[DRAFT MINUTES]

LAKE SAINT LOUIS COMMUNITY ASSOCIATION

FINANCE COMMITTEE MINUTES – July 21, 2022

I & II. The meeting was called to order by Chair Ken Dobbins at 6:00 pm. Present were committee members Bill Kral (Vice Chair), John Surgant, Geoff Beckemeier, Scott Grieshaber, and Debra Cannon.  Also present was General Manager Heather Becker and BOD Liaison Tim Elder.

III.          The agenda was unanimously approved (Beckemeier motion, Surgant second).

IV.          The minutes for June 21st, 2022, were unanimously approved as amended (Kral motion, Surgant second)

V.           Old Business:  None.

VI.          New Business.

1. June 2022 Financials - Presented by General Manager Heather Becker.  General discussion ensued on financials as presented and remaining capital expenditures for 2022.  A new weighted budget report from the CPA was presented along with standard materials. Additional discussion centered around gating and lighting on the pickleball courts and approvals needed from the City of LSL.  June financials were unanimously approved (Kral motion; Surgant second).
2. LSLCA Investment Policy – The Finance Committee discussed the need for a more robust Investment Policy which outlines the LSLCA investment philosophy, and lays out Board, Accounting Committee and General Manager responsibilities along with acceptable counterparties and types of investments.  A draft investment policy was presented and discussed among Finance Committee members and tabled for further discussion at our next meeting (Grieshaber motion; Kral second).

VII.         The meeting adjourned at 7:13 p.m. (Kral motion; Beckemeier second).

Respectfully Submitted by Geoff Beckemeier

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**Lake Saint Louis Community Association (LSLCA)**

**Investment Policy**

**July 26, 2022**

1. Overview

The cash and securities holdings of LSLCA result from annual assessments, amenity fees, and purchase and sales of goods paid by its members. Per LSLCA by-laws, these monies are used on an ongoing basis for operating expenses, infrastructure maintenance, capital expenditures, and to fund specific reserve accounts. The LSLCA Board of Directors is responsible for overseeing the assets of the Community Association in accordance with the approved investment philosophy and policy. The LSLCA Finance Committee reviews the investments to assure that they are in accordance with the investment policy and makes recommendations to the LSLCA Board of Directors.

1. Investment Philosophy

The overriding purpose of LSLCA investments is to protect the principal with prudent investments as outlined in Section V while maximizing return on those investments. The investment portfolio will remain sufficient to meet all reasonably anticipated operating requirements based on a semiannual cash flow analysis. This will be accomplished by structuring the portfolio so that securities mature concurrently with cash requirements necessary to meet anticipated demands.

1. Banks/Dealer Requirements

Investments will be made through banks with an international CAMEL (Capital adequacy, Asset quality, Management, Earnings. Liquidity, and Sensitivity) rating of two or less or an IDC (International Deposits Corporation) rating of 125 or higher. All banks/dealers must be fully licensed and registered in its appropriate State of jurisdiction.

1. Investment Portfolio Responsibilities
2. LSLCA Finance Committee.

The LSLCA Finance Committee is responsible for:

1. Presenting bank/dealer qualifications to the Board of Director for approval. This approved listing of banks/dealer can be used for making investments. Board approvals are valid for one year and can be renewed. Proposed additions to the approved list can be recommended to the Board at the beginning of each quarter.
2. Reviewing the cash flow analysis with management and making investment recommendations to the LSLCA Board of Directors.
3. LSLCA General Manager.

The LSLCA General Manager is responsible for:

1. Presenting to the LSLCA Finance Committee a semiannual cash flow analysis which matches cash needs with the investment portfolio. (June, December)
2. Recommending to the LSLCA treasurer for approval the investments based on the LSLCA Finance Committee’s recommendations and Board of Director’s approvals.
3. Placing the investments with approved banks/dealers.
4. Providing a monthly investment report to the LSLCA Finance Committee that includes the principal invested, maturity date, interest rate, and interest income.
5. Establishing accounts with approved investment banks/dealers.
6. LSLCA Treasurer.

The LSLCA Treasurer is responsible for:

1. Approving and cosigning all investments that are placed with banks/dealers approved by the LSLCA Board of Directors.
2. Reinvesting investments that mature and are not needed per the semiannual cash flow analysis.
3. Reviewing and approving the monthly investment report as compiled by the General Manager for the LSLCA Finance Committee and Board of Directors.
4. Permissible  Investments

The following are permissible investments for the LSLCA portfolio:

1. Certificates of deposit with a maximum value which is insured by the Federal Government or collateralized with U.S. Government securities and with maturities not to exceed three years.
2. U. S. Treasury bills with maturities not to exceed one year.
3. U.S. Treasury notes with maturities not to exceed five years.
4. U.S. government agencies with maturities not to exceed five years.