



March 2014

## MESSAGE FROM THE PRESIDENT

Hello Everyone, Welcome to a milder spring than the rest of the country and hopefully, we'll stay that way.

**May 12, 2014 will be our Annual Meeting.** This is ONE week EARLIER than normal because the camp building is not available. Please put this on your calendar and we will have a sign on the bridge as well.

**See the Treasurer's section for an estimated bridge repayment dues range after bridge completion.** We will not know for sure how much the bridge will cost until it is done. Anne will give us a little detail and barring any catastrophic and unforeseen event, we think these numbers are reasonably sound.

**We need a majority of the island participating in the upcoming ballot. We need at least 115 'YES' VOTE's to change our Bylaws & CC&R's otherwise the USDA will not fund our bridge!**

**Why?** When we secured our bridge funding from the USDA, it became mandatory to remove from our two governing documents (CC&R's and By-Laws) language allowing revocation of the bridge easement. As a public agency, the government cannot restrict individuals from use nor has Raft Island ever been able to enforce such a revocation. *Changes to our By-laws, Article XI, Section 2, and the CC&R's, Article IV, Section 4, will be essential.* Look for a clearly written ballot before the Annual Meeting. **We must approve this change. At the last Annual Meeting, this vote did not pass mainly because people forgot or chose not to vote at all. Please vote so we can get this done. Thank you!**

See also the new Phase 3 Bridge Q&A's at the end of this Newsletter for a repeat of this and other information.

The bridge construction is coming along as planned and with good weather in January, our contractor, Quigg, could get backfill done on the south abutment which normally can't happen because it is so wet. We have not had any delays or hit a "what if" like a gigantic boulder when the piles were being driven. Work continues to progress on the Pile Pier Caps and we anticipate the work to be completed soon for our beams and girders which are made at Concrete Tech facility in Tacoma. Some of the Board members toured the facility a couple of weeks ago to see how our pre-stressed concrete girders and beam are constructed. It was very interesting to say the least. We met with a Landscape Architect and have received a scope of work for landscape restoration.

This week we are continuing to work with PSE regarding the cost for relocating the gas line from the old bridge onto the new one. We first met with PSE last week with a goal to get the cost closer to our budget; some reductions have been made and we are negotiating with the PSE team for more reductions this week. Our project manager and owner representative are working together to get this wrapped up within the next week. Overall bridge progress is going very, very well.

We have had isolated incidents of unsafe driving on the bridge, a prowler report, some theft, drug paraphernalia and other. Please read Mike Neil's report on safety and security later in the Newsletter.

If anyone is interested in serving on the Board for 2014-2015, please contact our Island Manager Juanita Carbaugh and she will forward your request to our Nominating Committee chair.

Lastly, many of you have thought it would be a good idea to have a community picnic on the old bridge before it gets torn down after July. We would love to hear from you if you would like to help us as a community make that happen. Please contact our Island Manager and let's have some fun! ☺

*Charlotte Crain - President*

## MANAGER

### Changes, Changes, Changes!

Many RIIA members use their bank's automatic bill pay systems to make their assessment payments. We have received calls from quite a few owners stating that banks have returned assessment payments and the reason for the returned payment is "insufficient address". Apparently, most banks have recently begun using a new third party computerized address mapping system for processing their payments. Unfortunately the mailing address our company has had for the past five years is apparently too complex for the new address mapping system. Much of our address is dropping off the check – resulting in your check not reaching our office and being returned to your account.

We have attempted to work with the banks to correct the problem, but truly this is a David and Goliath issue... *unfortunately Goliath is winning in this instance!* For this reason, we have opened a new P.O. Box and we will be phasing out our old mailing address. Both addresses will be operational through June 30<sup>th</sup>. However, if you use a bank bill pay system, you are strongly encouraged to change the address for all future assessment payments to the new address below.

**OLD MAILING ADDRESS (PHASED OUT  
ON JULY 1, 2014)**

5500 Olympic Drive, H-105 PMB #245, Gig  
Harbor WA 98335

**NEW ADDRESS – P.O. Box 364,  
Gig Harbor WA 98335**

We apologize for any inconvenience this may create for you. We understand the inconvenience... as we are also having to reprint envelopes, letterhead, business cards, etc. If you currently use a bill pay system, please check your account to make certain that no payments were returned to you. If you find that some of your payments were returned to you, please contact our office we will work with you to remove any late fees or related charges.(253) 985-3812.

Lastly, we are leasing our current office space and the lease ends in May. We are purchasing a new office building here in Gig Harbor and will be relocating to the new space sometime during the month of May. RIIA members have been known to occasionally stop by to pick up beach keys, parking passes, or make payments; please call our office before stopping by, we don't want you to find that "no one is home".

