CALL TO ORDER
Bob Vincent, Board Chair, called the February 5, 2021 Board of Directors meeting to order at 8:46 a.m. Mountain Time with the following members in attendance:

PRESENT: Maya Andrews, Chris Brearton, Kenneth Chung, Kathy Fish, Bruce Gemmell, Jennifer Gibson, Cecil Gordon, Natalie Hall, Tim Hinchey, Lucinda McRoberts, Katie Meili, Kathleen Prindle, Bill Schalz, Jeanette Skow, Jim Sheehan, Jay Thomas, Bob Vincent.

GUESTS
Nathan Adrian, Kathleen Baker, Bill Charney, Ellen Colket, Ryan Gibbons, Tim Husson, Pam Lowenthal, Michael McCaffery, Keith Moore, Ellery Parish, Dave Smith, Jack Swanson, Michael White, Aaron Zhu.

STAFF
Juan Caraveo, Paula D’Amico, Shana Ferguson, Abigail Howard, Kiki Laino, Jaime Lewis, Isabelle McLemore, Stacy Michael-Miller, Lindsay Mintenko, Patrick Murphy, Eric Skufca, Joel Shinofield, MJ Truex, Mike Unger, Scott Usher.

MOMENT OF SILENCE
A moment of silence was observed for USA swimming members who have passed away since the last USA swimming Board of Directors meeting.

AGENDA REVIEW
Bob Vincent presented the agenda (Attachment 1).

RULES OF ENGAGEMENT / COVENANTS
Bob Vincent provided an overview of the Rules of Engagement/Covenants.

DECLARATION OF CONFLICT OF INTEREST (2.5.4)
“Is any member aware of any conflict of interest (that is, of a personal interest or direct or indirect pecuniary interest) in any matter being considered by this meeting, which should now be reported or disclosed or addressed under the USA Swimming Conflict of Interest Policy?”

If a Board member determines there to be a conflict of interest at any point during the course of the meeting when a specific subject is being discussed and / or action is being taken, a declaration of a conflict of interest should be made at that time.
CEO WELCOME
President and CEO Tim Hinchey began by thanking the Board of Directors for its leadership and support and additionally thanked the staff for their dedication to our membership, by prioritizing communication to all members during the pandemic and moving forward. Mr. Hinchey noted how proud he is for the organization to fully deliver the Olympic Trials for not only the elite National Team athletes, but the younger athletes as well. Lastly, Mr. Hinchey remarked on the development of the volunteer base through evaluating and elevating the organization’s national committees.

BOARD CHAIR’S REMARKS
Bob Vincent thanked the Board for their continued support and contributions during the pandemic and noted his pride in the organization continuing to strive to be the best National Governing Body (NGB). Mr. Vincent remarked on the membership’s missed and limited opportunities in 2020 due to the pandemic but noted the organization’s ability to do “more with less,” including being fiscally responsible, being more effective communicators, and listening to membership when they asked for an Olympic Trials that would still allow many athletes to compete. Lastly, Mr. Vincent emphasized the importance of celebrating Black History Month, adding that USA Swimming will be releasing related content all month long.

MINUTES
Bob Vincent reported that the news of Kenneth Chung being elected as Vice Chair of Fiscal Oversight was added to the minutes.

MOTION: To approve the updated November 20, 2020 Board of Directors meeting minutes (Attachment 2). Seconded. APPROVED.

FOUNDATION UPDATE
Foundation Chair Cecil Gordon expressed gratitude towards the Board of Directors and staff for their financial, administrative, and public relations support to the USA Swimming Foundation over the past year. Dr. Gordon briefly reiterated that the Foundation Board of Directors has four new members as well as a new partnership with U.S. Masters, which he hopes will expand the Foundation’s donor base. Dr. Gordon emphasized three areas of focus for the Foundation: data driven finances; marketing, specifically the announcement of the U.S. Masters partnership; and developing program and grant groups.

STRATEGIC DISCUSSION: INVESTMENT TOOL FOR GROWTH
Chief Financial Officer (CFO) Eric Skufca introduced Investment Committee members, Ellen Colket and Mike McCaffery (Attachment 3).
Ellen Colket and Mike McCaffery offered their professional and personal backgrounds and presented tools and strategies for the USA Swimming Operating Reserve Fund, specifically recommending the Board of Directors’ set payout goals for the fund to assist with financial strategies.

The Board engaged in discussion on how to be more strategic with the portfolio and payout of the fund to build for the future and be more financially self-sustainable.

ATHLETES’ EXECUTIVE COMMITTEE UPDATE
Maya Andrews introduced Ellery Parish, Athletes’ Executive Committee (AEC) Chair.

