

SUNRIVER SERVICE DISTRICT

MINUTES OF BOARD REGULAR MEETING

3:00 p.m. Thursday, June 16, 2022

Meeting In Person and Via Zoom

Call to Order: Chair Hepburn convened the meeting at 3:03 p.m.

Roll Call: Chair Hepburn, Dir. Dishaw, Dir. Ralston, Dir. De Alicante, Dir. Foster and Dir. Beenen were present. Dir. Stephens was not present.

SSD Staff: SSD: Interim Board Administrator Mindy Holliday
Fire: Chief Moor
Police: Chief Darling

SROA Staff: Susan Berger

Public Input:

The following letter was submitted by Doug Seator and read aloud by Chair Hepburn:

I was a member of the team that developed the strategic plan for SSD. I am also a member of the Public Safety Building task force.

Some thoughts regarding the lease of land for the Public Safety Building by SSD from SROA. Depending on the terms of the lease the cost will be paid for by SROA homeowners via HOA dues or taxes for SSD or both. SSD is currently renting space for the Police Department from SROA for \$15,000 per year which is a non-issue as SROA will reoccupy the space when the PD moves out. The Fire Station is being rented for \$55,000 per year.

Some background, SROA will not have to pay to have the roof repaired a savings of about \$450,000. When SSD was formed in 2002 SROA did not transfer all the reserves for the Police and Fire Department to SSD totaling about \$200,000. I am also aware that the current cost of SROA reserves for the Fire Station is just over \$1,000,000 and this amount will remain with SROA. Put these three together it is a significant amount of money. Additionally, the land that the Fire Station is on was given to SROA.

In an effort to avoid making this a contentious issue one way to look at is who is in the best position to cover the expense. At the May SSD Board meeting SSD reported on their review of the five-year budget forecast report, and I quote from the June Sunriver Scene "which showed a potential and notable budget deficit in about three years that may require a mil rate increase."

I know SROA wants SSD to pay monthly rent plus a cost of living increase each year. If you assume a yearly rent of \$33,000 with a 2% escalation clause at the end of 99 years SSD will be paying SROA \$234,000 per year in rent.

In my opinion, SROA currently is in a better position financially than SSD. It would be nice if the two entities could find a way forward so the rent could be set at \$1.00 per month given each entities financial position and best serves the community.

Thank you,
Doug Seator
30 Oregon Loop

Consent Agenda

1. Motion to approve:

- a) May 19, 2022 Regular Board meeting minutes
- b) May 20, 2022 Joint SROA/SSD meeting minutes
- c) June 3, 2022 Special Board meeting minutes
- d) SROA monthly invoice in the amount of \$23,264.46
- e) SAIF yearly invoice in the amount of \$57,786.20

There was question about what fiscal year the SAIF invoice should be paid. Dir. Beenen advised if the insurance is for next year, it should be next year's budget.

Dir. Ralston moved to approve the consent agenda as presented; seconded by Dir. Dishaw. Motion passed unanimously.

Dir. Beenen stated his name was incorrectly spelled in last month's meeting minutes. "Beenen" needs to be changed to "Beenen." Interim Board Administrator Holliday will make the correction.

Vice Chair Ralston said the SROA Accounting/Administrative costs total roughly \$58,000 per year. He wanted to share as a point of information.

Old Business

2. Update on Public Safety Building

a. Finance Update

Dir. Dishaw said the Public Safety Building loan was locked in at 3.31% interest rate and was funded this past Tuesday. Dir. Dishaw is sending a letter of appreciation to the bank and the lawyers whom assisted in the process. There was discussion about the amortization schedule, and Dir. Dishaw confirmed there is no prepayment penalty.

b. RFP contract

Vice Chair Ralston sent out a copy of the Request for Proposals (RFP) schedule. The Board will approve the proposal at the July meeting, and Vice Chair Ralston would like any feedback by the end of day tomorrow.

Dir. Beenen asked how the contracts will be executed once selected. Vice Chair Ralston said they will be staged over a period of time. There was continued discussion about construction timing and cost.

The Selection Committee consists of Chair Hepburn, Vice Chair Ralston, John Salzer, Jim Fister and Chief Moor.

Chair Hepburn reminded the Board Vice Chair Ralston is working with a law group out of Eugene to develop the RFP, and he is submitting it to SDAO for feedback as well.

