

SUNRIVER SERVICE DISTRICT

MINUTES OF BOARD REGULAR MEETING

1:00 p.m. Thursday, March 2025

Meeting In Person at Seator Hall Conference Room and Via Microsoft Teams

Call to Order: Chair Fister convened the meeting at 1:01 p.m.

Pledge of Allegiance

Roll Call: Chair Fister, Dir. Ralston, Dir. Hepburn and Treasurer Kelley were all present. Vice Chair Shoemaker not present.

SROA: Bill Burke

SSD Staff: Fire Chief Boos, Interim Chief Cory Darling, AIC Captain Jason Van Meter and Administrator Holliday

Public Input:

Sunriver resident Debbie Baker shared concerns about the current state of the SSD budget. She advised in 2023 she addressed the board and asked them to act to mitigate future budget issues. The five-year forecast showed a significant downward trend with no revenue increase. In 2024, she again addressed the board with the same concern with looming instability facing the District. She stated there seems to be a disconnect between revenue and spending. The current draft budget shows a surplus of \$39,000, but there is nothing going to the reserve fund. With a normal transfer, there would be about a \$300,000 deficit. Baker added at the strategic planning meeting, the reserve study recommended to double the reserve contribution. Reserves are important, not only for capital outlay items, but to run the business from July to November because tax revenues are not collected until November. She said in the December 23, 2024 minutes Chair Fister asked for a discussion about mitigating future budget challenges and Baker wanted to know if that ever took place, what was driving SSD's five-year forecast and what kind of mitigating strategies the chiefs have for their budgets. She would like to know the strategy for moving forward and suggested getting "experts" involved to help lay out a strategic plan for the budget.

No further public input.

Consent Agenda

1. Motion to approve:

- a. February 20, 2025 Joint SSD/Deschutes County Board meeting minutes
- b. February 20, 2025 Regular Board meeting minutes
- c. February 28, 2025 Special Board meeting minutes
- d. March 6, 2025 Special Board meeting minutes
- e. COLES/CODE invoice in the amount of \$14,307.00
- f. Ahava Healthcare invoice in the amount of \$23,106.00
- g. Deschutes County 911 invoice in the amount of \$22,015.87 (added at meeting)

Chair Fister noted item g. was not on the paper agenda, but it was in the electronic board packet. Administrator Holliday stated it had come in late and asked to add it to the Consent Agenda.

Dir. Ralston moved to approve the consent agenda as presented; seconded by Treasurer Kelley. All Board members voted yes, but Treasurer Kelley abstained. Motion passed

Old Business

2. Public Safety Building

a. Public Safety Building Construction Update

OR/PM Nelson advised there are last-minute items being completed. He is waiting for the operating manuals and the final built drawings. Close out is pending for the SROA permit, but there will be a few modifications and changes to perform identified during construction. The final Certificate of Operation with Deschutes County was obtained. Nelson stated things are wrapping up, but he continues to audit and wait for some furniture items.

b. Motion to Approve February 2025 Funding Requests in the total amount of \$841,991.28.

- i. KMB Architects invoice in the amount of \$34,959.52
- ii. Systems West Engineers invoice in the amount of \$1,620.00
- iii. Nelson Capital invoice in the amount of \$9500.00
- iv. Kirby Nagelhout Construction invoice in the amount of \$642,693.11
- v. Honeywell invoice in the amount of \$31,558.63
- vi. Rose City Office Furnishings invoice in the amount of \$105,077.51
- vii. Structured invoice in the amount of \$572.00
- viii. Cook Solutions Group invoice in the amount of \$2,880.00
- ix. Bend Fire Pipe & Drum donation in the amount of \$500.00
- x. Costco invoice in the amount of \$599.97
- xi. Home Depot invoice in the amount of \$1,460.59
- xii. SSD Reimbursement for PSB Open House items in the amount of \$6,055.00
- xiii. SROA invoice in the amount of \$600.00 (added at meeting)
- xiv. 3BK Sign Company invoice in the amount of \$3914.96 (added at meeting)

Dir. Ralston moved to approve the funding request in the amount of \$841,991.28, including a new commitment of \$300.00 of previously uncommitted costs; seconded by Dir. Hepburn. No further discussion.

