

**Finance Review Committee
November 11, 2016
Myrtle Beach Area Chamber of Commerce
Boardroom 10:00 a.m.**

Committee Attendees: Billy Huggins, Lynn Kornita, David Meese, David Olive, Terrance Herriott (called in @ 11:09 a.m.)

Staff: Jim Wright, Nancy Maloney, Elaine Weidman, Susan Giaquinto

- I. Call to Order 10:08 AM** **Billy Huggins**
- II. Approval of Minutes** – Mr. David Meese made a motion to accept the minutes for the July 13, 2016 meeting as presented. That motion was seconded by Ms. Lynn Kornita. The motion was approved.
- III. Unfinished Business**
- A. Status of Search for EVP of Finance** – Mr. Jim Wright notified the Committee that there was not a lot of information to report. As of present time, four candidates have been interviewed by Brad Dean, members of senior staff, and various stakeholders. Thus far the appropriate candidate has not been found. As such, the search will continue, perhaps utilizing third-party recruiting services.
- Mr. Wright indicated that he will continue to serve in the EVP of Finance role as long as is needed. He has prepared the 2017 budget, continues to attend meetings and retreats, and is planning to oversee the 2016 year-end audit. He further stated that he is committed to remain available to assist the selected candidate in the transitioning of the position.
- IV. New Business**
- A. Health Insurance Plan Update** – Mr. Jim Wright informed the committee that the Chamber’s self-insured health is in his opinion, due for a comprehensive analysis and review. The plan has been held a grandfathered status under the Affordable Care Act since 2012. Mr. Wright further briefed the committee regarding claims experience and related costs in recent years, highlighting increasing costs related to administration of the plan and stop-loss coverage. Mr. Wright recommended to the committee that serious consideration be given to re-bidding all elements of the plan in 2017, including a thorough analysis and comparison of available fully insured plans. The timing of the bid process may be dependent upon changes to the ACA that appear likely in 2017. The committee concurred with the recommendation.
- B. Review of 2016 Budget and Proposed 2017 Operating Budget** – Mr. Wright presented the proposed 2017 Operating Budget to the committee. Key observations included forecasted record “total revenues” while noting a continued decline in the private revenue components. The key assumptions used in the preparing the budget were reviewed and considered by the committee. Also highlighted was the budgeted increase in unrestricted reserves, done so in accordance with the committee’s policies to target certain unrestricted reserve levels.

After a thorough review and discussion, a motion was made by Mr. David Meese to recommend that the 2017 budget be presented to the Board for review and approval. The motion was seconded by Mr. David Olive. The motion was unanimously approved.

- C. Collection Policy** – Mr. Wright briefly discussed the informal policy the Chamber has in regards to collection of past due payments and balances. At its November meeting, the Board requested the FRC to establish a formal collection policy, specifically to address past due monies relative to the Chamber’s volume based contribution program. A motion was made by Ms. Lynn Kornita to request the staff to put together a collection policy to present to the committee for review and approval. The motion was seconded by Mr. David Olive. The motion was unanimously approved.
- D. New CVB Revenue Model** – Mr. Wright updated the committee regarding the status of ongoing efforts by staff to formulate a new revenue model to replace the existing CVB “pay-per-click” model. For numerous reasons, the existing model is not expected to be sustainable beyond 2017. The committee was advised of the expected timeline in formulating the successor model, and the role the committee will play in the review and analysis of the solution.
- E. Review of October Financial Statements** – Mr. Jim Wright reviewed the October 31, 2016 financial statements and the associated Management Discussion and Analysis, noting trends and variances.
- F. Adjournment @ 11:46 AM** **Billy Huggins**
Ms. Lynn Kornita made a motion to adjourn the meeting @ 11:46 AM. The motion was seconded by Mr. David Meese. The motion passed unanimously.