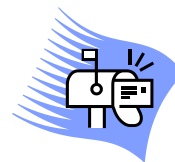
*Juanita Carbaugh – Manager*  
(253) 985-3812, Ext. #3

## RAFT ISLAND TREASURER

I'm working with the budget committee to put together next year's budget. I'd like to thank Monica Butler, RJ Argenzio-West, Hans Kueck, Emily Brand and Tom Straub for volunteering to be on the committee. Expenses are well within budget for the General Fund this year and we've collected approximately 65% of the annual dues with four months left to go. We are also currently within budget on the bridge construction costs.

As of our February draw, we've spent \$2,647,930 of our \$6.9 million budget on construction. The draw/approval process has gone smoothly.

At the special meeting back in August, we estimated annual dues to be \$1850-\$2200 per year for each lot owner after construction is complete (including both general fund and bridge dues). Based on construction so far, we are still within our original estimates. These estimates were based on amortizing the USDA loans (including reserves) and adding the general fund dues. The range is based on different scenarios of whether we use all of the USDA loan money or only a portion of it. Exact numbers won't be known until construction is complete



For those of you making monthly payments, don't forget to update our address to the new **PO Box 364, Gig Harbor, WA 98335**. Thanks.

*Anne Scea – Treasurer*

## 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, 2013), the total market value of this fund was \$639,370; this includes \$92,923 being held in cash by the Treasurer to meet ongoing BRF expenses. As of this date the total disbursements have been \$1,841,767. These disbursements breakdown as follows: \$111,358 Taxes (1996-2013), Pre-phase I \$19,370, Phase I \$153,516, and Phases II & II \$1,557,523.

With the approval of the Board of Trustees on February 18, 2014 a total of \$526,085 in stock and bond funds were sold and the money transferred to the Money Market Fund in preparation for finalizing the USDA-RD loan. A total of \$100,000 was left in the BRF to handle unforeseen need relating to bridge construction. The allocation percentage goals for these remaining funds remain 26% Bonds, 30% Large Capitalization Stocks, 23% Medium and Small Capitalization Stocks, 21% International Stocks, and 0% to Money Market. All funds are held in the Vanguard Group and the Treasurer's Chase BRF Checking account. The next scheduled special assessment for the BRF will be \$1,308 (523+785) due July 1, 2014 or through a payment plan arranged with the Manager.

### General Fund

In January 2011 RIIA invested \$138,000 in two 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, 2013) this investment totaled \$184,490 with a cost basis of \$154,568.

*Mike Hirko-Chair*

## RAFT ISLAND ROADS

Drainage cleaning has started this year with the opening of a covered drain running under Madrona. Joseph Carman, whose property that the pipe is draining to and I grabbed our shovels, finding the buried drain entrance. There are many drains and ditches around the island that need to be cleaned out to drain properly. Check the area of your property bordering the island's roadways. Sometimes removing just a few shovels full of dirt is all that is needed to keep the drainage flowing smoothly.



The roads committee is looking for volunteers for a possible right of way trimming we are looking to schedule before the spring leaves come out. If you are interested in helping or find problems with our roadways that you cannot correct, feel free to contact the roads committee.

*Scott Wood -Roads*



## SECURITY

Some of you have been frustrated with the bridge construction and the lights controlling traffic. It is of course a difficult, yet very necessary, and very temporary situation.

The blinking red seems to be working well and everyone is courteous about respecting those who are waiting to go on the other end. We did have one incident where an island resident became frustrated with the one way traffic and yelled at the workers. That situation was resolved quickly. From my house I have seen cars that are likely first time quests pull up to the light on the other end, and sit at the blinking red waiting for something else to happen. In their defense it can be confusing since the signs say, "Stop Here on Red".

Because of safety the contractor was compelled to put ten mph speed bumps on the bridge when a few of our own residents just couldn't respect the construction zone. They are annoying, but they have slowed traffic significantly to a safe level. The concern is for the kids walking the bridge to school in the mornings and coming home in the afternoon. Workers are trying to stay focused on construction which is dangerous enough without worrying about hazardous drivers.

There was a recent break-in and a couple of thefts were reported on our island this winter. One person awoke in bed and heard noises in their house and their dog started barking. They were sick in bed with laryngitis and heard the person say, "Oh, there's a dog in here." The homeowner was unable to speak and could not call 911, so came out and locked the front door, then knocked on the window to let the intruder know that someone was home. The following day they called 911 after regaining their voice.

This should be a wakeup call for everyone on the island. It is easy to get complacent thinking we are on this happy island where nothing ever happens.

Make sure your doors are locked. We do have a security camera on the bridge. The reality is that someone living on the island could be a thief, but we truly hope not.

Two different residents have reported their outboard motors were stolen off their boat in their yard. Whether these were daytime or night time thefts, the owners didn't know. Remember to protect your valuables and don't leave them out for others to steal. Don't leave brief cases, computers or anything of value in your vehicle and make sure to lock the doors.

It is pretty clear that someone on the island is struggling with drugs. A number of needles and drug paraphernalia have been found indicating that we have a heroin addict living on the island. Normally addicts have to steal to keep their drug habit.

