

Committee Name: Finance Committee

Committee Chair: Jeanne Ensign

Vice Chair: Laszlo Eger

Minutes recorded by: Laszlo Eger

Date of meeting: June 8, 2015

Motions Passed

1. MSA - It is resolved that the FC accepts the reaffirmation by the OWTF of the OW sanction fee revenue model with the following components:
 - a. Flat fee per sanction
 - b. Per participant charge
 - c. Maximum per event

The motion was approved with 10 ayes and 2 nays.

2. MSA - It is resolved that the FC accepts the recommendation by the OWTF for the National Office to bill LMSCs which are responsible for collecting and paying all event sanction fees. The motion was unanimously approved.
3. MSA – It is resolved that the FC accepts the recommendation by the OWTF to accept a flat per event pool sanction fee as an alternative revenue model to a per participant fee. The motion was approved with 6 ayes, 5 nays and 1 abstention.
4. MSA – It is resolved that the FC accepts the OWTF recommendation of a 2016 budgetary plan of an approximately 50% cost recovery for open water events with the following fee structure: \$300 flat sanction fee, plus \$5 per participant charge with a \$2,400 to \$3,000 maximum fee per event, for events with a minimum of 20 participants and \$500 in fees. National Championships are excluded from all flat fees. The motion was unanimously approved.
5. MSA - It is resolved that the Membership Director is added to the Executive Director and CFO as those authorized to co-sign checks up to a limit of \$10,000, change subject to approval by the Audit Committee. The motion was unanimously approved.

Number of committee members present: 16

Absent: 0

Number of others present: 1

Committee members present: Jeanne Ensign (Chair), Laszlo Eger (Vice-Chair), Jon Blank, Ralph Davis, Elyce Dilworth, Phil Dodson (Treasurer, ex-officio), Don Gilchrist, Harry Greenfield, Peter Guadagni, Susan Kuhlman (CFO, ex-officio), Lucy Johnson, Homer Lane, Jeff Moxie (Assoc. Member), Helen Naylor, Sarah Welch and Laura Winslow. Others present: Nadine Day.

Minutes

The telephone conference meeting was called to order at 8:00 pm EDT for the primary purpose of discussing the proposal of the Open Water Task Force of the Board (OWTF) for sanction fees for pool and open water events. The OWTF is seeking Finance committee approval of its proposal.

Nadine gave a summary of the background for the Open Water Task Force (OWTF) that was formed last year to come up with a proposal to recover the sharply increased costs of running events, primarily OW.

As much of the discussion centered around criticism of a pool event fee, the Chair proposed discussing and voting on the OWTF proposals individually point by point:

1. The OWTF reaffirms the OW sanction fee revenue model with the following components:
 - a. Flat fee per sanction
 - b. Per participant charge
 - c. Maximum per event

A motion was made and seconded for the FC to accept the above recommendation. There was no discussion. It was approved by a 10 to 2 vote.

2. A motion was made and seconded for the FC to accept the 4th recommendation of the OWTF, specifically that the National Office will bill LMSCs which are responsible for collecting and paying all event sanction fees. It was clarified that only ‘sanctioned’ events are concerned, not ‘recognized’ events. It was unanimously approved.
3. A motion was made and seconded for the FC to accept a slightly modified version of the 2nd recommendation of the OWTF, specifically to accept a flat per event pool sanction fee as an alternative revenue model to a per participant fee (the per participant fee was approved by the FC in February). During the discussion the following points were made;
 - a. Phil indicated that costs attributable to pool events are around \$55,000. Several FC members commented that most of this is simply an allocation of overhead that would be there in any case, while others emphasized that services are indeed provided by the National Office for pool events.
 - b. USA Swimming does this and it is an effective revenue raising mechanism.
 - c. Eventually the HOD will have to approve the imposition of any such fee.

The motion was accepted with 6 votes for, 5 against and 1 abstention.

4. The 3rd recommendation of the OWTF was split into 2 parts, one for OW and one for pool events:
 - a. Open Water – The OWTF recommends a 2016 budgetary plan of an approximately 50% cost recovery for open water with the following fee structure: \$300 flat sanction fee, plus \$5 per participant charge with a \$2,400 to \$3,000 maximum fee per event.

During the subsequent discussion it was indicated that the OWTF proposal includes that sanctions would only be granted for events with more than 20 participants and require a minimum of \$500 in fees. National Championships are excluded from all flat fees as they already have a fee structure that is participatory with USMS. The Long Distance Committee would decide the maximum fee per event in the range indicated above.

A motion was made and seconded for the FC to accept the above recommendation for OW events, and include the points brought out in the discussion. The motion was approved unanimously.

- b. Pool events – The OWTF recommends a 2016 budgetary plan of an approximately 50% cost recovery for pool events through the imposition of a \$70 per event sanction fee.

A motion was made and seconded for the FC to accept the above recommendation for pool events. The subsequent discussion, in addition to repeating some of the points already previously made (see #3 above), also included a reduction of the \$70 fee to something lower, such as \$35. It was commented that the costs associated with collecting such a low fee would likely make it uneconomical as well as unable to achieve the 50% cost recovery.

The motion to impose a pool event sanction fee of \$70 was rejected by a vote of 7 against versus 5 for.

5. The National Office requested that the Membership Director be added as an authorized co-signer for checks under \$10,000, as the Executive Director’s travel schedule at times limits his ability to co-sign.

A motion was made and seconded that the Membership Director is added to the Executive Director and CFO as those authorized to co-sign checks up to a limit of \$10,000, change subject to approval by Audit Committee. (The Audit Committee meets June 12). Susan will verify that the Membership Director is covered by insurance. The motion was unanimously approved.

All agreed that other adjustments to disbursements procedures in the Manual of Accounting Procedures (MAP) requested by the N.O. could be done at a subsequent meeting.

6. A subcommittee, composed of Helen, Laura, Jeanne, Susan and Laszlo, was appointed to address suggested changes to the Financial Operating Guidelines (FOG) and (MAP).

The Chair indicated that the next meeting would take place in about a month.

The meeting was adjourned at 9:38 p.m. EST.