SUNRIVER SERVICE DISTRICT

MINUTES OF BOARD REGULAR MEETING
1:00 p.m. Thursday, June 18, 2026
Meeting In Person at Seator Hall Conference Room and Via Microsoft Teams

Call to Order: Vice Chair Shoemaker called the meeting to order at 1:00 PM
Pledge of Allegiance
Roll Call: Chair Fister, Vice Chair Shoemaker, Treasurer Zook, Dir. Kelley and Dir. Stephens were all present.
SROA: Ex Officio Harrison
SSD Staff: Fire Chief Boos, Police Chief Rasic, Lt. Van Meter, Administrator Holliday, and Executive Asst. Popp

Public input: None

__Consent Agenda__

1. **Motion to approve:**
    a. May 15, 2026, SSD/SROA Joint meeting minutes
    b. May 21, 2026, Regular meeting minutes
    c. SAIF Workers Comp FY26-27 Invoice in the amount of $135,069.97
    d. Hughes Fire Invoice in the amount of $10,987.80
    e. Signature on DC911 Radio Service Agreement and Technical System Support contracts

Director Stephens noted a correction to the May 21, 2026, meeting minutes. In Section 3, the phrase "both fire chiefs" was revised to "both chiefs." The correction has been made.

Vice Chair Shoemaker requested an overview of the workers' compensation insurance costs, including the increase from the previous year and mitigation efforts. Administrator Holliday explained premiums are based on employee salaries and job classifications, with higher rates for police and fire personnel. Salary information is submitted annually to calculate the premium, followed by a year-end audit typically results in a credit due to salary savings from vacancies. She reported an approximately 8% premium increase this year, driven by both overall increases in workers' compensation insurance rates and one significant claim that will remain in the experience rating for one more year. Once that claim is removed, premiums are expected to decrease. She added the SSD Safety Committee focuses on reducing workplace injuries and claims. The annual premium is included in the budget and requested board approval so payment can be made after July 1 to qualify for the early payment discount.

When asked about the Hughes Fire invoice, Chief Boos explained it was for the annual maintenance and inspection of heavy equipment. During the inspection, several safety-related repairs were identified and completed, including replacement of tie rods, a wheel alignment, and repairs to leaking pressure lines.

Treasurer Zook moved to approve the consent agenda; seconded by Director Kelley. The motion passed unanimously.

<u>Old Business</u>

2. **Update: Public Safety Building Construction/Drywell Project**
   Chief Boos reported the engineering work, bid documents, and contract language for the drywell project has been completed, and the project is currently out for bid. Bids are due by 3 p.m. on July 1 and will be evaluated based on price, qualifications, and contractor experience. The evaluation committee, consisting of Chief Boos, John Ralston, and Deputy Chief Bjorvik, will review the bids and present a contract award recommendation to the Board at the July meeting. Construction is expected to begin after August 1 and take approximately two to four weeks to complete. Chair Fister added the project has already received design review approval from SROA.

3. **Update: Status of SSD Reserve Study**
   Administrator Holliday has been working with both chiefs to review the inventory list and identify needed corrections. The updated inventory information and year-end financial data have been submitted to the contracted consultant, CERTA. She noted a meeting is scheduled for the following week to review the project status.

   Once completed, the reserve study will help with planning to improve the budgeting process by providing a comprehensive overview of the district's capital assets and building needs. She explained having all anticipated replacement and maintenance needs consolidated into a single document will help the Board better project future expenses and reserve fund contributions.

4. **Update: Caldera/Crosswater expansion**
   Vice Chair Shoemaker reported the Board received the legal evaluation prepared by the retained law firm. He noted the report was thorough, clearly organized, and provided the Board with a foundation for future discussions regarding potential next steps.

   Administrator Holliday noted legal research was conducted in response to inquiries from Caldera and Crosswater requesting police-only services. She continued to explain that the Board exercised due diligence by retaining legal counsel to evaluate the issue and has now received the information needed to respond. The findings will be shared with Caldera and Crosswater so they can determine their next steps based on the legal guidance provided.

   Administrator Holliday noted the SSD is the only combined police and fire district in Oregon, resulting in limited legal precedent for districts providing multiple services under a single structure. She stated legal counsel advised the district cannot establish separate tax rates for different services within its existing district structure. The district provides both police and fire services as a single district; Oregon law requires all properties within the district to be taxed uniformly and does not allow certain areas to be charged for police-only services.

   Chair Fister asked whether the legal opinion could be shared with County legal counsel and raised a follow-up question regarding whether separate tax rates could exist within a single district or whether establishing separate districts would be required. He referenced Black Butte's approach to creating two separate tax rates through separate districts and suggested, if the Board pursues additional research, that issue would be an appropriate area for further review. He noted the legal opinion appeared definitive on the remaining issues.

5. **Update: Nominating Committee Update and Status of Board Candidate Nominations**
   Chair Fister reported the Nominating Committee completed its recruitment process and three qualified individuals expressed interest in serving, with two submitting applications after one candidate requested

to defer his application until next year due to other commitments.