*Here is a good security tip. If you have a car alarm on your keys, sleep with the key fob next to your bed. If you should hear an intruder in the night you can hit the panic button and your lights will flash and your horn will honk.*

*Mike Neil-Security*

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

**[www.raftisland.org](http://www.raftisland.org)**



## RAFT ISLAND BRIDGE UPDATE - Q&A

March, 2014

### 1. Why do we need to make changes to our Bylaws & CC&R's for the new bridge?

When we secured our bridge funding from the USDA, it became mandatory to remove from our two governing documents (CC&R's and By-Laws) language allowing revocation of the bridge easement. As a public agency, the government cannot restrict individuals from use. **Changes to our By-laws, Article XI, Section 2, and the CC&R's, Article IV, Section 4, will be critical.** It is planned to submit these changes to the membership on the Annual Meeting ballot for May. The Bylaw change requires two-thirds (2/3) majority of those eligible & voting to pass, while the CC&R's will need 50% of the membership to approve. **Your vote will be essential!**

### 2. When is the expected completion date of the bridge?

Construction of the bridge has continued to be on schedule. Unless something unforeseen occurs in the next couple of months, completion should be before July 1<sup>st</sup>.

### 3. Why are there speed bumps on the bridge?

To ensure the safety of the construction workers the contractor installed temporary speed bumps. Unfortunately the barrels were not sufficient protection against vehicles speeding. Although this addition may require some patience, it is planned to remove them once the bridge is completed.

### 4. When will we know our monthly payment amount for the new bridge?

Until construction is completed we cannot determine the final loan amount. Once this is done, each member's property share will be calculated.

### 5. Have monthly payment estimates changed?

So far the construction has gone smoothly without any unanticipated costs. However, we can only offer **estimates** until we have completed construction & finalized our loan. Last August we speculated a range of \$1850-\$2200, per year, for each parcel. That amount included both the operating dues & the bridge assessment. Now that we have incurred a portion of the bridge cost, and if things continue as they have, newer estimates seem to be the same. Most importantly it does not appear the monthly amount should exceed our original estimates & is similar to our current payment.

### 6. Will there be payment options for the new bridge?

The Board will continue discussions about payment options & the administration that will be required. We will have only one opportunity to finalize the actual loan amount with the USDA.

### 7. Will there be a lien on my property for my share of the bridge loan?

**No.** Each member's share of the loan will not be a lien on their property. However, the RIIA will continue enforcement of its strict collection policy of placing liens on properties of members who are **delinquent** for payment of required dues/assessments.

**8. Will we be using Bridge Replacement Funds (BRF) for the new bridge?**

We have approximately \$624,000 remaining in the BRF. The Board recently approved moving most of the BRF funds to a more liquid account in anticipation of using the funds within the next few months. However, our financing requires that RIIA maintain a reserve fund to ensure we meet our monthly payment deadlines to the USDA so \$100K remains invested. The membership will be asked to determine whether the more than \$500K should be applied toward the purchase of the bridge, or whether a portion should be used to increase the \$100K retained as reserve & invested. Additional information will be provided to the membership about the impact of these choices before finalizing our loan.

**9. Will the BRF terminate?**

The escalating payment schedule is due to expire in 2016. However, this does not remove the actual Fund which is stipulated in our Bylaws, Article II, Section 3, and will continue with investment of bridge funds. The intention is to replace the current escalating payment schedule with a long term schedule once the final cost of the bridge is known. The current BRF schedule ranges from \$1269 this year to \$1350 in 2016.

**10. When will the old bridge be removed?**

Once the new bridge is in use, removal of the old bridge will commence. It is anticipated this will be done beginning August 15<sup>th</sup> and should be complete by August 30<sup>th</sup>.

**11. Why can't the old bridge remain?**

Discussions were had about whether the old bridge could continue to be useful as a possible foot bridge. However, the continued deterioration would likely make this option cost-prohibitive.

**12. When will the boat launch be available and where will cars park?**

The ramp should be available sometime during the last two weeks of June. Also, our construction budget has \$30,000 budgeted for landscaping on both sides of the bridge. Our contractor, Quigg, will be hiring a landscape architect to design the layout for the beach access, parking and landscaping for the areas where the current bridge resides.

## Island Officers and Trustees

President	Charlotte Crain (# 8)	253-265-0980
	Charlotte's Cell	503-680-1882
Vice President	Rich Swenson (# 219)	253-265-8090
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	Mike Hirko (# 113)	253-686-5288
Trustee	Dave Paly (69A)	253-265-6356
Trustee	Jim Cushing (#244)	253-265-2251
Trustee	Judson 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)	
Bruce Difloe (#155)	

## Parks and Recreation Committee

\*\*\*Chair Position Open\*\*\*

Greg Scea, (#192) 253-265-8368

## Security Committee

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

## Roads

Scott Wood, Chair (# 38) 253-509-3742

Tom Straub (# 98) 253-265-6952

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