
RESOLUTION PROPOSAL

DATE: March 25, 2010

SUBJECT: Amend PM 4.02A: Financial Management Policy

SPONSOR: Treas. Harrison

BACKGROUND INFORMATION:

The proposed modifications are to align the policy with the budget, make corrections discovered by the Ad Hoc Committee on Legislative Review and structuring of reserve and operating accounts for transparency. The objective is to clean up the policy and get the budget and policies aligned. One area of interest is the Amenity Subsidy Reserve. This is a new category, where the amount of subsidy is identified from the budget and provided to the members at billing, and credited to the reserve to gain investment income. Payout would likely be at the end of the amenity season so the funds could sit in the STORFA. We also need to begin building a Lake reserve - beyond Lake Health. Other changes have been made in terminology to align with the POAA with an MR&R reserve and a glossary that has been added to provide members with definitions of terms used. One of the goals of the Ad Hoc Committee on Legislative Review is to provide a glossary for each chapter of the policy manual as it is modified. Since this is the first section of PM 04, the glossary will be carried at the end of this section and be consolidated later at the end of the chapter.

Due to the nature of this change and the timing of the budget approval, the second reading and vote by the Board will be on the January Board Meeting Agenda.

STAFF RECOMMENDATION:**PROPOSED FINANCIAL IMPACT:**

Changes will improve traceability of accounting and funding LMOA activities and provide a hierarchy of accounts to improve transparency.

PROPOSED SOURCE OF FUNDING:

Not applicable

STRATEGIC PLAN REFERENCE:

Improve transparency in the budgeting and financial reporting. Develop strategic approach to fund major expenditures.

POSSIBLE MOTION:

(First Reading)

PERSON RESPONSIBLE FOR FOLLOW-UP: General Manager