

Committee Name:	Finance Committee ("FC")		
Committee Chair:	Guy Davis	Vice Chair:	Brandon Franklin
Minutes recorded by:	Guy Davis	Date/time of meeting:	8:00 pm ET 7/17/2024

Motions Passed:

1. The Finance Committee recommends a \$75 USMS fee for 2025, 2026, and 2027, with an LMSC revenue share of \$12 in 2025, \$10 in 2026, and \$10 in 2027.

Number of committee members present: 9	Absent: 4	Number of guests: 1
Committee members present: Guy Davis - Chair, Brandon Franklin - Vice Chair, Arlene Delmage, Elyce Dilworth, Phil Dodson, Jill Gellatly - Treasurer Ex-officio, Dawson Hughes - CEO Ex-officio, Gary Keehner - Controller Ex-officio, Samantha Kraft, Guests: Ed Coates, President		
Committee Members Absent: Charles Cockrell, Ralph Davis, Peter Guadagni, Gregory Weber		

Minutes

The meeting (conducted by Zoom call) was called to order at 8:00 pm ET

1. The third meeting of 2024. No conflicts were declared.
2. The minutes of the 4.30.24 meeting were approved.
3. The principal business of the meeting was to: 1. be updated on USMS cash flow and cash flow forecasts of required draws on the investment funds to cover projected cash deficits. 2. consider a presentation by Dawson outlining the strategic priorities for USMS in 2024/25 and associated preliminary financial projections for 2025-27 3. based on these projections together with an analysis of LMSC financial results and reserves, make a recommendation to the BOD and HOD of potential fee changes for 2025 and beyond; and 4. cover other business including periodic review of the FOG.
4. Gary reported that USMS cash flow is closely tracking his forecasts and after the \$200k draw on the investment reserves made in June is expecting that a c.\$180k further approved draw on the investment reserves in October/November will be sufficient for USMS's 2024 needs. The Investment Committee has already positioned the USMS portfolio to have sufficient current and future liquidity for this draw as well as for the anticipated regular draw on the funds in 2025 without requiring any further changes to the long term management of the investment portfolio. Gary's regular financial updates will include updates on the cash flow position.
5. Dawson updated the FC on the key strategic initiatives for 2024/25 which provides the basis for the preliminary 2025 budget and financial projections for 2026 and 2027. (See prior meeting minutes for further discussion.) He also presented further analysis on the aggregate financial position of the LMSCs and their current financial reserves, which have now accumulated to over \$3m notwithstanding the additional spending by many LMSCs on growth and other local initiatives. Dawson presented three options for membership fee changes and the allocation of the fee between the national organization and the LMSCs. For each option he presented projections of USMS financial results and for the evolution of LMSC reserves. In considering the proposed changes to the membership fees the NO, BOD and FC have been guided by the following overall objectives: 1. To ensure that USMS and the LMSCs are well resourced to continue to provide a high level of member services and to pursue their strategic development priorities. 2. To ensure that the increase in membership fees broadly tracks or is below consumer price inflation over time and represents similar value as compared to other similar adult sports membership organizations. 3. To set fees for multiple years to provide a longer term financial planning horizon for the benefit of both the NO and LMSCs. 4. To restore USMS's national operations to broadly financial break even after multiple years of operation at significant financial deficits brought about by the pandemic disruptions. 5. To bring overall LMSC financials back towards balance after a period in which substantial excess reserves have accumulated at the LMSC level. Of the three specific options considered, the FC chose the option that would change the overall fee for 2025 to \$75, with the commitment to hold the fee at this level for 2026 and 2027, with the LMSC share of the fee to be \$12 in 2025 and \$10 in 2026 and 2027. The FC noted that while this proposal would step down the LMSC share to \$10 from the current \$14 over this period, projections indicate that overall LMSC reserves would remain at over \$3m at the end of the period (representing around 4x current LMSC annual revenues). (The FC has previously discussed the divergence of financial resources among LMSCs and Dawson has described how financial support could be provided to selected LMSCs with limited reserves if needed for their essential activities.)

Based on the review and discussion the FC passed a motion that **The Finance Committee recommends a \$75 USMS fee for 2025, 2026, and 2027, with an LMSC revenue share of \$12 in 2025, \$10 in 2026, and \$10 in 2027.** The BOD is expected to make a final decision on fee change proposals to be put to the HOD at its August meeting.

6. There are no recommended changes to the FOG beyond those needed to incorporate selected sections of the Manual of Accounting Policies (“MAP”) to consolidate the policy document into FOG so that it can be phased out, which will be agreed by the sub group for approval at the next meeting.
 7. No other business was brought forth.
 8. Guy thanked the committee for their forbearance with a longer than usual meeting which was adjourned at 9:20 pm ET.
 9. The next meeting of the FC will be scheduled around the Annual Meeting schedule, targeting Tuesday, September 10.
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