

Committee Name: Finance Committee

Committee Chair: Jeanne Ensign

Vice Chair: Laszlo Eger

Minutes recorded by: Laszlo Eger

Date of meeting: Jan. 23rd, 2014

Motions Passed

MSA Executive Director's request to reallocate a total of \$25,000 of budgeted funds to a BOD-approved new PR campaign.

Number of committee members present: 14

Absent: 2

Number of others present: 0

Committee members present: Jeanne Ensign (Chair), Laszlo Eger (Vice-Chair), Tom Boak, Elyce Dilworth, Phil Dodson (Treasurer, ex-officio), Betsy Durrant, Don Gilchrist, Peter Guadagni, Lucy Johnson, Susan Kuhlman (CFO, ex-officio), Homer Lane, Jeff Moxie, Sarah Welch and Laura Winslow.

Minutes

The telephone conference meeting was called to order at 8:00 pm EST.

The primary purpose of the meeting was to follow-up on the work of the subcommittees set up on 10/24.

1. Five-year Financial Plan – The FC discussed 3 documents prepared by the subcommittee (Ralph, Chair, Phil, Sarah, Harry) on the 5-year Plan that will form the basis of a presentation by Phil to the BOD at their 2/7 meeting. Comments were made and noted by Phil regarding wording, punctuation, etc. Other substantive comments, primarily on the slide presentation:
 - a. Lucy and several other members expressed concern with the ratio of payroll and contractors expenses to revenue increasing to over 50%. What is the appropriate ratio? Members of the sub-committee suggested no more than 45%.
 - b. Susan commented that the payroll to revenue ratio is not to be confused with an overhead to revenue ratio as much of the payroll costs are program related.
 - c. Homer suggested looking back further at historical membership numbers to properly evaluate payroll to revenue ratios and what we are getting from NO efforts.
 - d. Concern was expressed over lack of contingency plans if projected membership growth doesn't materialize. How will we downsize, how fast and at what costs? Phil will add this risk analysis to the presentation.
 - e. Susan indicated that we have a good feel for membership trends after the 1st quarter, leaving plenty of time to react, noting that in early 2012 fees for coach and club services clinics were adjusted upward to cover actual costs.
 - f. Jeff suggested adding a slide on 'Assumptions' to start the presentation and concluding with a 'Recommendations' slide. Phil agreed to the first, will further discuss the second with Jeff.
 - g. All agreed that Ralph did a great job in pulling together the Executive Summary and slide presentation.
2. FOG rewrite – Rewrites of 'Budget' and 'Reimbursement' sections were discussed.
 - a. Budget Rewrite comments:
 - i. Phil and Susan requested to be involved as we move ahead towards finalization of this section.
 - ii. Lucy suggested that FC should always present a zero balance budget.
 - iii. The FC seemed comfortable with limiting over-budget requests to >\$30,000, leaving smaller changes to the discretion of the ED.
 - iv. Questions raised regarding shifting of funds between NO and Volunteer budget – who has authority?
 - v. FC budget presentation to HOD on 3rd day of Convention – include in rewrite.
 - vi. Compensation Committee to provide salary range for new hires prior to budgeting.
 - b. Reimbursement Rewrite comments:

- i. President to approve Volunteer expenditures – is this reasonable? Susan – this is already the case. Sub-Committee to look at various options – someone needs to be responsible.
- ii. Specify – only President can have single room reimbursed.
- iii. Specify – number of nights lodging reimbursed at Convention. Section B.1.a.

The Executive Director requests to reallocate \$25,000 of funds currently budgeted to be used for the hiring of a public relations consultant who can review and assess our existing public relations efforts, help us generate a public relations plan that will effectively reach our target markets, recommend PR resource tools we may need, teach our existing staff how to implement the plan and be available on an as needed basis to provide added support. \$2,000 would come from reducing production costs of SWIMMER magazine, and the remainder from reduction of videos, mainly at Nationals. The ED has presented to BOD the change in PR emphasis and the BOD has indicated support as long as there is no net impact on the budget.

MSA to approve “Executive Director’s request to reallocate a total of \$25,000 of budgeted funds to a BOD-approved new PR campaign.”

The FC discussion primarily sought assurance that this is a realistic, one-time reallocation. Susan confirmed that it was, as Nationals video production wasn’t getting the ‘bang for the buck’ and that the funds could otherwise be more effectively used. The committee requested that the PR consultant provide input on the public relations aspects of the Five-Year plan.

The EC and the BOD must subsequently approve the reallocation.

The meeting was adjourned at 9:22 p.m. EST. Next meeting will be in early March, Susan to organize.
