

Committee Name:	Finance Committee		
Committee Chair:	Jeanne Ensign	Vice Chair:	Laura Winslow
Minutes recorded by:	Jeanne Ensign	Meeting date:	September 11, 2018

Motions Passed:

1. MSA to accept the staffing and payroll assumptions for the 2019 budget as recommended by the Compensation and Benefits Committee.

Number of Committee Members Present: 12	Absent: 3	Number of Others Present: 3
Committee Members Present: Jeanne Ensign (Chair), Tom Boak, Teddy Decker, Elyce Dilworth, Phil Dodson, Harry Greenfield, Peter Guadagni, Homer Lane, Laura Winslow (Vice Chair), Ralph Davis (Treasurer, Ex-Officio), Susan Kuhlman (CFO, Ex-Officio), Dawson Hughes (CEO, Ex-Officio)		
Committee Members Absent: Guy Davis, Laura Shope, Susie Young		
Others Present: Patty Miller (President), Ed Coates (Chair, Compensation and Benefits Committee), Jay Definis (Chair, Swimming Saves Lives Foundation)		

Minutes

The conference call meeting was called to order at 8 pm EDT.

1. The chair welcomed committee members to the second of two meetings to discuss the 2019 draft budget. There was one conflict of interest declarations regarding the agenda. Elyce noted that in her role as Audit Committee chair, she had been asked to review the SSL budgeting process, but not the budget itself. The chair noted that much of the information discussed during the meeting is confidential. Elyce and Teddy volunteered to help take minutes during meetings at Convention.
2. Ed Coates, Chair of the Compensation and Benefits Committee, reviewed the staffing and payroll assumptions for the 2019 budget. Members asked whether regional data was viewed and if recommendations were influenced by current membership trends. Ed noted that Comp & Benefits provides market based recommendations to help obtain quality staff, not to evaluate the performance or in response to success of programs. It was noted that impact of operations should be seen in bonuses not salaries budget. Dawson discussed his process for evaluating staff and awarding merit pay and bonuses. **MSA to accept the staffing and payroll assumptions for the 2019 budget as recommended by the Compensation and Benefits Committee.** The motion passed unanimously. Ed Coates left the call. (Metrics from the Comp and Benefits Committee are included in the Business Plan in Support of the 2019 Budget in the Convention materials on USMS.org starting on page 9).
3. Jay Definis, Chair of the Swimming Saves Lives Foundation, joined the call. Committee members discussed the 2019 Swimming Saves Lives (SSL) draft budget and overview. The budget includes three departments under the foundation umbrella: Program Operations, ALTS Instructor Courses, and Events. Members discussed use of budget surplus, use of reserves, presentation of a deficit budget if appropriate, the annual 5% draw from the Central Indiana Community Foundation (CICF), that the use of SSL funds are restricted due to restrictions place on donations by the donors. Members observed that SSL is not a separate legal entity, discussed the sizable funds on hand to support SSL (\$646K as of 12/31/17), expressed some concerns about how the reserves from annual donations was being reduced, and that using the SSL forecasted budget surplus this year for next year is a precedent that might encourage requested use by other functional areas if they had a good year (example: championship meet profits). It was also noted that the Adult Learn to Swim Instruction in the USMS budget (Line items 4036 and 5600) also show a surplus but that defaults to the general use of USMS. It was also observed that reserves are designed to stabilize the program from year-to-year but donations received to meet the planned 5% increase in grants each year might not happen in certain years. Dawson noted that the retention rate of members who donate to SSL is significantly higher than that of the membership overall. Jay Definis left the call.

4. Susan reported that she received the insurance quote for the coming year from Integro (formerly ESIX) and that we have an insurance adjustment – down – of \$15,459. She will adjust the draft budget to reflect the decrease.
5. Committee members discussed remaining budget issues. The next step in the budget process is to post it to the convention website. Susan will post the adjusted draft budget.
6. During convention the Finance Committee will make a presentation on best practices for budgeting in a modern organization as requested after the mid-year meeting by Patty and the BOD. Presenters, content and HOD session will be decided on prior to convention. Jeanne will let Patty know the recommended time.
7. There being no other business brought forward the chair thanked everyone for joining the call.

The meeting was adjourned at 9:05 pm EDT.
