

Committee Name:	Finance Committee ("FC")		
Committee Chair:	Guy Davis	Vice Chair:	Homer Lane
Minutes recorded by:	Guy Davis	Date/time of meeting:	8:00pm ET 11/8/2002

Motions Passed:

1. **The FC approved the USMS compensation and benefits proposals for 2023 recommended by the C&B committee and the CEO.**

Number of committee members present: 10	Absent: 2	Number of guests: 3
Committee members present: Guy Davis - Chair, Homer Lane - Vice Chair, Ralph Davis, Teddy Decker - Treasurer Ex-officio, Phil Dodson, Brandon Franklin, Jill Gellatly, Dawson Hughes - CEO Ex-officio, Gary Keehner - Controller Ex-officio, Laura Winslow.		
Guests: Peter Guadagni - President, Erika Braun - Chair Compensation and Benefits Committee, Ian King - Vice Chair Compensation and Benefits Committee		
Committee Members Absent: Ashley Braniecki, Jeanne Ensign		

Minutes

The meeting (conducted by Zoom call) was called to order at 8:02pm ET

1. No conflicts were declared. Guests were welcomed to the meeting.
2. The FC ratified the email approval of the 8.23.2022 meeting minutes
3. The principal business of the meeting was to review and approve the USMS Compensation and Benefits plan for 2023 as part of the review and approval of the 2023 budget. Prior to the meeting the CEO and Chair of the C&B Committee had circulated a detailed memo with their recommendations. The memo covers relevant labor market conditions, peer group pay levels and increases, peer group bonus and incentive compensation, and current labor market challenges. In light of these comparisons and taking into account the proposed increase in staff levels from 14.75 full time equivalent (FTE) staff in 2022 to 16.25 FTE staff in 2023 the proposed total compensation budget (including taxes, benefits and incentive compensation) for 2023 is \$2.054m representing an increase of 12.7% over the revised approved 2022 budget. The additional staff are: a membership coordinator position which has already been approved in a 2022 overbudget request; and a club development director to support/lead USMS's strategic focus on club development. The recommendations also include a 4% merit pool and a market adjustment budget to give the CEO some discretion to provide some competitive salary adjustments if needed to retain key employees or to utilize in the management of any staff turnover. The bonus and salary grade structure approved in 2022 remains in place for 2023.
4. Erika and Dawson gave the FC additional commentary on the memorandum and answered FC questions on the memo and recommendations. Additional points covered included the following:

The prospect of a possible recession is currently helping to keep wage inflation below the level of price inflation, but the labor market situation remains dynamic.

Incentive bonuses will reflect both membership growth and the achievement of financial targets, with the former more heavily weighted in the formula.

USMS tracks compensation as a % of revenues as a key financial performance/sustainability indicator. While meaningful comparisons of this metric with peer organizations is difficult because of the significant differences in mission and financial structure of most peers, the metric is tracked over time and is projected to return to pre-pandemic levels in 2023/4.

USMS continues to review the health benefit options offered to staff in the light of changing needs. Making significant changes in this area would require a change in professional employer organization (ie HR services provider), the NO proposes to conduct a more detailed analysis of needs and options before the next budget cycle.

The budget for market adjustments will only be used if needed. This discretion was not needed in the more stable labor market environment before 2020 but has been partially used in recent years.

5. The committee thanked Erika and Ian and the C&B committee for their work and briefing of the FC. **The FC approved the USMS compensation and benefits proposals for 2023 recommended by the C&B committee and the CEO.**
 6. Dawson noted that following the proposed increases in staff in 2023, USMS would be well positioned to service significant USMS membership increases with only modest further increases in staff. He also reported that following some changes to the plans for the 2023 Annual Meeting and Volunteer Relay there would be some modest amendments to the 2023 budget memorandum previously circulated to the FC.
 7. The FC will reconvene 11/15 to review the full 2023 draft budget. In the meantime Dawson and Gary will respond to questions and comments on the budget materials in the FC forum in USMS Community.
 8. Peter thanked and complimented the National Office and all of the volunteers serving in financial oversight of USMS for their effective stewardship of USMS's finances through the pandemic. There will be a number of volunteers retiring from service on these committees and he invited us all to look out for new potential recruits with suitable skills and experience to join the financial oversight committees going forward.
 9. No other business was brought forth.
 10. The meeting was adjourned at 8:40pm ET
 11. The next meetings of the FC are scheduled for 8pm ET 11.15.2022 to complete the review of the 2023 budget.
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