

SUNRIVER SERVICE DISTRICT

MINUTES OF BOARD REGULAR MEETING

3:00 p.m. Thursday, March 14, 2024

Meeting In Person at the SROA Board Room and Via Microsoft Teams

Call to Order: Chair Fister convened the meeting at 3:01 p.m.

Roll Call: Chair Fister, Vice Chair Shoemaker, Dir. Hepburn, Treasurer Beenen, Dir. Ralston, Dir. Kelley were present. Dir. De Alicante joined via teams at 3:02 p.m.

SSD Staff: Fire Chief Boos, Board Administrator Holliday

SROA Staff: Susan Berger

Public Input: Chief Boos introduced Oregon State Fire Marshall Chief Ruiz-Temple, who was visiting for the Incident Management Team conference.

Debbie Baker, Sunriver resident, shared her concerns for the SSD FY 24-25 proposed budget. She presented a written statement highlighting her thoughts regarding the financial stability of the District.

Consent Agenda

1. **Motion to approve:**
 - a. **February 15, 2024 Regular Board meeting minutes**
 - b. **SROA Invoice in the amount of \$6,530.24**

Dir. Ralston moved to approve the consent agenda; seconded by Vice Chair Shoemaker. Motion passed unanimously.

Old Business

2. **Public Safety Building Update**
 - a. **Public Safety Building Construction Update**

OR/PM Nelson said the permits are active, and the permit fees for the covered parking structure are included in the current funding request. KNCC representative, David Martin, stated sheet rock and taping has begun. The Police Department first floor wall texture will begin the following week on an accelerated timeline, followed by paint. In early April, crews will remove and shore up existing trusses, work on plumbing, and prepare for the slab install. Trusses will be installed on East Apparatus Bay in the next week. The Fire department personnel will occupy a portion of the new building temporarily beginning in June/July so work can progress into existing station. OR/PM Nelson stated the construction completion date is still on target for January 2025.

- b. **Motion to Approve February 2024 Building Funding Requests in the total amount of \$1,121,695.86**
 - i. Nelson Capital invoice in the amount of \$9,500.00
 - ii. KMB Architecture invoice in the amount of \$29,057.64
 - iii. Carlson Testing Inc. invoice in the amount of \$720.00
 - iv. Kirby Nagelhout Construction invoice in the amount of \$1,067,735.50
 - v. Eds Propane invoice in the amount of \$5,627.40
 - vi. Sunriver Christian Fellowship invoice in the amount of \$1,000.00
 - vii. Premiere IT Invoice in the amount of \$5,707.00

viii. Deschutes County invoice in the amount of \$2,348.32

Dir. Ralston moved to approve the invoices as presented; seconded by Dir. Hepburn. The motion passed unanimously.

c. Motion to approve Potential Change Order 2,3, and 4 for a total of \$237,944.30 of Owner Contingency to KNCC/GMP

Potential Change Order #002 includes all architectural supplemental instruction issued after the GMP. This includes any permit comments and items missed up to the conformed set. Potential Changer Order #003 includes low voltage capability and various systems where full information was not available at the time of the contract. Potential Change Order #004 included changes and clarifications to the original contract.

Vice Chair Shoemaker moved to approve PCO 2,3, and 4 for a total of \$237,944.30 of the Owner Contingency; seconded by Dir. Ralston. The motion passed unanimously.

d. Motion to approve Public Safety Building Reserve Study in the amount of \$5,380.00

Tabled to next meeting.

e. Review of monthly memo to Deschutes County Commissioners

There was a change to the Budget Breakdown table. Administrator Holliday will correct prior to sending the memo.

f. Arbitrage Rebate Liability Update

Administrator Holliday consulted with Commerce Bank regarding the interest income from the \$7 million loan received by the District for construction of the new Public Safety Building. There needed to be further exploration that there was not an Arbitrage Rebate Liability for the District, as the IRS does not allow an entity to take a loan and then invest the funds at a higher interest rate. Any difference made is owed to the IRS. Commerce Bank and Deschutes County recommended the firm Arbitrage Compliance Specialists, Inc. After their assessment, it was concluded the District owes the IRS zero dollars. There is one additional piece Administrator Holliday would like to explore, and that is reaching out to Orrick, the legal team that assisted in the loan, to verify there is no issue using the interest income as deemed by the Board in the loan documents.

