



March 2010

MESSAGE FROM THE PRESIDENT

Happy Spring or almost! It is nice to see the crocuses and daffodils blooming and the trees starting to bud. It was a long winter but we happily escaped snow and ice for the most part.

We have had a relatively quiet season since our last Newsletter regarding any incidents on the Island. When I am running around the Island and across the bridge I have observed that sometimes people are driving their cars fairly fast. Please remember to drive 15 miles per hour on our old bridge and observe the posted speed limit on the Island.

Regarding the bridge, the Bridge committee has continued to work toward putting together our options and finally, after exhaustive research, we have come to the crossroads of asking the membership to first become more informed on the bridge options and then vote to help make this extremely important decision of how to move forward. The option information will be presented to the membership in various formats prior to the Annual meeting. Look for updates in March and April by visiting our wonderfully revamped website www.raftisland.org. The bridge committee update below will give more information.

As many or all of you know, our last Island Manager, Cathy Driscoll, has taken a new job elsewhere which was a golden opportunity for her. A few members of the Board were part of a hiring review committee. We interviewed two on-Island candidates and one off-Island candidate. Both on-Island applicants had very good skills and credentials but in the final analysis, the Board made

the decision to hire an off-Island manager which is well within our current budget.

Juanita Carbaugh, our new Island Manager, is the sole proprietor, with two employees, of **HOA Community Solutions** that serves other HOA's in Pierce and other counties. Juanita comes with excellent references. She also presents four HOA topic seminars per year as requested by Pierce County. A couple of our members who attended her seminars last year had very good things to say. We feel that all of us can learn from Juanita who brings a wealth of experience and insight with ways to create efficiencies and save money as well as a very inviting and supportive personality. At our Annual Meeting you will be able to meet her. Please see the last page of the newsletter for her contact information. Check our website for updates on this as well, www.raftisland.org.

On the website we will have the phone number to call for all Island incidents and in the event of emergencies, someone from the Board will pick up the call so that there will be no time that the membership will be without a contact. We will make arrangements for members to pick up keys on Island. If you prefer to pay your dues in cash, you can still do that by dropping them off at our treasurer's (Anne Scea) home.

Our Annual Meeting in May is coming up quickly! If you want to get involved on the Board or be part of a committee, there are opportunities for you. Please consider volunteering.

As always, see you around the Island.

Charlotte Crain - President

BRIDGE UPDATE

Back in 1996 the RIIA membership created the **Bridge Replacement Fund** with the approval of an annual Special Assessment to ensure continued access to the mainland. That collection authority ends in 2016. With about \$1 million collected to date, it is not enough to reconstruct a new bridge.

In addition, rising maintenance costs, engineering expenses, insurance fees, permitting and repairs needed to keep our bridge structurally sound reveal that our current **RIIA Membership Dues for Bridge Repairs** are not keeping up. There have been approximately \$434,000 in repairs over the last 8 years and \$60,000 is needed this summer with another \$615,000 projected within 5 years. The work to solicit bids, review engineering estimates and supervise this work has been done by volunteers. As the bridge continues to age, these repairs are becoming more critical and significantly more costly. Future work will require the added expense of a professional to do the work that has historically been done by volunteers.

On February 28th, members of the Bridge Committee presented their recommendation to the Board. After an extensive discussion, the Board approved the Committee's recommendation for bridge replacement and a membership vote in May. It was further agreed that historically low interest rates and construction costs may never be as affordable again.



BRIDGE VOTE

Coming in May

The cost of Bridge replacement was estimated at \$5.3 million in 2010. Current analysis confirms that the cost to maintain the bridge substantially exceeds the cost to replace it. Over the next month, Cost Comparisons, Bank Loan Rates, Bridge Analysis and updated Q & A's will be provided to the General Membership thru:

- New Raft Island Website - www.raftisland.org (Bridge Update page)
- Direct E-mails (send request to EmailRequest@raftisland.org to sign-up)
- Door-to-Door Campaign
- Bridge Information Sheet
- Special Meeting on **April 18th at 7pm** (All Saints Camp)

On **May 16, 2011**, a **“Bridge Ballot”** will be voted on by Island members at the Annual Meeting.

If you have questions or input, or would like to join the Bridge Committee, please contact the Bridge Chair at 222-2786 / Roads Chair at 593-4999 or RIIA Vice President at 265-0700.

Our Shared Ownership for a Successful Outcome

Depends on

An Informed and Collective Decision.

The more we all know, the better!

Thank you.

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 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, 2010), the market value of the investments in this RIIA fund was \$1,071,443 or 80.6% of the planned June 30, 2011 target amount of \$1,330,109. The Treasurer reports that a total of \$46,107 has been disbursed from this fund (\$19,370 for BRF expenses and \$26,737 in taxes) to date. 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. All funds are held by the Vanguard Group. The next special assessment for the fund will be \$415 and due July 1, 2011.

General Fund

The investment in Russell Lifepoints Growth Strategy FD CL S N/L (symbol RALSX) was sold on October 21, 2010; total withdrawal took place on October 26, 2010 in the amount of \$208,205.59 and temporarily placed in a Bank of America Money Market Account.

Within the bounds of the Board of Trustees request, the committee recommended the following on November 12, 2010:

1) That a new account be opened with Vanguard to provide a clear separation between these General Funds and Bridge Replacement Fund monies as prescribed in RIIA by-laws. Access to this account and distribution of Vanguard reports should be consistent with the Bridge Replacement Fund. Having all RIIA investments in this one firm will

simplify coordination and assist in meeting minimum amounts necessary for obtaining Vanguard Asset Management Services in the future should the Committee recommend and the Board direct.