Ellery Parish reported that athletes believe the two waves for the U.S. Olympic Team Trials – Swimming offers a fantastic solution to ensuring everyone’s safety. Ms. Parish also provided an update on AEC’s activities, including hosting an athlete orientation for athletes who are members of USA Swimming national committees, organizing Local Swimming Committee (LSC) Leadership Summits, and creating a mentorship program for the athlete representatives. Lastly, Ms. Parish encouraged the Board and staff to utilize the AEC to push communication in all directions as they are building a robust communication network.

ZONE DIRECTORS’ COUNCIL CHECK-IN
Managing Director of Sport Development Joel Shinofield introduced the Co-Chairs of the Zone Directors’ Council (ZDC), Ryan Gibbons and Dave Smith.

Dave Smith previewed upcoming Sectional and LSC meets within each Zone, including restrictions, challenges, and adjustments due to COVID-19 health and safety protocols. Mr. Smith remarked that the ZDC is working with staff to find ways to progress DEI and Safe Sport initiatives within the Zones and noted that in the past year the ZDC began to engage more athlete representatives (Attachment 4).

Ryan Gibbons reported on the transition process of bringing athletes onto the ZDC, including the athletes’ role within the Council, the Zone and as non-voting members of the Athletes’ Executive Committee (AEC). Mr. Gibbons briefly described the Council’s strategic plans to create a pathway for the Board’s goals of bilateral communication between the Board and the grassroots members as well as facilitating best practices in governance operations across Zones.
BOARD PROCESS

BOARD ACTIVITY BALANCING AND WORK PLAN REVIEW
Bob Vincent introduced the Board Activity and Work Plan for the Board to reassess those documents in preparation for transition to a new Board Chair (Attachments 5 – 6).

BOARD CHARGE TO NOMINATING COMMITTEE
Bob Vincent thanked Past Chair Jim Sheehan for his work on the Board of Directors as his term on the Board is ending. Mr. Vincent noted that four Board members’ terms are also ending but are eligible for an additional term, including Jeannette Skow, Cecil Gordon, Jay Thomas, and Maya Andrews.

The Board engaged in discussion around the charge for the Nominating Committee, including ensuring diverse representation on the Board, looking at the roles (coach, official) that may be lost, and seeking individuals with a background in strategic communication and technology. The Board also emphasized the need for a strategic approach to recruiting individuals to run for the Board.

BOARD POLICY MANUAL
Bob Vincent presented a proposed update to the Board Policy Manual which added in a February due date for the Executive Compensation Committee (Attachment 7).

MOTION: To approve the proposed update to the Board Policy Manual under the charge to the Executive Compensation Committee. Seconded. APPROVED.

LEGISLATIVE UPDATES
Bob Vincent commented on how the Board can work to progress legislative changes moving forward, including engaging athletes, utilizing national committees for vetting legislation, working closer with the Rules and Regulations Committee, and defining Board advocacy.

GOVERNANCE USOPC COMPLIANCE TASK FORCE
Vice Chair/Chair Elect Chris Brearton provided an overview on the Governance Committee’s task to identify where USA Swimming needs to address and come into compliance with new United States Olympic and Paralympic Committee (USOPC) Bylaws and federal laws. Mr. Brearton reported working groups composed of a representative sample of membership will be formed to address three critical areas.

Chief Administrative Officer and General Counsel Lucinda McRoberts provided a timeline of when changes should be implemented, including calling a special meeting of the House of
Delegates in June 2021. Ms. McRoberts noted that the working groups will provide solutions, which will then be socialized largely among the membership for further input.

Mr. Brearton added that this will be an opportunity for the Board to show collaboration with the membership to make positive changes for the organization.

**POLICY AND PROCEDURES MANUAL UPDATE**

Lucinda McRoberts highlighted the changes to the Operating Policy Manual, including omitting outdated language and references, aligning the format throughout the document, and making certain substantive changes. Ms. McRoberts presented a timeline for completion with the goal of providing a final version of the Operating Policy Manual on the USA Swimming website by April 1, 2021 with a presentation to the Board of Directors at its May 7, 2021 meeting.

**COMMITTEE TASK FORCE UPDATE**

Jim Sheehan briefly summarized the task force’s goals and process for effectively revising national committees to be more beneficial to the organization, specifically the athletes, through discussions with committee chairs and membership feedback.

**ENDS MONITORING**

**POLICY 1.0: BROADEST - GROWTH/SUCCESS OF SWIMMING**

Bob Vincent presented Policy 1.0, Broadest/Growth and Success of Swimming (Attachment 8).

