



Spring 2012

BRIDGE UPDATE

Last year about this time, a strong majority vote by the membership in attendance at the annual meeting voted to move forward with budgeted \$150,000 **Phase I** of the bridge replacement project. This was a result of over 2 years of work and a recommendation from the Bridge Committee to reconstruct the bridge. It is consistent with the vote in 1996 to establish the Bridge Replacement Fund (BRF) that will expire in 2016. Over \$1M has been collected to date.

RIIA Project Manager (PM)

A public Request for Qualifications (RFQ) was posted on local trade sites for an “owner representative” to assist RIIA by acting as Project Manager for **Phase I** of the project. The Island received 13 applicants and nine candidates were interviewed. The Board made the final selection and a contract with Geoffrey Baillie & Associates was finalized last month.

Phase I Bridge Work

You’ve probably seen the utility locator markings adjacent to the boat launch gate and up the road. Our PM has begun contracting for all **Phase I** work including the permit application for the geotechnical borings and analysis, a topographic survey, mapping validation and preliminary analysis for a preferred bridge design. This work should be completed by the end of June.

Bridge Funding

We’ve been watching Treasure Island with special interest because they began the task of replacing their timber bridge about 1 year ahead of us. Their bridge is 11 feet longer and they too had great difficulty finding a financial institution willing to

lend on a bridge. They are paying 6% (ARM) and could only secure a 15-year term. With construction costs at an all-time low, they are coming in on time and under their \$4.6M budget. Their “ribbon-cutting” ceremony will be in April. Their progress can be viewed on their live webcam. <http://tibridge.viewnetcam.com/CgiStart?page=Single&Language=0>.

Our finance committee has worked diligently to find a local bank willing to commit to a USDA-backed loan for our bridge project. Over 30 banks have been contacted. After months of negotiations, we have a local lender that is promising a “letter of terms and conditions” by the first week in April with a much better (lower) rate and terms.

Bridge Repair Review

In February of this year, Charles Waugh from Wilson Engineers located in Bellingham submitted a proposal to more extensively repair the creosote piling under the bridge. His proposal suggests that a fiber polymer wrap might extend the life of the bridge pilings. He also proposed that contractors could *repair damaged areas, rehabilitate the structure and add additional hardware to help protect the bridge from future decay*. For a fee of \$5,488, Waugh will submit a survey to provide more detailed and specific information on current conditions and potential repair designs. (The life expectancy of these major repairs is unknown at this time). In the interest of bringing clarity to our commitment of rebuilding a 75-year bridge and at the request of a number of Island members, the Board has agreed to fund this study under the direction of our Project Manger (PM), Geoffrey Baillie PE.

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BRIDGE UPDATE

(Continued)

The Board also approved a supplemental agreement with our PM in the amount of \$6,848 to review the Wilson contract and proposal. Baillie will oversee and coordinate field work and ensure that enough information is provided to compare and contrast the feasibility of replacement vs. repair. Baillie will provide a written evaluation and recommendation to the Board by May of 2012.

Our shared ownership of the bridge requires informed and collective decisions. In order to protect the value of our homes and our properties, we must have a clear plan forward. Please take the time to visit the raftisland.org website for current information. The Board will continue to communicate via open monthly board meetings, minutes, our newsletters and website. Prior to any Island-wide bridge ballot vote, a printed packet of updates will be circulated by postal delivery. If you have any questions, call or email the Island Manager.

House Bill (HB)1309 (RCW 64.38)

Passed by Washington State and effective January 1, 2012, HB 1309 related to reserve accounts and studies for homeowners' associations (HOA's) like us. It is now incorporated into RCW 64.38 – the HOA Act. Three main changes impact HOA's with ten (10) or more homes and significant assets.

The HOA Act:

1. Requires homeowners' associations with significant assets to prepare an initial reserve study and update the study annually.
2. Requires the board of directors of homeowners' associations to disclose certain information to owners on reserve studies along with the annual budget summary.
3. Encourages homeowners' associations to establish reserve accounts to fund major maintenance, repair, and replacement of common elements.

The purpose of the HOA Act is to ensure homeowners are kept informed of potential costs for the maintenance and upkeep of common areas over their life span. It directs homeowners and homeowner associations to better plan in order to avoid special assessments and unplanned financial burdens on homeowners.

The HOA Act specifies that the annual budget report should include:

- The current assessment for the reserve fund,
- The recommended rate from the reserve study,
- The funding plan upon which the recommended contribution rate is based,
- Whether the current fund balance is sufficient to meet the association's obligations for major maintenance repair or replacement components during the next 30 years, and
- If the reserve funds are not sufficient what additional assessments may be necessary to ensure sufficient funds are available each year for the next 30 years.
- Additionally, homeowners' associations with significant assets are required to prepare an initial reserve study based upon a visual site inspection conducted by a "reserve study professional." The study must be updated annually and must include a visual site inspection every three years by a reserve study professional.

