



April 2015

MESSAGE FROM THE PRESIDENT

After completing the bridge in September, it's been a busy winter for the board members and committees. A committee led by RJ West have been working on major and minor changes to the By Laws and CC&R's with the primary objective to formally transition from an annual dues to a monthly dues. Charlotte Crain and Gene Barkin have been transitioning our website platform and updating the information. RIIA's manager, Juanita Carbaugh, has recommended changes to our accounting software and banking which the board approved for implementation in July. Our budget committee has been working on confirming what we've all been waiting for since we started thinking about a new bridge in 1996: Our dues will stay close to the same at \$165/month. Scott Wood and the Roads Committee have been busy investigating options for the reconstruction of our roads. And we are looking at redesigning and purchasing a new island map sign.



At the annual meeting in May, RIIA members have a lot to vote on! Outside the standard ballot items, the board is proposing six (6) changes to our By Laws and one(1) change to our CC&R's. The CC&R's required at least 50% approval of the

eligible members, so please attend the annual meeting on May 18th, or mail in your ballot. We need everyone eligible participating.

After the members voted to move up to \$596,000 from the Bridge Replacement Fund to the General Funds in July, our roads committee have been busy at work. They drafted a survey which our members responded to in March to give them direction on the importance of rebuilding the roads and how to fund them. The results showed that 76% of our members felt that roads were the most immediate infrastructure problem facing Raft Island today and that most opposed a one our two year assessment to pay for the reconstruction of the roads. A majority did favor looking into longer term funding options, such as the USDA. Based on this feedback, the committee have presented a two phase approach with a \$20,000 Phase I proposal on the annual meeting ballot. Phase I will look at costs, funding and timing prior to members voting to move forward with the final Phase II. The complete survey results are posted on our website, www.raftisland.org. Please review the roads question and answer document sent out with the ballot and on our website for more information.

Rich Swenson



MANAGER

Changes are Coming Soon.

Very important information - please read!

As Island Manager, it seems I am often the messenger bringing news of CHANGE. In keeping with that role, there are lots of changes that you will want to know about:

Parking Passes and Beach Keys

In past years, we have assigned and mailed out two permits to every lot owner who is current on their assessment payments. Because the lock to the beach will be changing, we will be handing out the new beach key and the parking permits together. The post office does not allow us to mail the keys unless they are “boxed” and mailed like a package. So we will be distributing the permits and keys at the annual meeting at All Saints Camp on May 18, 2015 to those in attendance that need them. If you cannot attend the annual meeting you can pick them up at our office during business hours. Our new office is located at 2201 34th Avenue NW, Suite A, Gig Harbor.

We heard you! We know that you don't like stickers, so we are using window clings this year. They are much easier to remove when they expire, no razor blade needed to scrape off the residue. The permits have a unique identifying number that is assigned to the home owner, for tracking purposes.

Each lot owner can have up to two parking permits per lot at no charge; additional passes may be purchased for \$5.00. Your permit must be displayed in the vehicle's front windshield, lower, left side (driver's side).

Your existing beach key will work until May 31; the **new lock goes on June 1**. New keys will be issued at the Annual Meeting. Keys are \$5.00 each.

New Coupon Books and Banking

RIIA will be changing its collections/accounting software and the bank we use for assessment deposits at the end of June. You will notice that the payment address on the coupon will be the bank lockbox (assigned specifically to Raft Island by the new bank). The lockbox address is in Las Vegas. Not to worry... we have not moved to Las Vegas, our office is still in Gig Harbor! Las Vegas has fewer weather events earthquakes, etc. and as a result is the safest data center location in the U.S.

You will receive directions with your coupon book on how to set up auto payment if you use your bank's auto bill pay system. Each lot will be assigned an account number (this is new) and you will want to include that in the memo field on your payments. If you own multiple lots, you will want to put both account numbers in the memo field.

We are very excited about the software change and banking change! It will offer you more payment options, including online payment with credit cards or E-checks. Automatic deductions can be scheduled at no cost to the homeowner or RIIA. Watch you mail in June for the new coupon books and the instructions that will explain the various options available for you to make your July payment. All in all, we know that once we get through the transition, this will be a big improvement for Raft Island.