*MOTION:* To approve the performance monitoring report on Policy 1.0, “Broadest End – Growth and Success of Swimming,” conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO’s interpretations. Seconded. **APPROVED.**

**UPDATE ON POLICY 1.2: SUCCESSFUL ATHLETES, COACHES AND CLUBS**

Joel Shinofield reported that the Key Performance Indicators within Policy 1.2, Successful Athletes, Coaches, and Clubs, will be updated or replaced appropriately now that the purview of the policy lies within Sport Development. Additionally, Mr. Shinofield stated that the updated report will be available prior to the next Board of Directors meeting in May (Attachment 9).

**MANAGEMENT PARAMETERS MONITORING (4.4)**

**POLICY 3.3 TREATMENT OF EMPLOYEES AND VOLUNTEERS**

Bob Vincent presented Policy 3.3, Treatment of Employees and Volunteers (Attachment 10).
MOTION: To approve the performance monitoring report on Policy 3.3, “Treatment of Employees and Volunteers,” conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded. APPROVED.

POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES


MOTION: To approve the performance monitoring report on Policy 3.4, “Financial Condition & Activities,” conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO’s interpretations. Seconded. APPROVED.

Kenneth Chung provided an overview of the 2020 financials, specifically noting reductions in both operating revenues and expenses compared to budget (approximately 27% and 32% reductions respectively). Mr. Chung commended the staff for managing the budget in a way that not only avoided a deficit but did so without cutting essential services to membership. In fact, Mr. Chung noted the organization increased services to membership during 2020, setting up the organization to build for the future.

Eric Skufca reported that the finance team is still closing out the 2020 financials but noted that the numbers are tracking and trending materially consistent with the financial projection presented in November 2020. Mr. Skufca reiterated the organization’s decision to stop the quarterly investment distributions for operations in 2020 and instead maintain focus on reducing operating expenditures where and when available and appropriate.

SWIM TRIALS, LLC LINE OF CREDIT

Kenneth Chung provided background on USA Swimming’s financial role for the U.S. Olympic Team Trials - Swimming, including historically fronting operational funds on behalf of the joint venture at times. Mr. Chung noted how the organization explored options and solutions with its partner Omaha Sports Commission whereby USA Swimming would not need to provide direct, upfront, and temporary operating cash on behalf of the joint venture.

Eric Skufca provided historical reference where and why USA Swimming provided upfront operating cash for the Swim Trials, LLC joint venture and rationale to reduce and or eliminate that practice moving forward (Attachment 16).

Chief Operating Officer (COO) Mike Unger briefly described the history and details of the joint venture with the city of Omaha.
The Board engaged in discussion regarding Trials finances, including what USA Swimming provides and receives as well as the financial partnership with the Omaha Sports Commission.

**MOTION:** To allow USA Swimming to be a 50% guarantor and be collateral for $1.6M commercial revolving line of credit for Swim Trials, LLC. Seconded. **APPROVED.**

**PPP ROUND TWO**

Eric Skufca briefly introduced the possibility of USA Swimming applying for the second draw of the Paycheck Protection Program (PPP2) after participating in the first draw (Attachment 17).

Kenneth Chung presented the idea of creating a small working group to look at the nuances of applying for the PPP2, including how the organization could benefit from the fund.

The Board voiced positive feedback with the organization moving forward with a small working group to research another PPP opportunity.

**KEEPING ATHLETES FIRST INITIATIVE**

Lucinda McRoberts reported that the Keeping Athletes First (KAF) working group added two new members, Katie Meili and Jack Swanson. Ms. McRoberts additionally provided a brief overview of the KAF initiative as well as details from the first meeting of 2021 on online member registration. Ms. McRoberts noted that the second meeting of the year will focus on the Safe Sport Club Recognition program.

**GUEST SPEAKER:**

Natalie Hall introduced National Team athlete and Olympian, Nathan Adrian.

Nathan Adrian shared his challenges around preparing for the upcoming U.S. Olympic Team Trials – Swimming in Omaha and the Olympic Games in Tokyo.

**STAFF UPDATES**

**CEO’S UPDATE**

Tim Hinchey submitted a written report (Attachment 18).

**MEMBERSHIP UPDATE**

Joel Shinofield reported that the organization is ahead of 2021 projected membership numbers, trending close to 70%. Mr. Shinofield remarked on challenges to membership numbers, including the increase in Flex memberships, pool access for member clubs, and
opportunities across the spectrum for the sport. Mr. Shinofield presented a membership summary highlighting the increase in flex memberships and the number of inactive clubs.