At this time, the law does not require collections in order to fund a reserve account. However, disclosure IS required. The new reserve law makes it clear that the RIIA board has as much fiscal responsibility to future owners as to present ones. HB 1309 must be considered when planning for the life of our bridge. (Go to raftisland.org for a direct link to HB 1309)

*Bridge Committee
Dawn Stanton & Ted Smith*

RIIA INVESTMENT COMMITTEE

The Investment Committee meets quarterly and provides recommendations to the Board of Trustees for both the Bridge Replacement Fund (BRF) and specified General Fund monies. If you are interested in joining this committee, please contact Mike Hirko (253-686-5288).

Bridge Replacement Fund

At the end of last quarter (December 31, 2011), the market value of the investments in this RIIA fund was \$1,234,370 or 72.2% of the planned June 30, 2012 revised target amount of \$1,708,596. This revised target takes the 2011 BRF increase into consideration but does not account for disbursements. The Treasurer reports that \$19,370 has been disbursed from the fund for BRF expenses. Committee records reflect that \$43,858 has been disbursed to pay federal taxes since the 1996 inception. The allocation percentage goals approved by the Board of Trustees remain 25% Bonds, 28% Large Capitalization Stocks, 22% Medium and Small Capitalization Stocks, 20% International Stocks, and 5% to Money Market. However, due to ongoing Replacement Bridge activity by the Board, an abnormal amount of cash is being held in the Money Market fund to cover expected expenses. All funds are held by the Vanguard Group. The next scheduled and approved special assessment for the BRF will be \$1,233 (448+785) and due July 1, 2012.

General Fund

In January 2011 RIIA invested \$138,000 in two Vanguard mutual funds; Vanguard Balanced Index Admiral Shares (VBIAX) and Vanguard Wellesley Income Admiral Shares (VWIAX), for up to five years. At the end of last quarter (December 31, 2011) this investment totaled \$146,623 with a cost basis of \$142,328.

Bridge Replacement Fund Summary

At the end of last quarter (December 31, 2011) the Average Annual Return (AAR) for the BRF has been 5.1% since initiated November 26, 1996, 16.1 years ago. The BRF was based on an expected Total Return of 9%, a conservative one percent below the 10% considered reasonable at that time. RIIA yearly AARs have fluctuated between a high of 20.7% in 1997 to a low of -16.9% in 2009. A number of factors are noted at this time for not meeting the projected return:

- These 16.1 years included two recessions, March 2001 - November 2001 and December 2007 – June 2009.
- In 2005, after discovering that the bridge estimated replacement cost had accelerated well beyond normal inflation rates (15.5%) and beyond any reasonable expectation of sufficient investment return, RIIA entered a painful investigative phase which, unfortunately, lasted until 2011 (6 years). In July 2011, RIIA supplemented the BRF schedule an additional \$785/lot/month on a direction of replacing the private bridge with USDA and bank financing.
- Some disbursements have been made from the fund as well as occasional diversions from the original strategy of remaining fully invested to the approved diversified percentages.
- Admittedly, 4.5 years have still to run before the BRF terminates and it could yet improve while still not achieving the original goal.

As highlighted by the experience of RIIA, Treasure Island Country Club, and HB1309 requirements, it is clear that, if RIIA is to continue successfully operating a “private” bridge in a cost effective manner, an organizational commitment to a strategy of life cycle replacement must be formalized in the by-laws. This would include mandatory long term planning and investing that must be undertaken and shared by all members every year.

Mike Hirko-Chair

BOARD CANDIDATES NEEDED!

The Island membership will once again be voting on Officer and Trustee positions at the annual meeting in May. If you have interest in serving on the Board in any of the following positions, please contact our Nominating Chairperson, Bruce Difloe by April 11th. You can reach Bruce at 253-265-8363. Officers serve a 1-year term, with the president serving no more than 2 consecutive terms. A description of officer responsibilities can be seen in our Island Bylaws on our website.

President

Vice President

Secretary

Treasurer

(2) Trustee positions (3 year term)

(1) Trustee position (1 year term)

VOLUNTEERS NEEDED!

We have one committee chairperson opening for the Parks Committee. If you have interest in volunteering for this position, please contact our island manager, Juanita Carbaugh. Many thanks to Gabrielle Gilbert who served as our Parks Chairperson over the last several years!



A **WARM WELCOME** to new RIIA Members who moved in over the past year!

April 2011 Della Hansen #114
July 2011 Elizabeth Ramsey #109
July 2011 Mark & Kathleen Eckenrode #140
Sept 2011 Cathy Cowley #274
Oct 2011 Jameson & Emily Strocsher #146
Jan 2011 Thomas Martin #92
Mar 2012 John R. M. Larsen #77
Mar 2012 Matt and Jessica Nixon #21

ISLAND SECURITY

Island Speed Limits

Just a reminder for all island residents, the speed limit is now 20 MPH on the bridge and 15 on island roads. We raised the limit on the bridge because 15 MPH was not enforceable. There are too many walkers and kids on bicycles on our roads to be driving thirty or thirty-five which we have all seen. Our roads weren't built for those speeds and it is one of the reasons we have problems with potholes.

