

<b>Committee Name:</b>	<b>Finance Committee</b>	<b>Session #:</b>
<b>Committee Chair:</b>	<b>Jeanne Ensign</b>	<b>Vice Chair: Harry Greenfield</b>
<b>Minutes recorded by:</b>	<b>Jeanne Ensign</b>	<b>Date/time of meeting: September 8, 2016</b>

## Motions Passed:

1. **MSA, with minor corrections, to approve the minutes of the September 1, 2016 meeting.**
2. **MSA to recommend to the Board that direct costs (with no soft costs included) for Fitness Program Development (\$43,770) and College Club Swimming (\$29,040) be paid for from the Opportunity Reserve funds**
3. **MSA to recommend to the Board that direct costs (with no soft costs included) for the Web Design, Social Media, Mobile App, Consulting program (\$25,000) be paid for from the Opportunity Reserve funds.**

<b>Number of Committee Members Present: 13</b>	<b>Absent: 1</b>	<b>Number of Others Present: 2</b>
<b>Committee Members Present: Jeanne Ensign (Chair), Jon Blank, Elyce Dilworth, Phil Dodson, Laszlo Eger, Harry Greenfield (V Chair), Jack Groselle, Peter Guadagni, Homer Lane, Sarah Welch, Laura Winslow, Ralph Davis (Treasurer, Ex-Officio), Susan Kuhlman (CFO, Ex-Officio)</b>		
<b>Committee Members Absent: Tom Boak</b>		
<b>Others Present: Dawson Hughes (CEO), Patty Miller (President)</b>		

## Minutes

The conference call meeting was called to order at 7:30 pm EDT.

4. The chair welcomed committee members. This meeting is the second of two convened to discuss the 2017 draft annual operating budget submitted by the National Office. The Board of Directors approved the budget assumptions at their July meeting.
5. **MSA, with minor corrections, to approve the minutes of the September 1, 2016 meeting.**
6. Elyce, Laszlo and Harry volunteered to take minutes at convention.
7. Susan reported that she and Dawson had met with ESIX, our insurance brokers, since our meeting last week. We are starting to see the benefit of a lower claims history. The quote is \$40k less than we estimated based on the current year rate. Dawson and Susan have requested revised quotes in a couple of areas so the quote may be revised. Our insurance year is October through September, which means the last quarter is an estimate in the budget. Susan estimated it to be the same as the 2017 renewal rate. Our October to September year gives us an actual quote for the budget, plus we get better and timelier service if we're not renewing at the end of the year.
8. Questions on the remaining budget assumptions were addressed.
  - a. Magazine costs: A slight decrease in cost for 2017. In an effort to meet members' delivery expectations, members will be given a choice of digital or paper. Since we don't know what percentage will choose to go digital, the budget calculation is for an annual reduction of 10,000 copies. New members registering after the first mailing will get a digital version. Members will also be able to opt out of the paper magazine and this may have a positive impact. Susan will be evaluating potential impacts on the advertising and sponsors.
  - b. IT: Susan explained the improvements in National Office reporting to LMSC Treasurers and Registrars. No other questions.

- c. College Club Swimming: Pro-rated club memberships will begin in August 2017. Dawson answered questions about the breadth and type of support we will be providing.
  - d. Admin – Staff: Jack asked whether USMS had ever looked at owning a building rather than renting. Patty noted that in 2015 a Task Force looked into it and found that leasing was more advantageous at the current time. Susan will look into locating a copy.
9. The chair opened discussion about whether funds from the Opportunity Reserve might be requested for any programs. (The Opportunity Reserve, part of the Reserves Policy adopted by the BOD in July, provides funds to meet special targets of opportunity or need that further the mission of the organization. The Policy is posted in the minutes section of the website). The chair clarified that the Opportunity Reserves level is \$600,000 as established by the BOD. Funds are requested by CEO, Finance Committee reviews and makes a recommendation to the BOD, then the BOD adopts or not. She also clarified how such funds would be reported in the budget and on the financials. Patty noted that the CEO didn't necessarily ask for Opportunity Reserve funds for these two programs, but the discussion is whether they are a good fit.
  - a. Homer thought that both College Club Swimming and Fitness Program Development programs seem appropriate. Committee members discussed. Phil thought amounts should be expenses only and not net of income. **MSA to recommend to the Board that direct costs (with no soft costs included) for Fitness Program Development (\$43,770) and College Club Swimming (\$29,040) be paid for from the Opportunity Reserve funds.** The vote was 8 in favor, 1 opposed.
  - b. Peter thought that the Web Design, Social Media, Mobile App, Consulting program should be considered as well. **MSA to recommend to the Board that direct costs (with no soft costs included) for the Web Design, Social Media, Mobile App, Consulting program (\$25,000) be paid for from the Opportunity Reserve funds.** The vote was 5 in favor, 4 opposed. Patty asked if those who voted for the motion would offer an explanation for their vote in favor, given the entire discussion about using Opportunity Reserve funds. The consensus of those who spoke was that it really is an investment in infrastructure and necessary for any organization in this day and age.
10. Susan conveyed another possible budget change in that she just received notice of a 20% increase in the State of Florida Workers Compensation rate for the coming year.
11. The chair said that the committee would not approve the 2017 operating budget as a whole at this time, but during the Thursday meeting at Convention. There will be discussion, as needed, during Wednesday and Thursday meetings. The draft operating budget will be posted on the Convention area of the website early next week.
12. The chair thanked everyone for joining the call. The next meeting of the committee will be Wednesday 9/21 at 4 pm in Atlanta.

The meeting was adjourned at 8:47 pm EDT.

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