Dir. Beenen has reached out to Deschutes County Interim Treasurer Lowry about the timeline for the TRT funds to be dispersed to the District. He will follow up with a phone call.

c. Interim Board Administrator Holliday has drafted letters of appreciation to send to the Deschutes County Commissioners for their support on the Public Safety Building.

Dir. Dishaw moved to approve Board signatures on the letters to the Deschutes County Commissioners; seconded by Dir. Beenen. Motion passed unanimously.

New Business

3. Monthly Chief/Administrator's Reports

Police Chief Darling

- Emergency calls were down compared to the same time last year (51 versus 68). There were 148 non-emergency calls, compared to 157 from last year. Arrests were up. There were 38 total cases, and 17 outside of Sunriver.
- Admin – extended a job offer to Richard Guffey, Warm Springs police officer. Officer Palmer started with Deschutes County Sheriffs Office on June 1.
- Police has come to an agreement with the SRPD Association on the collective bargaining agreement. Once the Association has voted to approve it, Chief Darling will bring to the SSD Board.
- Officer Davis attended Standardized Field Sobriety Testing Instructor.
- Sgt. Lopez attended a Women's Self Defense Instructor Class. He hopes to offer classes locally in the near future. He is also assisting the Sunriver Chamber with education on retail security.
- Chief Darling and his wife Molly conducted two de-escalation trainings for Sunriver Resort staff. They also tested the panic alarm system
- Community Events – the department participated in the Three Rivers School Otter Run
- Citizen Patrol - John Noordwijk is moving and Bob Hahn is taking over as president.

Dir. Beenen asked about the statistics where it has "home" listed in the parentheses. Chief Darling will research and report back.

Fire Chief Moor

- Calls are down, but mutual aid given continued to be high. Response and turnout times remain excellent. Dir. Beenen asked what classifies as a "miscellaneous fire." Chief responded it is out of sequence fire, sometimes an illegal burn.
- There were only 14 EMS calls in April, which is very low. However, the numbers are starting to rise for the summer months. This should aid the financials for next month.
- Admin – Chief continues to hold the monthly officer's meetings.
- Chief Moor attended Central Oregon Fire Chiefs meeting. It primarily focused on wildland fires and adding weekly duty officer rotations for all central Oregon. If a large-scale fire were to occur, Sunriver would work with the Oregon State Fire Marshall's office (OSFM) for staffing and response. Dir. Dishaw asked about any future prescribed burns. Chief Moor answered the USFS has put a stop to all prescribed burns. Dir. Beenen asked if the precipitation has helped for wildfire season. Chief Moor answered it has made the grass grow much taller, and it is considered a light fuel. As soon as it dries out it is a ladder fuel and can be critical later in summer. Dir. Dishaw asked who enforces rules and regulations for Sunriver owners regarding firewood. Chief Moor answered Sunriver Fire does not write the rules, it is SROA and they have a compliance officer. Dir. Beenen stated the regulation on firewood is very lax and up to five chords is permitted. He suggested it be reduced. Chief Moor state he presented that recommendation to the Design Committee 18 months ago. He added his crews have gotten tangled up in wood piles, where it is stored can hinder their ability to do their job.
- Sunriver Fire is working with the Village to update alarm systems.
- Continue to work with Resort to accommodate their large conventions, especially one later this summer requesting a huge wall tent.
- Applied for OSFM staffing grant and received \$18,000 to help support overtime and increase capacity in staffing this summer. Chief is currently working on how to implement the grant.
- Fuel costs are starting to impact the department, as they have doubled.
- The department is providing training for electrical company in La Pine.
- Wrapping up Blue Card Command and Control training for all officers.

- There have been radio updates and programming to get ready for wildland events. Sent a 4-person crew Molalla to get their task books signed off.

Dir. Dishaw asked about mutual aid and if dollars go back and forth. Chief Moor stated the departments do not keep score, as mutual aid is mutual aid. Dollars are never traded and it's useful for the county.