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



RAFT ISLAND TREASURER

I'd like to thank Hans Kueck and Tina Shoemaker for volunteering to serve on the budget committee. The committee recommended several changes for the proposed 2016 budget. Now that the bridge replacement project is complete and with the recommendation of the bylaw committee, a single monthly dues amount of \$165 was proposed. This would replace separate dues for the general fund and the bridge replacement fund and move from annual dues to monthly dues. If you still want to pay annually, that's not a problem. Making the amount due monthly reduces the bookkeeping burden on the manager. The slight increase in the dues amount is necessary to meet our USDA loan obligation along with continued normal operating expenses. Most of the proposed budgeted operating costs are similar to last year. We increased the audit/accounting amount as the cost of the audit has risen. As required by law, we are due to update our reserve study so this amount was also increased. Last year's budget estimated the USDA loan payment based on estimated construction costs of \$6.9 million. We completed the bridge for \$6.6 million so the actual loan payment costs included in the proposed budget are less than last year's estimate.

For the current fiscal year we are within or below budget on all items except the audit/accounting costs. After the budget was passed, we received the engagement letter from the CPA which increased their fee to \$3,900 for the audit and preparation of the tax return. We'll have copies of the current year budget vs. actual report and the final construction cost details for you at the annual meeting. We did not include the current budget vs. actual report with your annual meeting packet as we wanted you to have more current data come the annual meeting.

Starting with the new fiscal year, the manager will keep track of our financial information using Village Management software instead of QuickBooks. The software has all the capabilities of QuickBooks and more management tools for

tracking historical information per lot. In addition, we will be changing the general bank account to Alliance Association Bank (AAB). AAB is a FDIC insured institution which caters to homeowner's associations and provides better flexibility for you in making payments and interfaces with the accounting software to automate some bookkeeping. The payment address on the new coupon book will be the bank lockbox (assigned specifically to Raft Island by the new bank).

Last year you voted to move the excess BRF monies to the general fund to potentially replace our roads. If all the remaining BRF dues are collected for this fiscal year, it's estimated that approximately \$575,000 will be available to put towards roads.

Anne Scea – Treasurer

www.raftisland.org

Website Update

As some of you may know, our website should be updated. We are taking steps to get there. Finally, we have migrated our domain and website over to Bluehost which is our new hosting company. The previous hosting company was Network Solutions which was problematic for updating and difficult to make changes. Our website was migrated "as is" and it is a HUGE task to make over a website without paying \$\$\$ for it. So our plan is that now that we have a decent web hosting platform to work with, Gene Barkin, our volunteer webmaster has cleaned up a lot of behind the scenes mess (think HTML) that was created by Network Solutions. We now have much better access and ability to edit and add features. We have added a calendar if you go to "CALENDAR OF EVENTS". We may be re-categorizing some areas ...it all takes time and thought. Please check the website and if you have suggestions or questions, please let us know via email through our Island Manager, Juanita Carbaugh.

Charlotte Crain

RIIA INVESTMENT COMMITTEE

Bridge Replacement Fund

At the end of last quarter (March 31, 2015), the total market value of this fund was \$988,959. This includes \$526,144 in the Vanguard Money Market Fund (destined for new roads) and \$351,518 being held by the Treasurer in the Chase BRF Checking account to meet bridge replacement USDA loan payments.

The remaining \$111,297 continues to be invested in Vanguard stock and bond mutual funds; the allocation percentage goals for these funds remain 26% Bonds, 30% Large Capitalization Stocks, 23% Medium and Small Capitalization Stocks, and 21% International Stocks. All funds are held by the Vanguard Group and the Treasurer's Chase BRF Checking account. The next scheduled special assessment for the BRF will be \$1,350 (565+785) due July 1, 2015 unless voted otherwise by the membership at the annual meeting (please read the ballot and vote).

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 (March 31, 2015) this investment totaled \$204,285 with a cost basis of \$162,445.

USDA Reserve

In compliance with the reserve requirements for the three USDA bridge replacement loans, on April 6, 2015 the Treasurer initiated this reserve with Vanguard investing \$14,796 in the Vanguard Life Strategy Growth Investors Fund (VSCGX), a conservative balanced mutual fund investing 60% in bonds and 40% in stocks. Beginning on May 11 of this year \$2,466 will be automatically invested monthly for the next ten years.

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).

Mike Hirko-Chair

Image looking west along the South-East section of Raft Island Drive showing extensive fatigue cracking.



