

Minutes for May 16, 2016 Annual Meeting

All Saints Center, 7:00 PM

The meeting was called to order by President, Charlotte Crain, at 7:10 PM. Board members introduced themselves.

Report on quorum: Secretary RJ West reported that, according to the Island Manager, the number of ballots received in the mail prior to this evening's meeting constituted a quorum (more than 25% of the 214 members in good standing).

Board members attending: Officers: Charlotte Crain, President, Rich Swenson, VP, Anne Scea, Treasurer, RJ West, Secretary. Trustees: Trish Burnett, Doug Van Doren, Matt Hurley, Jesse Williams and Jim Cushing.

President's comments and announcements: Charlotte welcomed the many members who were in attendance. She introduced Janet Biggs, HOA Community Solutions' Raft Island Manager. She recognized several Island residents who have provided outstanding service to the Island during the

past year: Gene Barkin, Web Master; Tom Straub, who has done an excellent job of maintaining the common properties for the past few years; Jim McReynolds, who has worked tirelessly to obtain funding for the Roads project, Scott Wood, Roads Committee; Glenn Stewart, who is working on cleaning up North Beach park and finding a replacement for the Island street map sign; BJ Hirko, newsletter editor; Mike Neal, Parks Committee Chair; Matt Hurley, Security Committee Chair, Mike Hirko, Investment Committee Chair.

Approval of 2015 Annual Meeting Minutes:

Minutes of the May 18th 2015 Annual Meeting were approved

Treasurer's Report 2013/14: Anne Scea, Treasurer, went over the proposed Budget for 2016-17, most costs were the same as last year, however, there were some changes. The biggest changes were for the North Beach and grounds maintenance. The North Beach stairs to the beach have separated from the retaining wall and sunk three feet. This is a critical

repair. We have received wide ranging bids, and, hopefully, we'll get a reasonable bid in the next round of proposals.

Tom Straub retired from maintaining the Island for so many years and the price of hiring a company to do grounds maintenance increased dramatically. Utilities expenses went up because of watering system near the bridge and lights.

Discussion: 1. What is being done about delinquent payments?

- a. RIIA took action against the owner of three lots and got a considerable payment (about \$30,000). It required filing a law suit, which was settled before it went to trial. The settlement waived late fees, but not the assessed amount.
- b. RIIA is taking action against the next largest debtor, who owns two lots, and is finally making payments.

2. The cost of insurance on the bridge went down

\$13,000, do we expect to save that again? Insurance costs for the budget are always based on an estimate because budget is done in March and RIIA negotiates insurance in Sept. This year was a partial payment, so it was substantially less.

3. North Beach: Mike Neal reported that wind and waves have washed under the concrete steps in the bulkhead and they've settled leaving a 3 foot drop between the wooden steps and the concrete steps. There's no option not to fix it. Permit is estimated at \$5,000, and construction, \$6,000. Hopefully, it will get done by the end of the summer.

Introduction of new residents:

Lonnie Hampton and Don Reeves #197, John Stubbs #175, David Carter #130, Brent and Susanne Palmason # 8A, Jenny Water #223

Discussion of road project:

Swenson gave a brief history and discussion of the road project. Last May the membership voted for

phase 1 study which was to get numbers, look at drainage, determine if need permits will be required.

McReynolds, Straub, Van Dorn, Woods interviewed 4 candidates and chose Richard Day. RIIA signed a contract with him in the amount of \$7500. When Day came to inspect the road and drainage system it had rained heavily, so he did not need a hydrologist to examine drainage. He did coring samples of the road surfaces, and put together a report which is posted on the website.

Day attended by phoned and introduced himself . He grew up in an asphalt family. Has always worked in the asphalt industry. Looking at the failures in our roads, there are a multitude of problems, primarily drainage which 'alligators' asphalt

quickly. Current asphalt is right on top of hardpan. If this project is approved, Day will prepare and send out a bid package, help RIIA select a contractor, and oversee and monitor the contractor. Road bed will stay the same, if the roads are widened, a permit will be required.

Questions from the members: 1. How will the crushed rock on the shoulders affect current ditching? Shoulders will be 6"- 1' wide, because there isn't the space to make them wider. Roads will be slightly higher and crowned, so water will drain off to the shoulder.

2. Is there a warranty? 1 year for paving. Using 2-3" crushed rock and 3" asphalt should get 25 years

out of the new roads. 3. Seal Coating – how often and how much? Day is not a fan of seal coating and recommends doing

crack sealing when there are cracks. 4. Will the survey markers be maintained? Day has only found two, but if they encounter survey

markers, they will be relocated. The estimates for relocating the survey markers are \$2500.

