

Committee Name: Finance Committee

Committee Chair: Jeanne Ensign
Minutes recorded by: Laszlo Eger

Vice Chair: Laszlo Eger
Date of meeting: Aug. 25, 2013

Motions Passed - none

Number of committee members present: 14

Absent: 4

Number of others present: 1

Committee members present: Jeanne Ensign (Chair), Laszlo Eger (Vice-Chair), Thomas Boak, David Burgio, Ralph Davis (Treasurer, ex-officio), Phil Dodson, Betsy Durant, Harry Greenfield, Paul Griffin, Kildine Harms, Lucy Johnson, Susan Kuhlman (CFO, ex-officio), Sarah Welch, Laura Winslow

Other: Rob Butcher (Executive Director)

Minutes

The telephone conference meeting was called to order at 7:00 pm EDT for the purpose of the first discussion on the proposed 2014 USMS Budget.

On the recommendations of the Chair, the following sections were reviewed:

1. Membership and Club Revenue
 - a. 2014 is the 5th and final year for the annual membership fee increase of \$2. A proposal was made to the BOD for subsequent years. To be discussed at the Convention.
 - b. The Club dues collection fee of \$7,000 (line 4037), which could affect 26 clubs, was discussed, and accepted.
 - c. No other issues were raised regarding this area of the budget.
2. Coach and Club Services Revenue
 - a. Line 4036 of \$9,000 in Coaches Certifications would have related expenses in increased staff – included in total compensation.
 - b. No other issues of consequence raised.
3. Insurance
 - a. ESIX was hired as broker for risk management and insurance, and the numbers in the proposed budget were based on their recommendations.
 - b. The BOD approved continuation into 2014 of the current OW sanction premium of \$1K. OW sanctions significantly below last year and some felt that it would drop even further if the current policy is maintained.
 - c. Definitive insurance numbers will not be available until 60 days before the expiration of the current policy, so we are currently working with a 'best estimate'. (USMS working on moving insurance renewal date to 10/1, starting in 2014)
 - d. There is an Insurance Task Force, whose recommendations, and subsequent action by the BOD on those recommendations could have major bearing on the final insurance premium numbers. This is expected in the coming weeks, likely before the Convention.
 - e. Is the ESIX broker fee appropriate? Rob B. – Yes, we compared it to other proposals.
 - f. Topic to be revisited by FC as more information becomes available.
4. Coaches Committee
 - a. Significant concern raised regarding the request to send 4 coaches to Worlds.
 - b. Agreed to request Coaches Committee Chair to justify request to FC.
5. USA Swimming Industry Initiative (line 5720)

- a. After brief discussion and justification by Rob B., FC supports the proposed \$25K expenditure.
6. SSL Fund Operating Cost (line 5847)
 - a. The doubling of this expense was questioned.
 - b. Rob B. indicated that they are looking at attracting 5,000 additional adult swimmers to USMS by supplementing the disbursements by the Fund with giveaways to increase awareness of USMS. (The Fund received requests for a total of \$166K, while it currently has \$180K.)
 7. Outside Legal Expenses (line 5830)
 - a. Item questioned by FC. Details to be distributed to FC by Rob B.
 8. Compensation & Benefits – Summary by Sarah Welch

Increase of \$157K from 2013 Forecast to 2014 Proposed Budget is composed of the following:

- \$113K – one full-time new position in Club Services and a half-time to full-time change in the Swimmer Magazine Asst. Editor position.
- \$13K – improved retirement plan.
- \$18K – 3% merit increase pool.
- \$8K – increase in bonus pool.
- \$5K – increase in health care cost

No issues raised by FC.

There were no other concerns raised by the FC on any item in the proposed budget at this time.

This was followed by a discussion on the role of FC in the budget process:

- a. Must the FC present a balanced budget to BOD?
- b. According to FOG, both FC and Executive Director need to present a balanced budget – unless BOD instructs otherwise.
- c. It was felt that the FC can utilize USMS reserves to balance the budget, as we are looking at a relatively small shortfall compared to the significant assets of USMS.
- d. Nevertheless, the Chair requested Rob B. and Susan K. to review the proposed budget and try to come up with a break-even scenario – to be sent to the FC by 8/27.
- e. BOD meets on 8/26 and FC will get their view as well.
- f. Rob B. indicated that Committee (Volunteer) and Convention Expenses are passed on to FC as received, without their endorsement. FC felt that these expenses should be scrutinized in greater detail and FC members will review.

The meeting was adjourned at 8:22 p.m. EDT. Next meeting Thursday, Aug. 29th at 8 p.m. EDT.
