities in attendance today serve the same rate payers in a slightly different way. On the SROA side the base monthly maintenance fee is the same for all owners and on the SSD side revenues are based on the assessed value of the property. SROA and the SSD have a number of agreements between the two entities for accounting services, administrative services including Human Resources, vehicle maintenance, rules enforcement and IT services. The way we have been operating is that each entity has to fit within a certain budget and as such the agreements are designed to recover the costs of the service being provided. The reason for this discussion today is to determine if this is indeed the way we should be thinking about these agreements or is there a different way to think about these agreements that better serves the common rate payer base. Instead of cost recovery to the SSD or SROA, would it be better to look at what is cost neutral to the rate payer and does that change the thinking in terms of how we would operate. Chair Fister opened the item up for discussion which was followed by a good discussion of those in attendance and agreement that the SSD Chair and SROA President should be the starting point with an emphasis on a bottom up approach.

SSD/SROA RULES ENFORCMENT UPDATE

There exists a long-standing agreement between SROA and the SSD for the SSD to enforce some of the SROA rules after hours and on the weekends. SSD Chair Fister noted the agreement for this year has been signed by both entities for a one-year term instead of an on-going contract. Prior to an agreement being signed for next year, Chair Fister would like to see the bottoms up approach mentioned earlier applied to this agreement and he would like to see a small team dedicated to working on the issues that exist and seem to cause heartburn on a regular basis. SROA GM Palcic noted the importance of everyone involved understanding the agreement clearly so that all the players are on the same page. Additionally, ongoing owner education is needed to teach owners on when and what they should call the police for. Often-times, SROA staff receives calls or emails after the fact of the occurrence that could have been acted on sooner if the police had been contacted at the time the incident was happening. People don't believe it's a police matter or they don't want to bother the police. One suggestion was to create an email address where an owner could report an issue so that both SROA staff and the police would have access and things could be acted on in a timelier fashion. Administrator Baker noted the importance of time management on this issue as the current agreement does only go through the end of this year.

SSD CHIEF'S REPORTS

SSD Fire Captain Jared Jeffcott commented on the water tender vehicle the department will be acquiring next year and the importance of this vehicle for maximum use of the fire station training facility. In addition, it will be a great resource for any fire where a hydrant is not readily available. The ambulance that is going to be refurbished will be shipped out for the upgrades in September and it will take three months to complete.

The department is gearing up for the Pacific Crest event that runs from June 23-25, 2018. Fire Department personnel staff the medical tent for the event. A 30k and 50k trail run have been added to the event this year and it has yet to be determined what impact that will have on medical services. The department is also gearing up for wildland fire season and necessary training is underway.

There will be an EOC (Emergency Operations Center) drill, probably in early June, exact date to be determined.

Scott Hayes, Interim Police Chief reported on his assignments from the SSD Board since arriving in early February, including but not limited, to assessing the agency and preparing the incoming chief on how to proceed. A lot of changes have been made, but Chief Hayes has been reluctant to make some changes that need to be made that will be the responsibility of the new chief. Those items have been identified and listed and will be shared with the new chief once that person is on board.

The primary goals have been stabilization of the agency to empower supervisors and to definitely move forward from where the agency has been since Marc Mills left in December 2017. Some of the challenges the department struggles with are staffing, hiring and retention. Having one officer off work for an extended period of time affects the department greatly. The department has been down one officer for the entire year along with two supervisors who were out on injury leave for extended periods of time and one sergeant who was out for training. This impacts the department a lot, creates an overtime issue and the need to adjust shifts.

Training had become somewhat lax and the department is focusing on getting back up to speed on that need. The Bend Police Department holds monthly training for their personnel and have invited the Sunriver officers to attend those training sessions. Bend Police Captain Cory Darling who assisted the Sunriver Police Department for the month of January reached out to the department and invited them to take advantage of this ongoing training opportunity at no cost to the department.

Station security is problematic and some changes have been made. The patrol officer area will be moved closer to the front of the building providing better security for Administrative Assistant Dana Whitehurst. Storage space needs are a challenge on a regular basis. The recent approval by the Design Committee for the addition of a storage container that will be placed in the parking lot behind the department will help in the short-term but once the round house is no longer available the storage issue will be back.

Technology throughout the years will always be a challenge. Keeping up with it can be a challenge and it's expensive. Some strides have been made in the department to reduce costs. A contract has recently been signed with Deschutes County 911 who will take care of all the police department radios, tablets and computers in vehicles. Additionally, Bend Police Department is now going to provide forensics when it comes to computer crime.

Crime has remained fairly consistent from 2016 to 2017. Calls for service went down for self-initiated calls. However, some of these low numbers point back to staffing levels and weather. Calls for emergency services were up by 74 and non-emergency calls were down by 103. The top livability issues the department encounters are related to parking and noise generated by tourism. As far as crime goes, the department saw a number of DUII arrests, property/petty thefts and motor vehicle accidents.

The training budget for next year has been enhanced with an emphasis on supervisor training again partnering with the Bend PD on a lot of their training opportunities. The officers cell phone system was recently upgraded from a sharing of a limited number of phones to each officer being issued their own department cell phone. This not only assists the officers by allowing them to talk to each other more easily, but it also fosters a community relationship when an owner has the reassurance of being able to contact an officer directly and it also allows officers to be out in the field more instead of having to come to the office to use the phones. The department is also looking to add additional tasers, perhaps a couple per year as they are quite expensive, until they reach their goal of having one for each officer. Currently the department has two that they all share.

The Bike Patrol will be fully staffed this year with eight employees who will begin on Memorial Day weekend. There will be four officers on weekdays and eight on the weekends that will be working ten-hour shifts. All will be required to work throughout Sunriver with an emphasis on high traffic and pedestrian areas.

Citizens Patrol (CP) continues to be a very strong component of the department and the IRT (Initial Response Team) have been involved in two lost persons situations this year. Annual training is projected out for them for the entire year and the department is very supportive of this training and the assistance they receive from this group of volunteers. It was noted what key players the CP are in the Pacific Crest Sports Festival event.

Overall, Chief Hayes believes the department is in a very good place. The attitude is great and the department is moving forward. There are some very good candidates for the police chief position and the community will have the opportunity to meet the final candidates on April 24th at 1pm at the SHARC facility. Chief Hayes thanked those in attendance today for assisting him to be successful in his interim position.

The annual report for both departments is available on the Service District Website, www.sunriversd.org.

SSD Administrator Debbie Baker announced the final candidates for both the fire and police chief positions. On the fire side the finalists are Tim Moore and Dave Pickhardt who are both with the Redmond Fire Department. For the police chief position, we have Bend Police Captain Cory Darling, St. Helens Police Chief Terry Moss and John Schmerber who is second in command for the Hillsboro Police Department.

Director Schmid commented on how impressed he was with all the candidates for both the police and fire chief positions and encouraged the SROA Board to attend the public forum next week.

In closing, President Hensley thanked everyone who participated in the meeting today and announced the regular SROA Board Work Session would commence at 1:00pm.

There being no other business, SSD Chair Fister called for a motion to adjourn the public meeting.

Director Schmid moved to adjourn the meeting. Seconded by Director Johnson, motion passed unanimously.

Meeting adjourned at 11:16 a.m.

Respectfully submitted,

Richard Wharton, SROA Secretary

Jim Fister, Chair SSD Managing Board