

Committee Name: Finance Committee

Committee Chair: Jeanne Ensign

Vice Chair: Laszlo Eger

Minutes recorded by: Laszlo Eger

Date of meeting: Feb. 3, 2015

Motions Passed

1. MSA - It is resolved that the FC accepts the Event Expense Analysis of the Sanction Fees Subcommittee. The motion was unanimously approved.
2. MSA - It is resolved that the FC accepts the Revenue model proposed by the Subcommittee, but without attaching any dollar amounts to the model. Specifically:
 - i. Sanctioned pool events impose a fee on each participant.
 - ii. OW events would have an event fee plus a fee for each participant, plus a minimum and a maximum fee for the event sanction. .
 - iii. Any of the above fees could be zero dollars.

Number of committee members present: 13

Absent: 3

Number of others present: 3

Committee members present: Jeanne Ensign (Chair), Laszlo Eger (Vice-Chair), Jon Blank, Ralph Davis, Elyce Dilworth, Phil Dodson (Treasurer, ex-officio), Don Gilchrist, Peter Guadagni, Susan Kuhlman (CFO, ex-officio), Homer Lane, Helen Naylor, Sarah Welch and Laura Winslow. Others present: Rob Butcher, Nadine Day and Heather Hagadorn.

Minutes

The telephone conference meeting was called to order at 8:00 pm EST for the primary purpose of discussing the report of the Sanction Fees Subcommittee to the Finance Committee.

The Sanction Fee Subcommittee is looking at potential alternative business models to recoup some of the costs of USMS sanctioned events. It is composed of Peter Guadagni, Chair, Phil Dodson, Heather Hagadorn, Susan Kuhlman and Helen Naylor.

2. Chair welcomed new FC members and briefly commented on potential subjects of future meetings.
3. Peter summarized purpose of the Subcommittee and its work to date.
4. Phil summarized the expense analysis of events prepared by the Subcommittee. It shows \$55,300 of 'direct' costs for sanctioned pool meets (excluding Nat'l Championships) and \$137,300 for OW events.

Discussion centered around the 50-50 allocation of IT costs of about \$31,000. Phil emphasized that this is primarily due to championship expenses being excluded from the analysis as their costs are recovered from entry fees.

5. Peter summarized the recommendations of the Subcommittee as:
 - a. Initiate a per participant fee for pool events based on number of participants per event not number of entries per event.
 - b. Initiate a combination fee for OW events where there is per participant fee based on number of participants per event not number of entries per event, plus a minimum and a maximum fee for the event sanction.

Several illustrative examples of how these recommendations could be implemented were presented.

6. The discussion of these recommendations by the FC was all encompassing, without reaching a consensus. Comments included:
 - a. As the major issue is OW insurance fees, why are we looking at pool events? Subcommittee response – “We want to be fair to all 3 membership groups (fitness swimmers, pool swimmers and OW swimmers) so, to ensure equitable treatment, we covered everything”.
 - b. If USMS requires additional fees, beyond membership dues, for participation in certain activities, how would this impact the USMS mission statement and the currently touted benefits of membership?
 - c. OW fees would still be prohibitive and continue to stifle growth. Are there other ways of getting additional funds to cover the OW costs – e.g. higher one-event entry fees for OW?

- d. As USMS has some \$4 million in the bank, should it not subsidize a greater portion, if not all, of these costs?
 - e. The membership fee increase has already been approved, how can these proposed fees replace that?
 - f. Is this for the 2016 budget? (Phil indicated that, subsequent to BOD approval, Legislation approval is needed before implementation and inclusion in financials.)
 - g. Several members commented that the recommendations of the Subcommittee were going in the right direction but guidance is needed from the BOD.
7. In view of the above comments, Phil made 2 motions:
- a. **Motion 1 - It is resolved that the FC accepts the Event Expense Analysis of the Subcommittee. The motion was seconded by Don and unanimously approved.**
 - b. **Motion 2 – It is resolved that the FC accepts the Revenue model proposed by the Subcommittee, without attaching any dollar amounts to the model. Specifically:**
 - i. **Sanctioned pool events impose a fee on each participant.**
 - ii. **OW events would have an event fee plus a fee for each participant, with a maximum cap on the total.**
 - iii. **Any of the above fees could be zero dollars.**

This motion was seconded by Don and passed with 2 FC members voting against.

FC is looking to BOD for guidance on desired cost recovery before proposing dollar amounts, if so requested.

8. The Subcommittee's findings will be submitted to the BOD, along with the FC actions, to be discussed at their mid-Feb Board Meeting. It is up to the BOD to react to what has been done and provide parameters and guidance for further work by the Subcommittee, the FC and/or the OW Committee. Major question is what part of these 'direct' costs does the BOD wish to recover through additional fees and how much to fund from reserves or other sources.

The meeting was adjourned at 9:25 p.m. EST.