Interim-Administrator Holliday

- **Public Safety Building:** Continued to work on various communication pieces, such as the design and management of the printing and mailing of a direct mailer to all registered voters in Sunriver, a social media campaign, updates to the website, and stories for the Scene. Fielded questions and received voter analysis from the County Clerk's Office up until Election Day. The Scene story for the month of July will focus on what's next for the Public Safety Building, including the RFP process and the designation of funds. Continue to work with Vice Chair Ralston on the Project Manager/Design/Construction of the new building. Met with Task Force March 31.
- **Budget:** Finalized the 2022/23 budgets and sent those to the County. Attended and answered questions at the presentation to the Deschutes County Board of Commissioners Budget Committee on May 25. Began drafting the LB1 document due in early June.
- **Administrative:** Numerous meetings throughout the month. Assisting with loan origination documents and needs for the new building. The goal is to have time this summer to utilize more training and professional development opportunities. Been working with Chair Hepburn and Vice Chair Ralston updating both chiefs' contracts. Lastly, continue to research and gather job descriptions from similar positions throughout Oregon to draft an updated job description for this position.

4. Update on SSD Administrator Position and Job Description

Dir. Dishaw said at one time it was reported specific administrative duties and tasks will be given to the chiefs, and he would like a list of these tasks. Interim-Board Administrator Holliday has the previous job description, and then has been adding to it as items come up or are presented. She added there aren't necessarily specific tasks going back to the chiefs, but they are more involved in many processes and communications that apply to their respective departments.

Dir. Dishaw shared concern about the employee setting the job description, not management. Chair Hepburn stated it is a collaboration between himself, Vice Chair Ralston, both chiefs and the Interim-Board Administrator.

Treasurer Beenen stated when he signs checks for the SSD he has trouble reading previous signatures in the supportive documents. He requested everyone print their name under their signature.

Dir. Dishaw would like Board members to be more involved and be signing documents, not necessarily the Board Administrator role. There was discussion about the financial policy and who has signature authority.

Dir. Foster asked the chiefs their opinions, and if they are having a voice in the process. Chief Darling stated he think the process is going extremely well and the communication is great. He enjoys being part of the conversations and decisions. Chief Moor said he appreciates the Board allowing the time to really evaluate the position because it will be fixed. However, more time is needed.

5. Motion to extend Mindy Holliday as Interim-Board Administrator, with Signature to Authority and Oregon State Treasury LGIP permissions for pool contacts, to September 1, 2022

Chair Hepburn stated that due to the extra work and responsibilities of this position lately, the evaluation period needs to be extended. More time is needed to truly evaluate the position.

Dir. Dishaw moved to extend Mindy Holliday as Interim-Board Administrator, with Signature to Authority and Oregon State Treasury LGIP permissions for pool contacts, after consulting with the Board Chair, to September 1, 2022; seconded by Dir. Foster.

Dir. Beenen moved to amend the motion to change the date to the September SSD Board meeting date; Dir. De Alicante seconded. The motion passed unanimously.

The original motion, with the amendment, passed unanimously.

6. Discussion on Chiefs' salary and COLA increases

Chair Hepburn stated the chiefs historically receive the same cost of living allowance (COLA) increases as the represented employees in the bargaining agreement. However, since the Fire Department contract is not finalized this agenda item will be moved to next month.

Any COLA increases decided in the July meeting after negotiations are finished will be retroactive to July 1, 2022, same as the union contracts.

7. Assignment of Chiefs and Interim-Administrator's annual performance reviews

Chair Hepburn reminded the Board when the chiefs compensation packages were discussed, it was decided to change the performance review process to make it more comprehensive. The performance reviews will include the annual performance measures and any compensation changes. Since Chair Hepburn is already very involved updating the chiefs contracts and the Interim- Board Administrator job description, he will be managing the annual performance reviews as well. He will utilize the same evaluation form from last year, created by Dirs. Dishaw and Stephens.

8. Motion to approve Resolution 2022-004 changes to SSD Employee Handbook

Interim Board Administrator Holliday said the changes to the SSD Employee Handbook were presented and discussed at the June Regular Board meeting and are to be voted on at this meeting. She reminded the Board the changes include adding Juneteenth as an observed holiday and removing the six-month probationary period required for new employees to utilize their vacation benefits.

Chief Moor said Juneteenth is this coming Monday and asked if it is to be included. Interim Board Administrator Holliday stated historically changes are effective July 1, which is the same as the collective bargaining agreements (CBAs). However, she added the Board has the authority to make the effective date whenever they so choose.

Dir. Foster asked if observing the Juneteenth holiday this year would impact operations or budget. Both the chiefs said no. Interim Board Administrator Holliday said Deschutes County already has the holiday included in their list of observed holidays, and it is a federal holiday.