3. Update on Deschutes County/SSD Management Agreement

Chair Fister, Vice Chair Shoemaker and members of staff presented proposed changes to the Management Agreement to the Deschutes County Commissioners. Overall, the County was receptive to the changes, but would like to get feedback in writing from SROA. Dirs. Ralston and Hepburn shared that SROA representation and collaboration with SSD is essential for a continued relationship. Dir. Hepburn expressed concern about language stating an SROA President could appoint a Board member to the SSD Board. He also expressed concern over a position being appointed to a Sunriver business owner without guaranteeing they live within the District.

4. Update on SSD Strategic Plan

Vice Chair Shoemaker has met with Administrator Holliday, Chief Lopez and Chief Boos to get an outline based on prior Strategic Plans to align with a similar format. He would like to include a financial outlook as part of the strategic plan. His goal is to have the final plan done by late fall. Vice Chair Shoemaker would like to include SROA input as well.

New Business

5. Monthly Chief/Administrator's Reports

Change of SSD monthly meeting date and time

Administrator Holliday presented the Board with a proposed change to the regular Board meeting time and consistency of day the meetings fall each month. She proposed moving the start time from 3 p.m. to 1 p.m. and making Board meeting dates the third Thursday of each month consistently. There was discussion about the need for Board materials to be finalized and available at least 48 hours in advance for review. In addition, there was concern about the time change for Board members that work full time.

Dir. Ralston moved to change the SSD Board Meeting start times to 1 p.m. on the third Thursday of the month consistently; seconded by Dir. Kelley. Dir. Hepburn asked that the Board assess this at a later date to see if it is still working for all Board members. Dir. De Alicante and Treasurer Beenen voted no; all other Board members voted yes. The motion passed.

Administrator Holliday:

- Accounting: Administrator Holliday continues to work on the 24/25 fiscal year budget and address various financial questions and concerns. She also continues to manage payroll, cash management for LGIP funds, and First Interstate Bank accounts.
- Payroll: Met with ADP to address internal controls for pay rate access for those entering payroll. Reconciled PERS statements from previous months and ensured calculations are correct. Working on payroll liabilities every two weeks, as well as verifying pre and post-tax deductions.
- Human Resources: Administrator Holliday was invited to attend a City of Bend/Bend Fire & Rescue HR gathering to discuss Oregon Paid Leave. Administered onboarding and offboarding for employees. Met with legal counsel on updates to employee handbook.
- Operations: Attended Deschutes County Board of Commissioners Work Session on Management Agreement and 2024 annual State of South Deschutes County Breakfast. Met with Kathleen Hinman, Deschutes County HR Director, to gather information on Deschutes County health insurance plan. Attended the annual Oregon Government Finance Officers Association conference in Sunriver and a virtual National Public Employer Relations Association training. Working on various ancillary items for the Public Safety Building including accounts payable and monthly Scene story.

Police Chief Lopez: Not present at the meeting due to emergency in the area. Chair Fister directed the Board to refer to the Sunriver Police Department Memo in the Board packet. Treasurer Beenen asked about an on-duty MVA (motor vehicle accident) noted under operations. Administrator Holliday will ask Chief Lopez to submit a summary to the Board regarding the accident.

Fire Chief Boos:

- Calls For Service: There was a structure fire on Coyote Lane caused by ashes in a trash can. There was significant damage to the exterior of the home. Overall EMS calls are up in 2024, compared to 2023. However, public assistance calls are similar to last year at this time. Turnout time is up, but response time is down. Mutual aid given in 2023 is higher than 2024, but mutual aid received in 2023 is lower than 2024. Chief Boos said Sunriver is continuing to integrate operations with La Pine Fire. Training was down in February due to snow levels.
- Administrative Update: In the process of hiring Firefighter/Paramedic. Began with six applicants, two could not make the assessment, two failed the skills stations, but two remaining applicants will continue with process. Chief Boos and Deputy Chief Bjorvik worked shifts due to staffing levels being short. He said they enjoyed it, and Chief Boos was able to get to know the staff

better. The Department applied for a grant to replace SCBA's (breathing apparatus) but will not know if they will be awarded for quite some time. Chief Boos met with Sunriver Police and Deschutes County Sheriff's Office about evacuation routes, setting up evacuation plans, and zone evacuations for Sunriver. Transitioning staffing program from Aladtec to Vector Solutions. Moving away from Lexipol for policies to save money. Working on workman's compensation, property and casualty insurance for the District and sent out three requests for proposals. Chief Boos was elected as Fire Defense Board Chief for the Tri-County area representing all Fire Chiefs in the area and acts as a representative to the Governor if a wildland fire were to break out. Chief Boos also attended the Northwest Leadership Seminar.