No additional discussion. The motion passed unanimously.

Nelson added two items were permitted costs he had listed in his report; Day Wireless not to exceed \$5873.37 to replace the existing radio station and Revised Hardware for door passage sets with additional keys for \$6591.00.

Dir. Ralston moved to approve an additional "not to exceed" \$12,000 funds for replacing the existing radio and purchasing new door passage sets with keys; seconded by Dir. Hepburn. No further discussion. The motion passed unanimously.

Administrator Holliday clarified the motion was not to exceed \$12,000 and the invoices have not yet been received. Chair Fister and Nelson both advised that was correct. Administrator Holliday advised she needs all FY 25 budget adjustment information, as she will be presenting it to the Deschutes County Commissioners next month. Nelson advised the final KNCC budget audit changes will be included.

c. Discuss final construction costs

Nelson will go through the KNCC final construction cost changes at next month's meeting.

3. Update of Reserve Study with included Public Safety Building costs

Dir. Ralston advised Certa will complete the reserve study for the new public safety building, as well as the entire reserve study for the District. When the reserve study is done, it will have a three-part study; 1) Police/Fire reserve study and analysis, 2) Building reserve study, 3) combination of the two together.

Chair Fister advised there have not been any conclusive recommendations from Certa yet on how to fund reserves. Dir. Ralston advised the goal has been to keep the building separate so any funds left from construction will be in a stand-alone fund, generating interest for those funds only to have a building reserve.

4. Update on most recent SSD Strategic Plan

Chair Fister would like to table approving the Strategic plan until the April meeting to allow for some further discussion.

5. Update on SSD Nominating Committee

Dir. Ralston advised last month the charter was presented and approved. Ron Schmid completed the application forms and Administrator Holliday would post them on the website and advertise in The Scene. Schmid, Ex-officio Randy Schneider, Dir. Hepburn and Dir. Ralston will be on the committee. There is one more spot available. Chair Fister advised applications will be accepted through May, the nominating committee will be conducting interviews in June and then will make their recommendations to the county in July.

New Business

6. Monthly Chief/Administrator's Reports

Administrator Holliday:

- Working on developing the FY 25/26 budgets. The budget committee members have been finalized; Dennis Dishaw and Mitch Cooney, which was approved by Deschutes County Commissioners.
- Worked with CPA on conflagration fund reimbursements and how to allocate those correctly.
- Former budget committee member, Bette Butler, has been assisting with the Excel portion of the budget.
- Worked with SAIF on the workers compensation audit. The district will receive a credit.
- Met with Deschutes County Legal on a few payroll items.
- Provided support to employees regarding HR benefits and the deferred compensation program.
- Assisted with the Police Executive Assistant hiring process.
- Working with other agencies regarding employee background investigations.
- Off boarding of various employees.
- Working on a lateral police officer hiring process.
- Working with both police and fire regarding contract negotiations.
- Working with nominating committee to get the documents on the website.
- Attended various meetings.

Fire Chief Boos:

- Review of Monthly Statistics. Turnout times have gone down from 3 minutes to 1 ¾ minutes, which can be attributed to not being in a construction zone and the new alerting system.
- Working on the budget. Thanked Debbie for her comments and advised we are listening.
- Union negotiations are ongoing.
- Attended the south county breakfast, which was well attended.
- Attended the La Pine Basin All Lands Partnership meeting with USFS, ODF and various other agencies, to talk about controlled burns and clearings coming up in the Newberry Division.

- Working with the Oregon Fire Chief's Association on forest land classification. There is no impact to Sunriver proper.
- Sitting on the ODF/Oregon State Fire Marshall funding committee, which has been a hot topic in the media recently. Working on getting stable funding to deal with wildland fires.
- Sent the board the drought monitor for this summer and it looks like the state is out of a drought. Reservoirs are fuller and there is snowpack, however, that can lead to more ladder fuels. Chief reiterated fire seasons are hard to predict.
- Working with the Deschutes County Emergency Management planning committee. Will be meeting with Caldera, Crosswater, La Pine Fire, Midstate, Sunriver Properties and all the players around Sunriver for some emergency management conversations to discuss roles in a major disaster.
- Chief Boos is the Fire Defense Board Chief for Deschutes County and has been working with OSFM.
- Gearing up for the Central Oregon Wildfire School (COWS). Chief Bjorvik is heavily involved and it is great wildland training for the structural agencies around Central Oregon.
- Annual physicals have been completed and the District will receive a monetary kickback from insurance to recoup some of the costs.
- Gearing up for wildland season; conducting various trainings to include progressive hose lays and structural protection.
- No community events.