2) Invest \$69,000 in Vanguard Balanced Index Admiral Shares (VBIAX), fund #0502. This fund is currently rated by Morningstar as a four-star fund with roughly 57% stocks, 40% bonds, 3% cash, and a .14% expense ratio. This is a no-load Balanced asset class fund of the Moderate Allocation category. The fund advisors are Vanguard Fixed Income Group and Vanguard Quantitative Group.

3) Invest \$69,000 in Vanguard Wellesley Income Admiral Shares (VWIAX), fund #0527. This fund is currently rated by Morningstar as a five-star fund with roughly 37% stocks, 57% bonds, 6% cash, and a .21% expense ratio. This is a no-load Balanced asset class fund of the Conservative Allocation category. The fund advisor is Wellington Management Company, LLP.

4) Treasurer to deposit the remainder (\$70,205.59) in savings, CDs, money market fund, and/or Treasuries as needed to meet current and projected General Fund expenses while maximizing protection and short-term return. It is further recommended that the Treasurer list and annotate each of these deposits on the RIIA Balance Sheet, in as much as possible, to reflect the rate and maturity for transparency purposes.

The Board subsequently approved the recommendations and the Treasurer's February 14, 2011 Balance Sheet indicates that these recommendations have been accomplished. *Mike Hirko-Chair*



RAFT ISLAND TREASURER

By and large, we are currently on budget for this year. The tax return preparation fee was \$1,000 vs. the \$500 budgeted and the payroll taxes are \$100 over budget. Everything else is below budget.

Thank you to RJ Argensio-West, Monica Butler, Gabrielle Gibbert and Louie Labayen for volunteering to be on the budget committee. They put together a budget proposal for the board which was voted on during our February meeting. In keeping with a balanced budget, the only significant change was due to the timing of the bridge repairs. We wanted to spread the needed bridge repairs over this fiscal year and next. However, due to delays with the permitting process, this year's repairs were postponed. We had budgeted \$70,000 for the bridge this year but have only spent \$33,000, leaving \$37,000 unspent. The committee recommended that the repair costs for next year be increased by \$30,000 to get the needed repairs done.

Additional thanks to Monica Butler and Louie Labayen who volunteered to review the last 2 years financial statements for the island. Their findings will be presented at the annual meeting in May.

Anne Scea – Treasurer

RAFT ISLAND ROADS

Our roads took a pretty good beating with the numerous freeze/thaw cycles we've had this winter. As soon as it dries out a bit, we plan on filling the pot holes. Also planned for this spring is a widening of the pavement and improvement of the ditches where the edge of the road has been deteriorating along Maple and Alder lane. Later this spring we plan on our annual brush cutting along with larger tree removal and pruning along our island roads. Thanks to the efforts of Scott Wood, Jeff Davis and Sean Taylor, we have a plan to deal with the larger trees and branches that are now interfering with taller vehicles traveling on the island and the growing safety issue with visibility.

Please check out the link to our new website where the vegetation and tree management plan is laid out in detail: <http://www.raftisland.org/roads.html>. We'll put up a sign on the bridge just prior to the contractors commencing the work. If you would like to assist with this project, please let us know as the more volunteers that are available, the more we can accomplish. Also, there may be some free firewood!

Please call me at 253-405-0639 if you have any comments or questions on roads.

Rich Swenson-Roads

www.raftisland.org



You may have noticed that nearly every article in this newsletter refers to the website. That's because the Raft Island website has a new look and has been updated and refreshed for functionality and performance. A new "ABOUT US" page and dedicated pages for Parks, Roads, RIIA Documents, Minutes and the Newsletter have been created.

A "BRIDGE UPDATES" page will offer current information on the status of the Bridge. It includes a "form-fill" Survey Link where members can forward questions or comments on recent bridge findings under review. Please take the time to visit the site and stay informed.

Please put May 16, 2011 on your calendar for the ANNUAL MEETING.

The April meeting is also a very important one you won't want to miss.

Island Officers and Trustees

President	Charlotte Crain (# 8) Charlotte's Cell	253-265-0980 503-680-1882
Vice President	John Rosendahl (#133)	253-265-0700
Treasurer	Ann Scea (# 192)	253-265-3791
Secretary	Trish Burnett (# 67)	253-265-3391
Trustee	Rich Swenson /Roads (# 219)	253-265-8090
Trustee	Sarah Brown (# 6)	253-649-0175
Trustee	Dawn Stanton (# 111)	253-222-2786
Trustee	Dave Paly (69A)	253-265-6356
Trustee	Mike Neil (#2)	253-381-2112
Trustee	Russ Ranger (# 182)	253-265-0997

Bridge Replacement Fund Investment Committee

Mike Hirko / Chair (# 113)	253-686-5288
Monica Butler (# 101)	
Rich Swenson (# 219)	
Dave Paly (# 69A)	
Christine Stephen (# 25)	
Gabrielle Gibbert (# 74)	
Hans Kueck (232)	

Bridge Committee

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

Parks and Recreation Committee

Greg Scea (# 74)	253-265-8368
Russ Ranger (# 182)	253-265-0997

Security Committee

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Mike Neil (# 2)	253-381-2112

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

Deer having lunch on Dawn Stanton's Deck



Photo by Mike Hirko

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