

<b>Committee Name:</b>	Finance Committee ("FC")		
<b>Committee Chair:</b>	Guy Davis	<b>Vice Chair:</b>	Jill Gellatly
<b>Minutes recorded by:</b>	<b>Guy Davis</b>	<b>Date/time of meeting:</b>	8:00 pm ET 5/23/2023

## Motions Passed:

1.

<b>Number of committee members present:</b> 13	<b>Absent:</b> 0	<b>Number of guests:</b> 0
<b>Committee members present:</b> Guy Davis - Chair, Jill Gellatly - Vice Chair, Ralph Davis, Teddy Decker - Treasurer Ex-officio, Arlene Delmage, Phil Dodson, Susan Ehringer, Brandon Franklin, Dawson Hughes - CEO Ex-officio, Gary Keehner - Controller Ex-officio, Susan Nolte, Maddie Sibilila, Chris Wagner.		
<b>Guests:</b>		
<b>Committee Members Absent:</b>		

## Minutes

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

1. No conflicts of interest were declared.
2. The minutes of the 2.28.23 meeting were approved.
3. The principal business of the meeting was to: 1. Review the Q1 USMS financial report and forecast for 2023; 2. Review recommended changes to the FOG; 3. Consider a retrospective review of the Digital Transformation and current IT infrastructure priorities and their financial implications for USMS; 4. To consider how the FC can contribute to optimizing the use of LMSC reserves to support the USMS mission.
4. Gary had earlier circulated the preliminary USMS Q1 2023 financial results and forecast for 2023. He noted that results overall are generally in line with the budget with no major deviations. Dawson noted that membership numbers are a little lower than budgeted and that the membership forecast for the full year has been reduced in line with this, but expense management means that forecast net income remains in line with budget. There have been some positive signs in participation trends such as record participation in national championships and marketing initiatives to attract new and returning members will continue. One planned and budgeted post in Volunteer Services remains unfilled and decisions on this role will be deferred pending decisions on a new growth initiative currently under review. In discussion, Dawson commented that there has been a considerable amount of activity and staff time devoted to club and event development initiatives, such as the recent workshop with USAS coaches promoting masters swimming to USAS clubs, but given the time taken for these to mature there has not yet been much spending to support these initiatives. The demographic picture on membership trends is mixed. While there are some indications of growing membership in the younger age groups, the number of these new members is relatively small. Geographically, strength in growing regions like FL has not been sufficient to offset weaker than expected overall membership trends in the CA and the Pacific coast regions which both represent a large share of overall USMS membership.
5. The FC reviewed proposed changes to the FOG prepared by the sub-group. In addition to some wording changes to align the language of FOG with the rules, members noted that the FOG might need to be updated to align with the current accounting policies on capitalization of software and other expenses. A small sub-group directed by Teddy will look at this point and make recommendations of any additional changes/updates needed in the FOG.
6. Dawson made a presentation of the Digital Transformation ("DT") program to date. He reviewed the context of and rationale for the original decision in 2017-18 to undertake the DT and outlined the costs, implementation and benefits of the projects conducted to date. He noted the various changes in scope and additional components added as the DT evolved and he summarized the remaining planned projects to be completed in 2023-25. Gary had also circulated a spreadsheet to the FC laying out the IT investments and expenses over the period 2017 to date. A similar presentation was given to the BOD at their last meeting.
7. After a brief discussion of the increasing levels of LMSC financial reserves, the FC agreed to consider at the next meeting how best the FC can contribute to guiding the deployment of these reserves to best support the USMS mission. Members

noted that there is a significant variation among the LMSCs in their levels of financial reserves and in their current policies for using them. It was also noted that while they operate under the financial umbrella of USMS, the LMSC Boards retain authority to determine their use.

8. No other business was brought forth.
  9. The meeting was adjourned at 9:08 pm ET
  10. The next meeting of the FC has been scheduled for June 13, 8:00 pm ET. The principal agenda item will be to discuss a potential new USMS growth initiative and the financial investment it will entail.
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