RAFT ISLAND ROADS

A Special Committee for Roads Replacement (SCRR) was formed in fall 2014 with its members including: Eric Luria, Jim McReynolds, Tom Straub, Doug VanDoren and Scott Wood. The SCRR met numerous times this past winter, to formulate options in regard to correcting the current conditions of the islands road system.

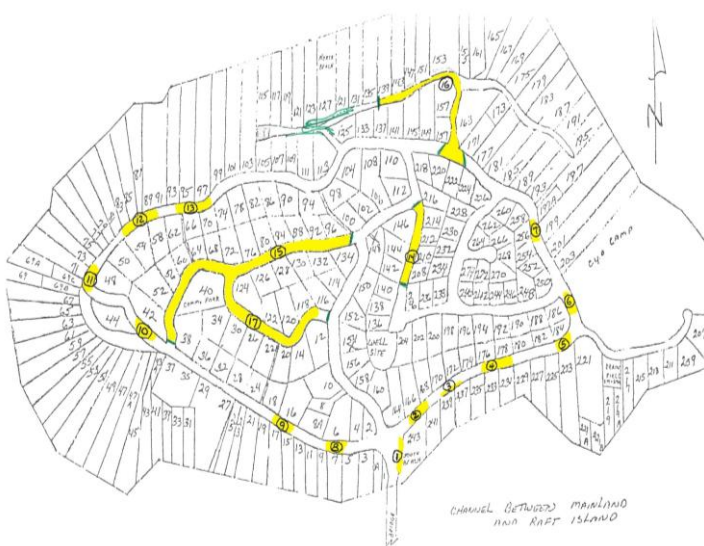
The SCRR investigated many avenues that would provide a low cost, high value road replacement for the island members. In January an executive summary with multiple scenarios to fund the project was provide to the RIIA board.

Roads summary:

- * With regular maintenance asphalt pavement should last 15-20 years (depending on use)
- * Last major repair occurred 26 year ago in 1989 (see map below), with an overlay
- * Annual minimal pothole repair has been budgeted at about \$8,000 per year and is not keeping up with the failed roadways
- * Based on the 2002 Road Restoration engineer's Report (Craig Peck) and a 4% annual inflation project cost was estimated at about \$1.5 million
- * An updated road condition report is suggested to evaluate current road conditions and provide options for repair.

The SCRR continues its assignment and has met with various consultants for estimates on a road evaluation report for the island road system. This report will be voted by the island residents as "Phase I" of the road replacement project. The report will contain a road condition overview, including subsoil (road base) condition and various replacement scenarios.

Additional Road Information



Map from the 1989 Ace Paving Company's 75,000 sq. ft. road overlay

Repairs were performed on the drainage at three locations along the south east sections of Raft Island Drive. These repairs included removing debris buildup at the through road drains, helping to keep them free of water backup and preventing further road damage.

Additional roadside drainage maintenance and upgrading will continue, preparing the road way for repair and keeping it free of water that has caused damage to many of our roads. This includes ditching, which kept water off the road ways this winter as well as the annual vegetation removal, keeping the right of way free of encroaching vegetation and safe for pedestrians and vehicle traffic.

Please help our road way up keep by maintaining your adjacent roadways.

- * Keep rock and landscaping from the roads right of way.
- * Ensure your drainage is free flowing, especially the under driveway drains.
- * Keep shoulder parking to a temporary basis and insure your vehicle is well off the roadway shoulders
- * Report road or road side issues to the island manager or the Roads Committee Chair.
- * Trim back vegetation or remove if it has out grown its space.
- * For those planting or removing weeds, please be aware of the local noxious weeds (see below)

The Top 12 Noxious Weeds chosen of high priority for this area:

Butterfly bush, Dalmatian toadflax, English ivy, Fragrant water lily, Giant hogweed, Gorse, Knapweeds (Bighead, Meadow, Spotted, Diffuse, Russian), Knotweeds (Bohemian, Giant, Himalayan, Japanese), Loosestrifes (Purple & Wand, Garden), Poison-hemlock, Policeman's helmet, Tansy ragwort

Scott Wood -Roads

CCR's and Bylaws Revision

A committee consisting of RJ West, Anne Scea, Jim Cushing, Trish Burnett met in Feb to draft changes to the CCRs and By-laws. Mike Hirko and Charlotte Crain also provided help and assistance. Our purpose was to clarify some ambiguities in the current version. For instance, since we've allowed the annual assessment to be paid in monthly installments, it's not clear in the current documents when "the dues are due" and how much is due when; since we've now replaced the Bridge, should we keep the Bridge Replacement Fund or establish a new fund to repay the current loan and then reinstitute a new BRF after the new bridge loan is paid off? or just keep the current BRF and if so, how should it operate? The current By-Laws call for a committee of island residents to audit the books. Our finances have not only become too complicated for volunteer non-accounting professionals to audit our books, but the Dept of Agriculture load requires an audit of our books by a CPA.