The committee interviewed both applicants who successfully completed the interview and background check processes. The Nominating Committee has forwarded its recommendation to the Deschutes County Board of Commissioners for appointment. The recommended candidates are Corey Boudreau and Brian Teinken. Chair Fister noted the appointments are now pending action by the County, expected to be approved by late July.

New Business

6. **Monthly Chief/Administrator's Reports**

Administrator Holliday

Administrator Holliday reviewed the monthly administrative report with the Board, including updates on financial activities, human resources, and operations. Refer to page 30 of the 6.18.26 Board meeting packet for the full report, or click here.

Fire Chief Boos

Fire Chief Boos reviewed the Sunriver Fire Department May Activity Report with the Board, which included updates on calls for service as well as administrative and operational activities. Refer to page 31 of the 6.18.26 Board meeting packet for the full report, or click here.

Police Chief Rasic

Police Chief Rasic reviewed the Sunriver Police Department May Activity Report with the Board, which included updates on calls for service as well as administrative and operational activities. Refer to page 35 of the 6.18.26 Board meeting packet for the full report, or click here.

7. **Motion to approve 3% COLA for Fire Chief, Deputy Fire Chief, Police Chief, Police Lieutenant, Administrator, Executive Assistants, Police Sergeants, and Community Service Officer to be effective July 1, 2026**

Administrator Holliday stated the Board has consistently supported providing cost-of-living adjustments (COLAs) for non-represented staff at or near the same percentage as those negotiated for represented employees. She noted the adjustment has already been included in the FY 2026–27 budget.

Director Stephens moved to approve 3% COLA for Fire Chief, Deputy Fire Chief, Police Chief, Police Lieutenant, Administrator, Executive Assistants, Police Sergeants, and Community Service Officer to be effective July 1, 2026; seconded by Treasurer Zook. The motion passed unanimously.

8. **Assign annual performance reviews of chiefs and administrator**

Chair Fister outlined the proposed process for conducting the annual performance evaluations for both chiefs and the administrator. He stated Board members should submit any comments regarding the three employees under evaluation directly to him. He will compile the feedback and distribute a draft evaluation to the Board for review, with members providing any revisions directly back to him to avoid quorum concerns.

Chair Fister noted if significant issues arise during the review process, the Board could convene an executive session to discuss them. However, his preference is to avoid executive sessions unless necessary. He indicated this process has worked well in previous years and proposed using the same approach for this year's evaluations. His intent is to complete and deliver the performance evaluations before the August Board meeting, allowing time for an executive session if one is needed.

Administrator Holliday noted the Fire Chief, Police Chief, and Administrator have the option to request their performance evaluations be conducted in an open session per ORS.

9. **Review & Vote: Motion to approve May 2026 unaudited**
Administrator Holliday presented the May unaudited financials, noting there is only one month of the fiscal year remaining. She has reminded the chiefs and executive assistants to carefully review incoming invoices to ensure expenses for the next fiscal year are not processed before July 1.

Fund 715

Revenue:

Administrator Holliday reported the budgeted transfer of $150,000 to the 716 Capital Reserve Fund occurred in June and will be reflected in the June financial reports.

Expenses:

Administrator Holliday reported Police Department salaries and benefits are currently under budget, and Materials and Services expenses are also tracking below budget.

For the Fire Department, Administrator Holliday noted salaries are slightly under budget and benefits are on target. She explained conflagration overtime is included in the Fire Department overtime line item but is reimbursed through revenue. When excluding reimbursed conflag overtime, regular Fire Department overtime is well under budget. Materials and Services expenses are also currently below budget overall.

Bike Patrol expenses increased toward the end of May. Under the current agreement with SROA, the program is intended to be cost neutral, with SROA billed on an hourly basis for Bike Patrol services. However, because of the timing of billings, year-end budget impacts are difficult to project, but sufficient funds remain available for the remainder of the fiscal year. Payments from SROA will be recorded as contract service revenue. Administrator Holliday also noted Bike Patrol was not included in the FY 2026–27 budget because the agreement had not been finalized during the budget process. A budget adjustment will be brought forward in September to account for the associated revenues and expenditures.

Administration salaries, benefits, materials and services are all under budget, and overall operations remain on track.

Fund 716

Administrator Holliday reported the fund remains under budget. The $21,000 Police Equipment budget adjustment has been reflected in the financials. Equipment purchases approved for Officer Ardaiz's participation in the CERT program will appear in next month's financial report. All other capital expenditures have been completed and paid.

Fund 717

Administrator Holliday stated there has been limited activity in Fund 717 over the past month, with approximately $187,000 remaining for the fiscal year. She added there does not appear to be significant additional movement anticipated related to the drywell project at this time and these funds will roll over to next fiscal year.

Director Kelley moved to approve the May 2026 unaudited financials; seconded by Treasurer Zook. The motion passed unanimously.

10. **Review: May 2026 SROA Board meeting**
    Ex Officio Harrison provided an update on the recent SROA Board meeting, which included discussion on the fire protection work group, the SROA three empty board positions and three candidates, and the approval of the new SROA Rules & Regulations agreement.

Other Business: None

Treasurer Zook moved to adjourn; seconded by Director Stephens. The motion passed unanimously.

Meeting adjourned at 2:15 p.m.

Submitted by Rachel Popp