

Committee Name: Finance Committee

Committee Chair: Jeanne Ensign

Vice Chair: Laszlo Eger

Minutes recorded by: Jeanne Ensign

Date of meeting: August 27, 2014

Motions Passed

None.

Number of committee members present: 14

Absent: 2

Number of others present: 0

Committee members present: Jeanne Ensign (Chair), Laszlo Eger (Vice-Chair), Ralph Davis, Elyce Dilworth, Phil Dodson (Treasurer, ex-officio), Betsy Durrant, Don Gilchrist, Harry Greenfield, Peter Guadagni, Lucy Johnson, Susan Kuhlman (CFO, ex-officio), Homer Lane, Sarah Welch and Laura Winslow. Others present: Nadine Day (President USMS), Rob Butcher (Executive Director, USMS)

Minutes

The telephone conference meeting was called to order at 8:00 pm EDT for the purpose of reviewing the 2015 USMS Draft Budget.

Chair summarized FC role in the Budget process, emphasizing its position as a committee of the BOD, to provide advice to the BOD on the extent to which the proposed Budget supports the USMS Strategic Plan. The Chair also noted that we have a full-time professional staff in place that creates the budget and has the responsibility to execute.

The focus was on the last page of the USMS 2015 Business Plan Memo, which summarized the changes from 2014 forecast to the 2015 Budget proposal (Bridge to 2015 Budget):

1. Membership Fees – 4% growth assumption discussed. Susan indicated 2014 growth of 4.2% thru July is good indication of what will happen for the year. The result of investment in Program and Services in recent years has started impacting membership growth. The risk of projecting too high can be mitigated early in the year as 70% of membership fees are collected by January. The proposed figure was accepted.
2. Education Services – the BOD prioritized focus on education so increased initiatives in this area are appropriate. The Chair indicated that the quantification of some proposed programs has still not been finalized so, likely, FC will need to look at the final numbers at the Convention. There is a lot to be done in this area. Rob indicated, for example, that the coaches certification program has ‘just scratched the surface’.

Nadine discussed the LMSC Leadership Workshop, planned for March 2015. While the FC supports this effort, the adequacy of the \$10,000 in the budget to cover the costs was questioned.

3. No significant comments on the remaining Revenue items.
4. Discussed increase in expenses, rationale and presentation to HOD. Comments:
 - a. The projected deficit budget is primarily a result of accelerating hiring as presented in the 2015-2019 Forecast Summary.
 - b. Full benefits of expense increase may not be seen in 2015.
 - c. Organization has been generating operating surplus for several years, now is the time to use some of it to accelerate growth.
 - d. Reserves have increased by about \$1 million over the past four years, and this will use about 5% of total reserves to move expansion plans up a year – still have more than adequate reserves.
 - e. What about 2016? – Susan assured all that finances will be back on track as outlined in the five-year plan.
5. Nadine gave an update on insurance. Switching to 10/1 to 9/30 timeframe for coverage. Don't expect premiums to decrease for next 3-5 years, efforts focused on reducing risk to control premiums. OW Task Force created in early 2014 working to create business model for insurance for all programs.
6. FC commends Susan and team on job they did in preparing the budget proposal.

7. Next Meeting – Ed Coates, Chair of Comp & Benefits will join the call; FC will get recommendation from Comp & Benefits Committee on payroll, the major item in the budget, for discussion. Homer indicated a discussion of Sarasota office expansion should also be on the agenda. The Chair asked the Committee members to direct to her any other items they would like to see on next week’s agenda regarding the budget.

The meeting was adjourned at 9:12 p.m. EDT. Next meeting will be on Thursday, September 4th, primarily to continue the review of the proposed 2015 Budget.