RETURN TO COMPETITION
Joel Shinofield reported that there are significant drops in competition and opportunities to compete compared to years past, specifically noting younger swimmers are not competing.

FLEX MOTION
Joel Shinofield shared that the Board approved changes to the Flex Membership in which the implementation was delayed due to COVID-19. Mr. Shinofield once again asked that the implementation be delayed until the 2023 membership year due to the slow incline of returning to 2019 membership numbers, being able to coincide these changes with the launch of Online Member Registration (OMR) and Digital Transformation, and to allow an easier transition for LSC/Club registrars.

MOTION: To change the effective date for implementation of the approved changes to the Flex Membership structure to the 2023 membership year. Seconded. APPROVED.

GUEST SPEAKER
Managing Director of the National Team Lindsay Mintenko introduced National Team athlete and Olympian, Kathleen Baker.

Kathleen Baker shared her experiences competing during the COVID-19 pandemic, including the importance of having meets for not only her physical training, but also her mental health. Ms. Baker noted the challenges and adjustments needed to compete during this time.

OLYMPIC TRIALS
Mike Unger thanked all those involved with providing perspective that led to the plan for the U.S. Olympic Trials - Swimming and reported on the areas that are still being worked out, including the athlete field, tickets and hotels, and a health and safety plan.

OLYMPIC GAMES
Lindsay Mintenko reported that little information has been given regarding the Olympic Games in Tokyo but emphasized that swimming athletes will be able to participate in the Olympics with the biggest changes being around the competitive experience, including many restrictions for the athletes, coaches, and team.
CLOSING ROUNDTABLE

NEXT MEETING / EVENTS

• TYR Pro Swim Series
  o San Antonio: March 3-7, 2021
  o Mission Viejo: April 8-11, 2021
  o Indianapolis: May 12-15, 2021

• Board of Directors Meeting: May 7, 2021 – Colorado
• Foundation Board Meeting: March 9, 2021 – Virtual

MEETING ASSESSMENT

The Board engaged in a round table discussion assessing the day’s meeting, including how valuable it was to hear from athletes and the focus from staff on communication, membership, competition, and safety. The Board also asked for more time for discussions, additional pre-reading for further context, and to have everyone on individual Zooms.

CLOSED SESSION (2.3.6)

LITIGATION UPDATE

The Board went into closed session so Lucinda McRoberts could provide a legal update.

COMMERCIAL UPDATE

The Board remained in closed session so USA Swimming’s Chief Commercial Officer, Shana Ferguson, could provide a confidential commercial update.

PERSONNEL UPDATE

The Board remained in closed session so Lucinda McRoberts could provide a personnel update. All staff except Tim Hinchey and Lucinda McRoberts left the meeting.

COMPENSATION COMMITTEE UPDATE ON CEO KPIs

The Board remained in closed session for compensation discussions. All remaining staff left the meeting.

ADJOURN

Bob Vincent, Board Chair, adjourned this meeting at 3:28 p.m. Mountain Time.

Respectfully submitted:

Lucinda McRoberts, CAO & General Counsel

Bob Vincent, Board Chair
USA Swimming Board of Directors Minutes Attachments

February 5, 2021 / Virtual Zoom Conference Call

Attachment 1  Page 1 – Agenda: February 5, 2021
Attachment 2  Page 2 – DRAFT BOD Minutes November 20, 2020
Attachment 3  Page 2 – USA Swimming Reserve Fund Model 2021
Attachment 4  Page 3 – Zone Directors’ Council’s Report to the Board
Attachment 5  Page 4 – 2020 Board Activities – Balancing Matric
Attachment 6  Page 4 – 2020-21 Board Work Plan
Attachment 7  Page 4 – Board Governing Policy Manual Update
Attachment 8  Page 5 – Policy 1.0 Broadest/Growth and Success of Swimming
Attachment 9  Page 5 – Policy 1.2 Update
Attachment 10  Page 5 – Policy 3.3 Treatment of Employees & Volunteers
Attachment 11  Page 6 – 2020 Budget vs. Projection Summary
Attachment 12  Page 6 – Board Approved Reserve Investments Summary
Attachment 13  Page 6 – Comparative Balance Sheet as of 12.31.20
Attachment 14  Page 6 – USA-S - Foundation Investment Statements Q4 2020
Attachment 15  Page 6 – 3.4: Financial Condition and Activities
Attachment 16  Page 6 – Swim Trials LLC Preliminary Line of Credit Terms
Attachment 17  Page 7 – PPP2 USA Swimming
Attachment 18  Page 7 – Staff Report to the Board of Directors