

USA Swimming Foundation, Inc.
Board of Directors Meeting Minutes
September 12, 2019 / St. Louis, Missouri

CALL TO ORDER

USA Swimming Foundation Board Chair, Dr. Cecil Gordon, welcomed the Board, guests, and staff to the September 12, 2019 Board of Directors meeting. The meeting was called to order at 2:01 pm Central Time.

Participating Board Members

Dr. Cecil Gordon – Chair, David Shackley, Ron Van Pool, Maya DiRado, Bill Maxson and Elizabeth Beisel were at the meeting in person, Dave Wiederecht – Secretary participated via conference call.

Participating Staff

Tina Dessart, Nicole Wilson, Scott Usher, Paula D’Amico, Shana Ferguson, Tim Hinchey, Eric Skufca, Mike Unger, Belle McLemore, Joel Shinofield, Lindsay Mintenko, Brendan Hansen and Abby Howard were in attendance. Amanda Nusbaum participated via conference call. USA Swimming board members Tom Ugast and Bob Vincent were in attendance, along with guests Bill Charney, Carol Zaleski, Alex Blavatnik, and John Pepper.

MEETING MINUTES

***MOTION:** Cecil Gordon motioned to approve the April 25, 2019 Board of Directors meeting minutes. Dave Wiederecht seconded. Approved. (Attachment 2).*

WELCOME & COMMENTS

Dr. Cecil Gordon shared a brief summary of the meeting agenda (Attachment 1), as well as expressing his support for the Foundation and how the organization will be moving forward and growing. Dr. Gordon also noted how the new direction of the Foundation will aim to transition the Board from a governing board to a fundraising board. The purpose of the meeting is also to clearly define the relationship between the Foundation and USA Swimming as a whole. This meeting is open for all questions and comments in order to be as purposeful and thorough as possible.

ORGANIZATION RESTRUCTURE - Initial Discussion (Attachment 3-7)

Tim Hinchey overviewed his vision for the integration of the Foundation, including spending more time getting involved and learning more about the staff and processes. Mr. Hinchey also thanked Debbie Hesse for her many years as the Executive Director of the Foundation and her role in the growth of the organization. He mentioned that the Foundation Task Force (talk to other NGBs, talk to those involved, etc.) was initiated to explore what possibilities the Foundation had to grow, including being more integrated into the USA Swimming team and efforts. Mr. Hinchey summarized the initial meeting with the Trustee Council, which happened in late July. He also noted that these proposed documents are only suggestions to try to better reach the vision of both organizations and are open to comments and edits as needed.

Bill Charney noted he is here to support the change and efforts of USA Swimming and the Foundation. Mr. Charney took over to start discussion on the Bylaws, including a background of the types of restructuring

he's done in the past. The purpose of the change and redefining roles is to have an actively fundraising board, not just a board that writes a check to be a board member.

Bill Maxson requested an overview of how the Foundation would continue working operationally with the elimination of the Executive Director position. Dave Wiederecht added specifically how the Make a Splash program would work being taken more under USA Swimming, as the National Team needs are already so great.

Mr. Hinchey noted that Ms. Hesse's departure was not planned, but that Shana Ferguson, Mike Unger, and Joel Shinofield have all stepped up as the strategy members to help ensure success within the Foundation. The missions of USA Swimming and the USA Swimming Foundation are going to be aligned moving forward. Mr. Charney added that USA Swimming is the only NGB that is so separated from their Foundation, and that sharing mutual resources should aid in further success.

The board proceeded to have a thorough discussion regarding the direction of the board and Foundation, especially where the Make a Splash program was concerned. The discussion included the responsibilities of not only the CEO, but also those tasked with being day to day governing positions over the Foundation. A periodic evaluation process of the practices that will be implemented was requested, as to allow the Foundation board to make suggestions for alterations as needed based on progress in those periods.

Bill Charney shifted the discussion toward the nomination process and timeline. The integration would look to target 11-12 Board members in 2020, including one specific Trustee Council representative. A nominating committee would reach out to prospects, noting that the Board should not be "pay-to-play", but rather be more participation-driven. The proposed implementation for bylaws is 1/1/2020, with MoU draft/Endowment Policies and recruitment of new members occurring in October and continuing through November. The November USASF and USAS Board meetings in November would be the time to act on the MoU and elect new 2020 members. Staff assessment to occur in the few months following adoption of new bylaws. A full-BOD member planning retreat is also set to occur in March 2020.

Dr. Cecil Gordon updated the attendees on Greg Rosenbaum's resignation from the board, thanking him for all of his contributions over the years. Mike Unger let everyone know that Carolyn Dirks had passed away a few days prior, noting she was an incredible friend to USA Swimming and would be greatly missed.

ORGANIZATION RESTRUCTURE – Proposed Board Documents Review

Dr. Gordon inquired as to how the Board wanted to move forward with the bylaws, including an approval contingent upon proposed changes. This approval contingency would include a Memorandum of Understanding between the Foundation and USA Swimming to be prepared and distributed by October 30th and executed by both parties no later than December 11, 2019 – to be effective January 1, 2020.