Chair Fister asked if the Fire Department will resume joint trainings, prior to construction of the new building, and Chief Boos advised yes, and it is mainly with USFS. He added Deschutes County Emergency Manager Nathan Garibay was promoted and they will be filling his position.

Chair Fister advised at the last meeting there was a discussion to have a joint meeting with La Pine Fire to discuss a common agenda. Chief Boos and he have proposed an agenda to La Pine Fire, and they are now working on a date sometime in June. Once the date is set, he will reach out to the board members to see who would like to attend.

Interim Police Chief Cory Darling:

- Review of Monthly Statistics.
- A final job offer was extended to a police officer out of Washington County. She is set to start on April 15, 2025.
- One officer accepted a position with Prineville Police Department and another officer is anticipated to transfer to Bend Police Department in mid-April. There are two other officers in backgrounds with other agencies.
- Lateral Officer interviews were conducted this week and two of the applicants are in backgrounds.
- The Executive Assistant position is currently in backgrounds, and we anticipate her starting April 1.
- Accreditation is still up in the air. The department was supposed to have the onsite review this month and it has yet to be scheduled.
- MIT deployed to Madras for an officer involved shooting. SPD sent an officer to assist.
- SPD participated in a multi-agency traffic safety program. AIC Captain Van Meter advised there were 20 police officers on the detail at once for about 4 hours. Made over 400 traffic stops in a few days and over 200 citations. There was a huge difference from Monday to Wednesday in traffic violations because the word got out that officers were out there.
- Attended a very successful open house for the new Public Safety Building.

Chair Fister noted one of the officers moving on to another agency is the drone operator. He asked Chief Darling the plan for drone program. Chief Darling advised he would leave it to the next administration and staffing levels.

Chair Fister advised he received information from police officers who were pleased with the response of SROA Public Works on some traffic issues involving snow and downed trees over the weekend due to the storm. Chief Darling gave a shout out to James (Lewis) and his team for the assistance they gave pulling one of the officers out of the snow who was stuck.

7. Discussion on the FY 24-25 Reserve Fund Transfer

Admin. Holliday advised the current reserve fund transfer is \$345,000 for this fiscal year. She requested feedback or concerns prior to the transfer being made. Chair Fister said in FY 23/24 the board had decided to do it fairly early in the year and this year it was decided to hold off until closer to the end of the fiscal year. Administrator Holliday said the reason why it is usually held off until May is because the reserve fund is not a cash account so anything paid for out of the capital account is paid for out of operating. At the end of the year, Administrator Holliday takes what the current contribution will be and subtracts what has already been paid by operating, and then the difference. Therefore, it is just one transaction.

Last fall, there was discussion having the reserve fund contribution coming from the 717 account as opposed to the 715-operating account. Administrator Holliday asked the Board which fund they would like to use for the reserve fund contribution. Dir. Ralston said he would like the 717 funds to stay in the 717 budget to build an endowment for the building. Chair Fister advised although other options were explored last year the consensus was to leave the interest in 717, so 715 would be the target contribution fund.

8. Review first draft of FY 25/26 715 Operating, 716 Capital and 717 PSB Budgets

Administrator Holliday discussed the first draft of the FY 25/26 budget.

Chair Fister advised the budget committee meeting was noticed for next Monday and the notification was submitted to the proper media outlets within the required 10-day. The news media failed to publish it in the paper on Friday, although they did put it online on Friday. The Department of Revenue advised because a best effort was made and it was noticed online on Friday and in the paper on Tuesday that it was acceptable.

715 Operating Fund

She pointed to the items in yellow on the spreadsheet that need to be worked on and she reminded the board this was still in draft form. She stated she would like the board to look at the FY 24/25 numbers and the proposed FY 25/26 numbers. The actual year-to-dates figured are as of March 10. Administrator Holliday would like to know if there are any concerns or feedback.