Mike Neil-Security

RAFT ISLAND TREASURER

I would like to thank Mark & Kati Eckenrode and RJ Argenzio-West for volunteering to help with the budget. If anyone else would like to volunteer, please let me know. Not much else new from the Treasurer since the last newsletter. The only items over budget were the bridge inspection and repairs. The board voted last meeting to fund a review for bridge remediation (please read the bridge update for more details). Don't forget, if you're on a payment plan, to send in your checks.

Anne Scea – Treasurer

www.raftisland.org



Don't forget to check our website frequently for updates on all things concerning our Island

ISLAND MANAGER

I have received several emails and expressed concerns recently about ANIMALS on Raft Island.



#1 - Roaming dogs are the number one complaint that our office receives from RIIA residents. When the owner can be identified, we send letters to the owners of the dog. However, Pierce County Animal Control will also respond and can cite the owner for the code infraction. If you have **witnessed** your neighbor's dog off its property without a leash, a notice of infraction may be issued as explained below.

The ordinance of Unincorporated Pierce County requires a written statement from a citizen who is willing to testify that the animal has been allowed to be off its owner's property, not controlled by its owner, custodian, or a competent person by a leash.

REQUIREMENTS: State the offense in detail, listing **all** the information below:

- Each witness shall give his/her first and last name, address, and zip code together with home and business phone, if applicable.
- Each witness must have personal knowledge of pertinent facts as they relate to the alleged offense. A person should not consider himself/herself a witness unless they have **personally observed occurrences** relating to the incident(s). All witnesses submitting statements will be expected to be available to testify in open court at the request of the dog owner.
- Each witness must write a full statement as to the facts constituting the offense. Each witness must list specific instances, dates, and times of violations that have occurred within the past year (i.e., 'on Jan 11, 2012, the black lab named 'Joe' was running down the street, in my yard,

defecating, dumping garbage, etc.'). It is best to describe at least three separate incidents that you have witnessed and have notified the owner that there is a problem with their dog running loose.

- Include the breed of dog(s) (i.e., German Shepherd, Doberman, Rottweiler, Labrador Mix, etc.), color, size, sex (if known), and name of dog(s).
- Name, address, and phone number of animal owner to be included.

All witness statements, addresses, and names will be verified by Pierce County Animal Services for completeness of information.

PROCEDURE: A Pierce County Animal Control Officer will review the statements together with phone complaints that have been received and investigate the situation. If the officer believes that there is no other way to solve the problem a notice of infraction will be issued to the dog owner.



#2 – Seagulls – Seagulls are a typical sight in Gig Harbor yet at times people may be concerned about their presence, droppings, etc. There are many ways to discourage seagulls (see article: http://www.ehow.com/how_8526025_stop-seagulls.html)

An RIIA homeowner recently reported witnessing a driver intentionally trying to hit seagulls. The driver successfully hit and killed a bird which landed on the car of the witness's vehicle. Seagulls are protected under the Conservation of Wildlife Law. This makes it illegal to intentionally injure or kill any gull.



(253)985-3812, ext. #3
(253) 265-1818 direct line

Juanita Carbaugh – Manager

Island Officers and Trustees for July 2011 through June 2012

President	Rich Swenson (# 219)	253-265-8090
Vice President	Charlotte Crain (# 8)	253-265-0980
	Charlotte's Cell	503-680-1882
Treasurer	Ann Scea (# 192)	253-265-3791
Secretary	Sarah Brown (# 6)	253-649-0175
Trustee	John Rosendahl (#133)	253-265-0700
Trustee	Trish Burnett (# 67)	253-265-3391
Trustee	Dawn Stanton (# 111)	253-222-2786
Trustee	Dave Paly (69A)	253-265-6356
Trustee	RJ West (#70)	253-265-8046
Trustee	Jud Morris (#124)	253-265-2570

BRF Investment Committee

Mike Hirko / Chair (# 113)	253-686-5288
Monica Butler (# 101)	
Rich Swenson (# 219)	
Dave Paly (# 69A)	
Christine Stephen (# 25)	
Hans Kueck (232)	

Bridge Committee

Ted Smith Chair (# 160)	253-265-8697
Dawn Stanton Chair (# 111)	253-222-2786
Bob McCoy (# 239)	253-265-1626
Tom Straub (# 98)	253-265-6952

Parks and Recreation Committee

Open Position	000-000-000
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Emergency Preparedness

Mark Metzger (#80)	253-265-6214
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Security Committee

Mike Neil, Chair (# 2)	253-381-2112
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Roads

Ken Kessler Chair (# 117)	253-759-1603
Steve Brown (# 6)	253-649-0175

Juanita Carbaugh ~ RIIA General Manager E-mail juanita@hoacommunitysolutions.com
Phone 253-985-3812 x 3 Fax 253-265-0762
www.hoacommunitysolutions.com

Billie Jean Hirko (#113) ~ Newsletter Editor E-mail bjwinter@windermere.com
Phone 360-620-1561

Please email me any photos or news articles you would like included in our island publication