Dir. Dishaw moved to authorize SSD employees to celebrate Juneteenth as a holiday effective June 16, 2022; Vice Chair Ralston seconds. Dir. Foster voted no, Dir. Dishaw voted yes, Dir. Beenen voted no, Dir. Ralston voted yes, Dir. De Alicante voted no, Chair Hepburn voted yes. The motion did not pass.

Dir. Dishaw moved to approve Resolution 2022-004 changes to SSD Employee Handbook effective July 1, 2022; seconded by Dir. Beenen. The motion passed unanimously.

9. Discussion on SROA MOU for the sale of the fire department building and land lease

Chair Hepburn gave an update on the MOU. He said it is a business negotiation, and since the situation in Sunriver is so unique, it is difficult to find a number suitable for both parties. The Board discussed how the developer transferred ownership of the land to SROA at no cost and other historically relevant information.

Mr. James Lewis, SROA General Manager, explained at the initial meeting the rationale behind the offer of leasing the land to the SSD for \$45,000 per year, with a yearly escalator of 2%. Chair Hepburn, with approval of the SSD Board, countered with \$25,000 per year and no escalator. The latest counter from SROA is \$40,000 per year, with the 2% yearly escalator.

Chair Hepburn recently met with Mr. Lewis and SROA Board Member Clark Pederson and tentatively offered \$33,000 per year with a 2% escalator. The current lease is \$66,000 per year, which they cut in half to derive the annual amount. There was discussion about this potential offer. Dir. Foster said he understood the need for an escalator when they owned the building, however, with just the land there is no cost to SROA and no need for an escalator. Dir. Dishaw agreed, however, he disagreed with the price. Dir. De Alicante said both parties are looking at their budgets and the impact. Treasurer Beenen stated there is a rational argument for not having an escalator, there is no cost with the land. He suggests \$40,000 per year with no escalator as an offer. He added Mr. Lewis has a rational justification for the \$40,000, even if the Board doesn't agree with it. SSD has not presented a reasonable argument for another base rate.

Dir. Dishaw moved to approve a proposal to the SROA Board for the lease of the land at \$40,000 per year with no escalator; seconded by Dir. Ralston.

Treasurer Beenen suggested Chair Hepburn put in the proposal the reasoning why the SSD Board doesn't believe an escalator is needed.

The motion passed unanimously.

10. Motion to approve the May 2022 unaudited financials

Treasurer Beenen said revenue has come in less than budgeted, and the drivers are property taxes and GEMT. He met with Joe Healy, SROA Controller, and the reason property tax revenue is down because the amount collected in the prior tax year was much lower than any time in the past. The District is not receiving the amount from that previous year as assumed. Treasurer Beenen stated this amount reflected in the FY 22/23 budget was lowered substantially. Chief stated GEMT revenue is coming, but it is less than the \$45,000 assumed.

As for expenses, the Police, Bike Patrol, and Fire are underbudget for the month and year to date. Administration is underbudget for the month, but overbudget for the year due to a severance settlement.

The 715 Operating Budget has a balance of \$6.4 million, however, \$3 million is earmarked for the Public Safety Building and the remainder will fund operations through October until the District starts receiving property taxes in November.

The 716 Non-Operating Budget has a balance of \$2.4 million. The recent capital reserve analysis shows this account is adequately funded.

Treasurer Beenen said the Board should see the additional 717 fund next month, which will house all accounting for the Public Safety Building. Mr. Healy can modify the statement to reflect how the Board wants the numbers reported.

Dir. Ralston moved to approve the May 2022 unaudited financials; seconded by Dir. Dishaw. The motion passed unanimously.

11. Review May 2022 SROA Board meeting

Dir. Beenen reported there was an update to the Rules and Regulations manual, which included a speed limit on the pathways. Also, there is a request by the Sunriver Airport to remove trees around the runway.

Other Business

Chair meets with SROA president for the second quarter meeting in June, reporting results in July. The Deschutes County Board of Commissioners will vote to adopt the SSD Budget on Wednesday, June 22 at 9 a.m. The next SSD Board meeting is July 14, 2022.

Dir. Dishaw moved to adjourn; seconded by Dir. Ralston. The motion passed unanimously.

Meeting adjourned at 5:30 p.m.

Chair Bill Hepburn
Interim Board Administrator, Mindy Holliday

APPROVED