Administrator Holliday advised in FY 25/26 in the requested funds for resources, she exercised on the side of caution. The millage rate is at \$3.45, the assessed value from the county is 1.9 billion and the projected increase is 3.2%. She pointed out the following changes to resources:

- The District has been receiving more tax revenue from “prior year tax collections,” so the amount was increased from \$30,000 to \$50,000.
- A change in how to credit back conflagration funds collected. The CPA suggested no longer credit back funds to payroll line items. Therefore, the Conflagration revenue line item has increased. Also, both Chief Boos and Deputy Chief Bjorvik are able to respond, when in the past only Deputy Chief Bjorvik could respond.

- Ambulance runs are down, which means ambulance revenue is down. Reduced ambulance revenue from \$500,000 to \$400,000.
- Bad debt expenses go down when ambulance revenues go down.
- GEMT has been cut in half. OHA is not capturing all the funds. There is a lot of legislation surrounding GEMT funds right now. Sunriver proper doesn't have a lot of Medicaid/Medicare patients.

Administrator Holliday estimates the total amount of revenue at about 6.9 million. Due to this being still in draft form, she asked the Board to ignore the beginning network capital as it is still being resolved. The total department requirements at 6.8 million, which leaves \$39,000 as a surplus for the budget year if the finances keep going along as is.

The following items have been cut from the budget to have a \$39,000 surplus:

- No transfer to the reserve fund for next year. Chair Fister advised he would like the budget committee to discuss this item and report back to the board.
- The contingency has been lowered from \$90,000 to \$40,000.
- Each department has made concessions.
 - The Police and Fire chiefs are slated not to receive a COLA.
 - SSD was unable to make Executive Assistant position full-time.
 - Police will leave the captain position open until January 1, 2026.
 - Fire is reducing overtime by \$50,000 and is cutting back \$50,000 on the Reserve Program.

Administrator Holliday advised there has been a lot of movement between budgets, as SSD will take over the line items for costs now expected to impact all departments, such as utilities, etc.

Chair Fister advised he would like the budget committee to focus on where the District should cut and where we are increasing the budget and pay specific attention to the transfers from Police and Fire to Administration.

Administrator Holliday stated she received the audit from PERS, which is completed every two years, and the minimum amount PERS is increasing for every public agency is 4%. Based on our internal accounting and reconciling, the District will only receive the 4% impact. There are some agencies that have been off on their contribution and are seeing a double-digit increase. There is also an increase of 6% for health insurance costs and there is a large increase to property insurance due to the new building.

Chair Fister advised the budget models a 3% increase for most personnel, but police and fire are in negotiations with their respective unions.

716 Reserve Fund

Administrator Holliday advised 716 only receives money if there is a transfer or through interest income. Therefore, per prior discussion, no transfer was recorded. She added interest rates may be coming down, so the interest line item was reduced to \$100,000.

The requirements requested total \$131,000. Fire has requested a new Ford F250, PPE Fan and the Chest Compression System. Chief Boos advised the pickup they are currently using for response is old and has high mileage. He would like to look at sponsors individuals to go out on assignments and SSD would be reimbursed for the use of the vehicle. It is a practice done across the state. Chief Darling advised the

only capital expense police is asking for is a suppression system for the patrol rifles, which limits the noise when fired.

Administrator Holliday pointed out that there is less money going into fund 716 next year than there is going out and asked if the board had any feedback or direction for the budget committee. Chair Fister said he doesn't like the reserve fund brought down, so his question to the budget committee would be should the District increase the standard reserve contribution by "X" percent each year or be looking at it as a percentage over the drawdown.

717 Public Safety Building Fund

Administrator Holliday advised the 717 is the fund for the public safety building and there will be less activity next fiscal year. She stated this fund is more difficult when the beginning and ending net working capital are still in draft form, because those funds are utilized as opposed to the other two funds. Total costs for the next fiscal year are roughly \$140,000 for construction to wrap up a few things after July 1, and then it is the loan payment. For the resources, the levy proceeds are based on the same estimations as 715. She was more conservative with the interest earned because interest rates are coming down. We are getting to a point where the amount coming in is equal to the amount going out because of the construction costs being mostly happening in this fiscal year.

