

## Resolution – Amend and Restate the Investment Policy

Jeff Kestenbaum, Treasurer

October 19, 2017

### Background

#### ***Recommendation***

The Finance Committee would like the reserve funds, while funded through regular assessments, transfer fees and investment income, to be identified more specifically as to the purposes of the reserve fund as proscribed in the governing documents. The Finance Committee understands that in the case of an emergency, the entirety of the reserve fund would be available to preserve the association. However, as a matter of budgeting and identifying minimal funding levels it is in the best interest of the association to establish base funding levels to pay for capital replacement and repair projects, emergencies and other capital expenditures. The Finance Committee amended the draft to address concerns of the Board of Directors and recommends amending and restating the Investment Policy to include establishing a minimum threshold amount for casualty loss not covered by insurance, repair and replacement of existing capital assets, while adding more specific language to the policy as a whole.

#### **Proposed Resolution**

WHEREAS, It is sound governance policy to review association policies to identify areas that need updating and to amend as necessary...

AND, WHEREAS, The Board of Directors wishes to ensure preservation of the capital assets of the Association, prepare for emergencies and plan for community enhancements...

AND, WHEREAS, Article 9.03 (a) (xii) of the Declaration of Covenants, Conditions, and Restrictions of the Indigo Run Community Owners Association, Inc. states:

*“The Common Expenses to be funded by the Annual Assessments may include...the establishment and maintenance of a reasonable reserve fund or funds: (a) for maintenance, repair, and replacement of those portions of the Common Areas which are the responsibility of the Association and which must be maintained, repaired, or replaced on a periodic basis, (b) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds, and (c) arising from unpaid assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board of Directors.”*

AND, WHEREAS, Article 9.06 (c) of the Declaration of Covenants, Conditions, and Restrictions of the Indigo Run Community Owners Association, Inc. states:

*“The Property Transfer Fees shall be used for the maintenance of capital reserve funds; emergency and capital expenditures as authorized by the Board.”*

AND, WHEREAS, Article IX, Section 1 (e) of the Bylaws of the Indigo Run Community Owners Association states:

*“...the Board shall have the power to and shall be responsible for...collecting assessments, depositing the proceeds thereof in a financial depository or institution*

*which it shall approve, or otherwise investing the proceeds in accordance with any limitations set forth..."*

AND, WHEREAS, The Board of Directors has established a policy regarding the investment of said funds...

NOW, THEREFORE, BE IT RESOLVED, a motion duly made and seconded, was approved on this date, October 19, 2017, that said Investment Policy, shall be amended and restated in its entirety according to the attached Investment Fund Policy Statement:

See attachment