

## Budget Task Force Meeting

April 23, 2020

Attendees: Mary Ruddell, David Cottam, Leo Lin, Veronica Hernandez, Mark Taliaferro, Laura Mitchell, Larry Rice, Peter McNamera, Phil Grant, Jim Morefield, and William Chong. Athlete Res: Jivana Nagpal, Taylor Rohovit, and Aiden Pflieger

The Budget Task Force met to discuss ways to reduce the total expenses for the 2020-21 "Back to Basics" Annual Budget. The starting point was a net annual income of (\$177,878). The following information is presented by account number with revisions noted.

### **52000 – National/Senior Program**

Starting Budget: 186,250; Ending Budget: 157,175

Action items: Travel Support for NISCA is excluded, Sectional Travel Support reduced to 1 per year, Travel support for Coaches reduced to two per year including Olympic Trials.

Adjustments made for per athlete counts to 52015 and 52100. Depending on when athletes resume training, the number of athletes traveling to Winter Juniors and Sectionals may be smaller.

### **54000 – Age Group**

Starting Budget: 128,925; Ending Budget: 135,955

Pacific Coast All Stars: Gear for Athletes and Coaches reduced. Budget refined. Co-pay reduced to \$100.

WZ Age Group Championship Meet venue was changed. (2020 meet cancelled.) Team size reduced to 48. Gear for Athletes and Coaches reduced. Budget refined. Co-pay is \$650.

Zone Challenge Meet: LSC will not provide a \$5,000 stipend for host Zone.

### **55502 – JO Awards and Bag Tags**

Starting Budget: 10,000; Ending Budget: 9,000

Medals 1<sup>st</sup>-3<sup>rd</sup> places; Ribbons 4<sup>th</sup> – 8<sup>th</sup>/10<sup>th</sup>.

Reduce size of Bag Tag and simplify design. Debbi Tucker is working on a plan to reuse the 2020 Bag Tags. Asked Athlete Rep committee for feedback. If 2020 Bag Tags are used - estimated \$1,000 savings.

### **55508 – Far Westerns**

Starting Budget: 156,101; Ending Budget: 127,041

Removed use of video scoreboard

Decreased facility rental price (may not be feasible post Covid-19)

Reduced or eliminated swag items for Athletes, Coaches and Officials

Credit Card Fees were reviewed. The only way to charge athletes/clubs would be to charge an additional surcharge fee. This change would need to be approved by the BOD.

### **57000 – Treasurer**

Starting Budget: 18,553; Ending Budget: 18,553

This budget reflects no audit or review. Have learned that we must have at least a review or the 2021 audit will be more expensive. Amount TBD

### **59000 – Volunteers**

Starting Budget: 47,400; Ending Budget: 22,995

Changed BOD meeting to 4 virtual and 1 in person

2019 USAS Convention was cancelled

## 63000 – Office Expenses

Starting Budget: 23,265; Ending Budget: 20,403

Dropped PGI conference call service

May need to add Zoom service. Cost TBD. Go to Meeting is an annual non-refundable fee.

Decreased the number of in person staff meetings.

The net income from the submitted worst Case Scenario budget is (\$90,439).

**Comments from the Treasurer:** In April, this was a reasonable budget. Today the budget paints an unrealistic picture. Pacific's income from membership and meet entries will be much less than I originally projected.

**Membership:** I had originally reduced membership by 10%. It could be significantly larger. We could see a decrease of up to 40-50% in our membership numbers.

FYI: The 2021 membership year begins June 1, 2020. USA Swimming will start taking \$64 for every premium (annual) and non-athlete membership. That leaves Pacific with a whopping \$9 from every premium membership and \$4 from every non athlete membership.

One thing that we may need to consider is a growth in the number of Outreach Athletes. If it does happen, we will see an even bigger loss in membership income. (As a side note, when meets are offered again, the amount of MEFAP expense will grow and Meet Entry income will decrease).

**Meet Entry Income:** Meet Entry Income is 52% of the income we need to operate.

I had originally estimated a 15% decrease. With the high probability that meets will not begin until after the first of the year, this income will be significantly affected. When clubs hold inter-squad meets or time trials, we will collect sanction fee. If a club decides to charge entry fees, there will be requests to negotiate fees. I am not sure we can afford to change Pacific's fee structure. We could see as little as 240,000 in meet entry income for the year.

**Investments:** The April Balance sheet does not reflect the withdrawal of \$250,000 for Round 1 Covid-19 Disaster Grants. After funding the Covid-19 Disaster Grants, Olympic Trials, using the Board Designated Fund to cover part of the budget deficit and subtracting Zone 1 South and Zone 2 balances, we will have less than \$2M in the account. This amount will not generate much income and Pacific's generosity will need to be reassessed.

Account Balance as of 4/30/2020	3,371,910
Zone 1S Amount	-41,487
Zone 2 Amount	-55,803
Board Designated Fund	-275,628
Covid-19 Disaster Grants	-1,000,000
Olympic Trials	-92,000
Estimated Balance as of 9/30/2020	1,906,992

**2022 Membership:** Pacific will need to raise membership dues for the 2022 membership year. USA Swimming has discussed a sizable increase in Seasonal and Club membership. Pacific will need to adjust accordingly.

**Future Considerations:** Pacific will need to make Fundraising a priority. Other considerations may include sponsorships.