

---

---

## RESOLUTION PROPOSAL

---

---

**DATE:** April 22, 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.

A Board work session was held on April 8, 2010.

**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:**

Move that the Board of Directors approve changes to PM 4.02A Financial Management: Financial Management Policy recommended by the Ad Hoc Committee for Legislative Review and the April 8 Work Session as presented in the April 22, 2010 Board packet.

**PERSON RESPONSIBLE FOR FOLLOW-UP:** General Manager