Chair Fister advised he would like the budget committee to consider the 5-year projections when looking at the budget for FY 25/26.

9. Motion to approve Resolution 2025-003 approving the FY 25/26 Fee Schedule

Administrator Holliday advised it's the time of year where the fee schedule for the district can be changed prior to going to the County for approval.

She stated there were a few items where she suggests electing to go with an "actual cost of service" model, which means the District charges the actual costs to perform the service. When looking at the County's fee schedule this is a model that they are also utilizing. This model does require the District to provide an estimate to the requester.

The overall look of the fee schedule is a little more organized and some of the language was cleaned up. Added to the schedule is a research fee, fire incident fee and digital media request fees. Chief Boos advised the EMS transport fee is low compared to other departments. He is requesting to change it to \$2,000, which he stated is about average for other central Oregon departments.

Chief Boos advised he has a problem with the \$250 non-transport fee and would like to have more conversations around that fee at a later time.

Dir. Ralston moved to approve Resolution 2025-003 FY 25/26 Fee Schedule.; seconded by Treasurer Kelley.

Dir. Ralston asked Chief Boos which county has the highest transport rate. Chief Boos responded it was Jefferson County with \$2500.

Motion passed unanimously.

10. Discussion on Sunriver Police Chief transition

Chair Fister thanked Chief Darling and AIC Captain Van Meter for the administrative work they have been doing. Chief Darling's contract ends at the end of March and COCC would like to have him back

April 1, 2025. Captain Van Meter will remain as AIC Captain. The new police chief is targeting a May 1, 2025 start date. He added the District does have support from the other agencies to make sure there is coverage until the new chief arrives.

11. Discuss topics for joint meeting with SROA Board in April

Chair Fister advised the annual joint meeting with the SROA Board will be held in April, it typically occurs the Friday morning after the Thursday SSD board meeting. Agenda items were discussed.

12. Motion to approve January and February 2025 unaudited financials

The January unaudited financials were not discussed at the last meeting and will be discussed today. Administrator Holliday stated it was due to Quickbooks and First Interstate Bank having technical issues.

Administrator Holliday reviewed the February financials. She noted on the bottom of the Statement of Financial Position there is a due/to from 716. It shows there has been \$118,000 paid out of 715 for 716 Capital expenses. This is where she will subtract the \$345,000 reserve fund transfer to reconcile the accounts as mentioned before. She also added the due to/from 717 is a negative, so 715 owes back to 717 funds because more has been transferred than spent.

715

Conflagration Reimbursement is well over budget, as both chief's were out on fires and it was a busy season. Police and Fire overtime is overbudget. Some of this in the fire department is due to an accounting policy change and the OT for conflagration fires was not credited back. Administration salary and benefits are right on track. Administrator Holliday stated contract services in Administration will be going up because Chief Darling was paid through a contract. Therefore, Police will show a savings in the chief payroll account.

Administrator Holliday stated the District is currently under budget for the fiscal year, so far, in part due to personnel salary savings.

717

There are several 717 line item totals over budget or getting to the 90% range. A budget adjustment will be required, but the exact figures are unknown at this time. Administrator Holliday advised next month she will have the budget adjustments ready for review showing how much is needed for construction for the rest of this fiscal year. Chair Fister advised he would like what is presented to the County in a memo form.

Dir. Hepburn moved to approve the January and February 2025 unaudited financials; seconded by Dir. Ralston.

Chair Fister commented there will be additional costs next month as we bring on Bike Patrol.

Motion passed unanimously.

13. Review of March 2025 SROA Board meetings

Bill Burke, SROA Board member gave a review of the SROA March Board Meeting:

- CSO Ashley Steinbrecher has been great to work with on the Pathway Task Force. There is a communications work group meeting quarterly to increase communication and education with owners. Stakeholders are participating, as well.
- Administration building remodel is progressing and should be completed in a couple of weeks.
- SROA is moving to an online voting system for Board members.

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

Meeting adjourned at 2:53 p.m.

Submitted by Administrator Holliday

APPROVED