Brief Summary of Changes Proposed:

- Dues will be payable and due monthly. There will no longer be an 'annual dues amount,' there will be a monthly fee which is due that month. (although you could still pay for the entire year in advance) Now that the bridge is complete the Bridge Replacement Fund language was updated. We will keep the BRF and money will be transferred each month from the dues received to service the current bridge debt. Once the debt is extinguished, the funds will be transferred to save for the next bridge.
- We also reworded the necessary inspections and periodic analysis of the cost to replace the bridge. We didn't feel an annual engineering inspection and report was necessary for the brand new bridge and the next bridge is too far off to try to predict the cost.
- The landscaping committee was eliminated. We haven't had one for years.

• Lastly, the treasurer's duties were updated and the audit committee eliminated. Our records are far too complicated now to have members conduct an audit. Article VII Section 3 of the current By-Laws requires an audit by a CPA which we must do with the USDA loans anyway.

The full text of the changes proposed will go out with the annual meeting notice.

RJ West

Parks



Happy Spring! Well, South Beach, North Beach, and the tennis courts seem to have made it through the winter very well. The plan for North & South Beaches is to organize a work party for each. North Beach has some much-needed vegetation cutting back and clearing, with also some minor bulkhead repair.

South Beach has need of some weeding in our newly planted landscaping & light clean-up of the park. No date has been determined yet. If volunteers have time, maybe we could have a barbecue/potluck to finish out the day.

The tennis courts are going to get a much-needed power washing, but in the mean time please be careful if visiting the court as some of the area is very slippery from the moss & molds.

Sean Taylor - Parks

Save the date!

Annual Raft Island Community Party

Sunday, June 28, 2015 2:00 pm

All Saints Retreat Center

Last year was a big year for our community. Opening a new bridge was a significant milestone for Raft Island and the celebration marking that event also was history in the making. In the 25 years I've lived on Raft Island that was the first time I personally experienced our community, both young & old, coming together in the spirit of celebration and community pride.



To continue that spirit of merriment we would like you to join your neighbors again for the 2nd annual Raft Island Party. Following the same timeframe as last year we will keep the date on the last Sunday in June. Since there isn't an old bridge as the venue we will gather at our local All Saints Camp/Retreat Center.

The following are the next action items:

1. Save the date.
2. Think about your potluck food contribution.
3. Watch for an email Facebook Event invite. This will open up "private" communication with the island neighbors about the party.
4. Help on a committee; Games (children & adult), Planning, Cleanup- contact Betty Perry 253-0312-0322, bettyjperry@hotmail.com to offer assistance.

Join your friends & neighbors and celebrate this beautiful community we all love and share.

Betty Perry

www.raftisland.org



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

Island Officers and Trustees

| | | |
|----------------|-----------------------|--------------|
| 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 | Trish Burnett (# 67) | 253-265-3391 |
| Trustee | Mike Hirko (# 113) | 253-686-5288 |
| Trustee | Jim Cushing (#244) | 253-265-2251 |
| Trustee | Judson Morris (#124) | 253-265-2570 |
| Trustee | Doug VanDoren (#22) | |
| Trustee | Linda Karle (#169) | 253-265-6731 |

BRF Investment Committee

| | |
|----------------------------|--------------|
| Mike Hirko / Chair (# 113) | 253-686-5288 |
| Monica Butler (# 101) | |
| Rich Swenson (# 219) | |
| Dave Paly (# 69A) | |
| Hans Kueck (#232) | |
| Bruce Difloe (#155) | |

Volunteer Committee

Open position

Parks and Recreation Committee

Sean Taylor (# 128) 253- 265-8946

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 BJ any photos or news articles you would like included in our island publication