
RESOLUTION PROPOSAL

DATE: March 25, 2010

SUBJECT: Transfer from ERA - Dividends and Interest to Short Term Investment Account

SPONSOR: Treas. Harrison

BACKGROUND INFORMATION:

The approved 2009 Budget included \$280,000 in Earnings from the Emergency Reserve Account (ERA) to be transferred as part of the 2009 budget, but only \$270,000 had been transferred prior to year-end. This request for the transfer of \$10,000 is the last earnings transfer to close Fiscal Year 2009.

\$10,000 will be transferred from the Morgan Stanley/Smith Barney ERA - Dividends and Interest to the Morgan Stanley/Smith Barney Short Term Investment Account.

This transfer requires a majority vote of the Board of Directors as stated in the recently revised PM 04.02Q LMOA Investment Policy:

VII. EMERGENCY RESERVE ACCOUNT (ERA)

J. Withdrawals

With a majority vote of the Board of Directors, interest and dividends received into the ERA may be withdrawn for use in the maintenance, upkeep, general care of the amenities and assets of the corporation and capital needs, provided the value of the ERA after withdrawal is greater than the Original Principal amount. A use or withdrawal from the Current Principal under any circumstances is not permitted unless approved by the members.

STAFF RECOMMENDATION: Concur

PROPOSED FINANCIAL IMPACT: Impact is a planned action to close out FY 2009.

PROPOSED SOURCE OF FUNDING: ERA - Dividends and Interest

STRATEGIC PLAN REFERENCE:

4.1 Prudently manage the Association's finances and reserves

POSSIBLE MOTION:

Move that the Board of Directors authorize the transfer of \$10,000 from the Emergency Reserve Account - Dividends and Interest to the Short Term Investment Account for the purpose of closing 2009 funding activities.

PERSON RESPONSIBLE FOR FOLLOW-UP: General Manager