5. Will there be additional culverts? Only a couple, on Northwest between 77 & 100

6. Will there be culverts on Park between #56 & #60,

and in front of 8a, where water comes over the road bed because there is no ditching or culvert ?

Those two areas are not on the proposal. More study is needed in regard to culverts.

7. Can people use the contractor to do their private drives while they're here?

Depends on the contractor, they'll ask during the contracting process, but it won't be part of the contract. 8. Will there still be speed bumps?

The speed bumps will be replaced with speed humps, in the same places. Day has three designs from Tacoma and University Place. 9. Are bicycles being considered in regard to the speed

bumps? Stubbs says he used to live in UP and they are bike and car

friendly if going speed limit. The speed humps are 3 1/2" above the road surface.

Funding the roads: The current plan is to use

\$875,000 from existing funds and the remainder from the USDA loan. Questions:

1. Where is the money coming from? Scea stated \$575K left in bridge replacement was designated for roads. And with cash investments RIIA has about \$1million. The Board looked at how much is needed for operating expenses and bridge debt service, which is about \$125,000/year, which leaves about \$875K for roads. Washington water will give RIIA \$25,000 for roads if they don't have to make nice patches after their project. USDA will lend RIIA up to \$600,000. On the website, there are different scenarios showing the effect of using the USDA loan for different amounts based on 10 year amortization. In all of our accounts have about \$1.4m in cash.

2. Is the USDA loan an open checkbook and we can borrow what we need? We can borrow what we need up to \$600K.

3. What is the cost of paving Alder, Maple and

Cedar? Estimate is approximately \$100,000. Residents of those roads indicated they will ask for a special meeting with the board.

Dan Fitzgerald #163, said his title said nothing about Maple and Cedar not being part of the Island roads and everyone uses them.

Jim Cushing #244, Trustee, stated that when those three roads were developed, they were driveways.

Rich Swenson, #219, V,P moved to have a special meeting to discuss the private roads. Article 3, Section 3, of the By-Laws explains process for calling a special meeting. John Stubbs and Pat Lantz presented the Secretary a petition for a special meeting

Introduction of Candidates and Ballot

Discussion: Three names were submitted for Trustee positions: Della Hanson – not present Mike Hirko – not present

Jim Cushing

Charlotte explained the By-law change to be voted

upon and answered questions. The By-law change is required by USDA. USDA cannot lend money for private roads.

The By-law change was as follows:

To the Bylaws Article 1 Section 2.1 which states: "To foster and promote recreational and cultural activities among

the residents of Kuhn's Raft Island, Pierce County; to provide for

the improvement and beautification of said Raft Island; to own and operate for the use and benefit of the residents of said Raft Island, a playground, recreational areas, and private beaches, and to maintain the private dedicated roads of Raft Island, access roads, and bridge."

Add a provision stating: "All roads and bridges are open to all members and to the public. RIIA does not and will not restrict access to the roads or bridge."

Reason: RIIA has applied to the USDA for assistance in obtaining a loan to improve the roads. USDA will

not loan money for private projects. The current wording requires clarification to meet USDA requirements.

Casting of Ballots: Any additional ballots were cast and the ballot counters worked at an outside table while the meeting continued.-

Officers remain Crane, Swenson, West, Scea New Trustees – Cushing, Hirko, serving three year terms

Budget 78 yes 2 no Roads 80 yes 5 no By- laws 77 yes 7 no

Committee Reports:

Parks and Recreation: Mike Neal, Chair, talked about the need for some summer projects at South Beach

Roads: This subject was covered during the previous ballot information discussion. The road replacement survey results will be shown on the

website. **Security:** Matt Hurley , Security Chair,

Question, what are we doing about burglaries?

Report to Pierce County Sherriff. Let Matt know if

you're leaving for a week or so and he will check your house. Sherriff won't patrol out here if they don't know there's a problem, so it is important to report. The Island Manager will send something out if problems are reported to them.

Investment Committee: Mike Hirko provided reports of Bridge Replacement Fund (BRF), General Fund and USDA Bridge Reserve portfolios and recommendations. Year to date rate? Reports are on the website. Mike details every fund and ROI.

Members General Questions and Answers:

Water project is way behind, what's going on? We don't know. But we aren't going to repave the roads and have them tear it up again. Gene Barkin was told that the RIIA project is the workload leveler for the water company, they are working here when they have run out of other work.

Respectfully submitted, RJ West, Secretary
