

USMS Convention — Jacksonville, Florida 2014

Committee Name: Finance

Session #: 3

Report #:

Committee Chair: Jeanne Ensign

Vice Chair: Laszlo Eger

Minutes recorded by: Laszlo Eger

Date/time of meeting: Sept. 19, 2014

Actions Requiring Approval by the HOD:

Motions Passed:

Number of committee members present: 13

Absent: 3

Number of other delegates present: 14

Committee members present (list all, including chair and vice chair): Jeanne Ensign (Chair), Laszlo Eger (Vice-Chair), Ralph Davis, Elyce Dilworth, Phil Dodson (Treasurer, ex-officio), Betsy Durrant, Don Gilchrist, Harry Greenfield, Peter Guadagni, Susan Kuhlman (CFO, ex-officio), Jeff Moxie, Sarah Welch and Laura Winslow.

Minutes

The meeting was called to order at 9:30 a.m. EDT.

1. Budget related questions were raised by several delegates attending the meeting:
 - a. The \$2 per annum membership dues increase for the coming 5 years was again questioned. Can it be rescinded? Yes, by a two-thirds vote of the HOD, but not for 2015.
 - b. Is the proposal for 2015 the first USMS deficit budget? No, there was a deficit budget in 2008. Is it justified? Yes, in order to fulfill the strategic plan. Can we afford it? Yes, we have well over 8 months of operating expenses covered by reserves, well above the 3-month requirement. Since 2010 we have finished better than budget by over \$833,400, composed of operating results and investment income.
 - c. The 4% membership growth assumption was questioned. Currently we are running at a 4% increase in membership over 2013 levels. The growth of less than 2% in 2013 was due to losing members as a result of the imposition of an Open Water sanctioning surcharge to cover the increased insurance premium.
 - d. Where is the interest income on the income statement? In line 4900, below Operating Income. Where is the information on investment results? In the Investment Committee reports.
 - e. How much is the annual rent for the Sarasota office? It is less than \$14,000 per year – in line 5130.
2. The FC approved 2 Over Budget request since the 2013 Convention:
 - a. The Executive Director's request to reallocate \$25,000 of funds, currently budgeted, to be used for a new PR campaign.
 - b. The Long Distance Committee's request to waive the \$1,000 insurance surcharge for 2 National Championships.
3. The FC started discussing issues to be looked at during the coming year and, in particular, a potential redefinition/expansion of its advisory role to the BOD. In view of a professional, full-time staff in the National Office handling financial affairs and a greater delegation to the Executive Director of financial decisions in the new FOG, the traditional role of the FC is declining, making it available for additional advisory services to the BOD. The FC has the expertise and the time available for evaluating proposals of strategic importance to USMS and to advise the BOD. Jeff Moxie indicated that this was the intent of the BOD in 2009 when FC was made a Committee of the BOD. The next step and the details will be the subject of further discussions.

The meeting was adjourned at 10:30 a.m. EDT.