- Operations Update: Monthly trainings are down due to weather. The officer's meeting with La Pine Fire went very well.
- Community Events: Attended the South County Chamber Event, and the fire crews went to Seattle for the Fill the Boot fundraiser and raised \$12,000.

6. Motion to approve Revised Resolution 2024-002 to use \$1,000 of FY 23-24 716 Contingency Funds for Police Capital Expenses

In the January 2024 meeting, the Board approved to increase the 716 Police Capital Expenses by \$1,000 to cover the increased cost of upfitting the new police vehicle. However, Administrator Holliday was advised instead to move \$1,000 from the 716 Contingency to this expense line to cover the funds needed.

Treasurer Beenen moved to approve Revised Resolution 2024-002; seconded by Dir. Ralston. Motion passed unanimously.

7. Discuss Deschutes County Health Insurance options for non-represented SSD employees

In an avenue to look at cost savings for the District, Administrator Holliday reached out to Deschutes County regarding our options to move non-represented SSD employees to the Deschutes County health insurance plan. County legal stated represented employees would not be covered. The breakdown Administrator Holliday provided shows significant cost savings for the District. The Deschutes County plan is self-insured, therefore would require a buy-in amount to provide a contribution to the reserve fund. She is unsure of that amount at this time. She also shared a comparison of the current benefits for the SSD plan as well as the Deschutes County plan to ensure the DC plan is comparable, if not better. A significant benefit of the DC plan is an employee/dependent only health center for preventative, prescription, and urgent care needs. Chair Fister recommended discussing potential changes with current eligible employees to get their feedback.

8. Discuss SSD Budget Committee FY 24/25 recommendations and review draft budgets

The Budget Committee Meeting is scheduled for March 26, 2024. Notification of this meeting will appear in the Bend Bulletin and the SSD website. Administrator Holliday stated the Budget Committee is recommending the millage rate increase to \$3.45/\$1,000 of tax assessed value. They also recommend the reserve fund contribution does not come from the 715 Operating Fund for FY 24/25. The Budget Committee would like the Board to approve both recommendations during this meeting to allow for changes to be made for the public meeting on March 26.

Chair Fister expressed concern that if the \$3.45 millage rate was implemented, there would be no room for increase for several years. Dir. Ralston felt the District should set it to \$3.45 because the proposed budget shows the funds are needed. Also, in order to assist in the request for the Transient Room Tax (TRT) dollars from the County the District needs to show there is a need. Treasurer Beenen shared concern about not putting any money into reserves could lead to various issues.

Administrator Holliday discussed the increase in the Administration budget stems from SSD taking on various outsourced pieces such as accounting, HR, finance, and payroll. The goal is to keep these areas in-house and manage them internally by distributing job responsibilities and changing job descriptions and the SSD Board Administrator role.

It was determined a Special Meeting would need to be held with Chief Lopez present to further discuss the proposed budget. The meeting was scheduled for Tuesday, March 19, 2024 at 2 p.m. Dir. Hepburn requested Administrator Holliday, Chief Lopez and Chief Boos submit areas of their budget they could cut costs.

9. Motion to approve SSD millage rate increase to \$3.45/\$1,000 of tax assessed value

Item tabled until Special Meeting on March 19, 2024.

10. Motion to approve the February 2024 unaudited financials

Treasurer Beenen provided the February 2024 unaudited financials.

715 Operating Fund:

Treasurer Beenen stated revenue came in higher than expected due to property taxes. Police and Fire expenses are under projected amounts, primarily due to personnel vacancies. Administration came in over, budget primarily due to the accounting contract and midyear auditor assessment. He added the current amount of funds are needed to keep the District funded through the end of October, until the property taxes begin to come in again.

716 Capital Fund:

There is not a lot of activity, as most expenses have already been posted. Revenue is being driven by interest income.

717 Public Safety Building Fund:

The account is below projected spending for the month, primarily due to the late start with construction. Overall project projection is still at budgeted amount.

Dir. Ralston moved to approve the February 2024 unaudited financials; seconded by Vice Chair Shoemaker. Motion passed unanimously.

11. Review January 2024 SROA Board meeting

Dir. De Alicante provided an update on the last SROA Board meeting, which included the four vacancies on the SROA Board, TRT funds update from the County, Owner Survey and the Joint April Board Meeting.

Meeting adjourned at 5:45 p.m.

Submitted by Board Administrator, Mindy Holliday