Bill Charney led the discussion back to the clean version of the Foundation Bylaws (Attachment 5), quickly noting a few changes that were discussed in the last phone call. The following adjustments and notes were made to the draft of the bylaws:

- Section 2.6 – Representation of the Sole Member: Address that the CEO does not have veto power as an individual; clarify in wording
- Section 3.2.d – Terms: make sure that it is noted that members can serve 3 (three) consecutive 3-year terms; clarification that current board members are excluded from their prior years counting toward these limits, effectively being grandfathered in starting in 2020
- Article VII, Section 7.1.a – Composition: "determined from time to time by the CEO **and the**

Foundation Board'

- Section 9.5.c. – Distributions: Further discussion necessary
- 3.2.d – Nominating committee: adding in specifics regarding the nominating process and committee

MOTION: Ron Van Pool motioned to approve the proposed bylaws contingent upon the proposed changes. David Shackley seconded. Approved. (Attachment 4 & 5 - bylaws).

The Board moved to look at the proposed “Board Members’ Individual Responsibilities” document (Attachment 7), focusing on 8. Contributions and 9. Participation in Organizational Activities.

- 8. Contributions:
 - Mr. Charney explained where the give/get amount came from and why it is a justified (per Task Force findings), but also flexible (per 8.B.) number. Mr. Maxson suggested only specifying 8.B. where each board member would have individual and personalized goals. Mr. Charney and Joel Shinofield noted it might be best to change the language from “expected” to “targeted” – switching the hard goal to a generalized goal - “annual total” to clarify the specific fundraising goal, and “at least” to the total give/get amount to allow for growth where possible, noting that exceptions may be made by the Board on a case-by-case basis.
 - Scott Usher weighed in, noting that the “get” is an opportunity to work with the USA Swimming/Foundation staff in order to achieve or exceed the goal; adjusting the wording of the document to reflect that the potential board members are not on their own was requested for clarification purposes.
 - The entire “NOTE:” was recommended to be struck altogether, pending results of 2020.
- 9. Participation in Organizational Activities
 - Change “purchase tickets for” to “Attend” Golden Goggle Awards.

MOTION: David Shackley motioned to adopt this document as the BoD Responsibilities for board members, so to be conveyed to prospective board members. Maya DiRado seconded. Approved. (Attachment 7).

FINANCIAL UPDATE

Eric Skufca reported on the finances of the USA Swimming Foundation, including looking at the Q2 Financial Statement Packets (Attachment 8-9), as well as the year to date investment statements (Attachment 10). Provided the latest 2019 Projection (Attachment 11) and first look at the 2020 Budget drafts (Attachment 12), noting that approval does not occur until the November meeting.

Looking at the 2019 Projections, there is projected to have a deficit of \$219,000 in total, attributable to a couple of line items, notably the revenue generated from the Golden Goggle Awards and sponsorships. A discussion regarding the budgeted revenue of \$150,000 coming from Golden Goggle Awards ensued, including an explanation of why that was not necessarily sustainable and the best way to approach it going forward. A last note on 2019 projections was made regarding the Make a Splash grants: as to now lower the impact the program had in the year, the grants were matched to-the-penny matching to the 2019 budgeted amount.

A question regarding the salary line item was made, including how those are allocated and divided between Foundation-specific staff and the USA Swimming staff that may also help with Foundation items. In lieu of there being a Foundation-specific Executive Director, Mr. Skufca presented an idea for 2020 of a proposed “Management Fee” in place of allocating the USA Swimming staff hours to Foundation budgets.

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He then proceeded to explain where the proposed number was derived from and how it would ultimately benefit both USA Swimming and the Foundation.

USA SWIMMING FOUNDATION STAFF REPORTS (Attachment 13)

Shana Ferguson opened for the Foundation, handing things off to Mike Unger to open up reporting.

- Mr. Unger updated the Board on the events at the Golden Goggle Awards, including a Foundation Board meeting, USA Swimming Board meeting, and the actual event. Shana Ferguson provided an update on Foundation staff and the current plan for reporting.
- Scott Usher updated on Major Gifts, including the Trustees receiving their Assessment Reports in July/August, as well as holding a Council meeting in late July.
- Ms. Ferguson gave quick updates on the Foundation sponsorships and partnerships, noting that there will be joint efforts in maintaining the relationships going forward, including utilizing the USA Swimming Partnerships team. Tina Dessart updated on the Goldfish Swim Schools partnership, including working with Goldfish to further activate within their swim schools. Ms. Dessart also included that the Affiliates network has been growing, with the hope that it will ramp up as more changes are made within the Make a Splash program.
- Nicole Wilson reported on the Annual Fund year-to-date. She also outlined the upcoming solicitations, mailings, and events for the remainder of the year. Ms. Ferguson added that in regards to the Annual Report, it would be released in Q1 of the year instead of later as it had been done in the past. Ms. Wilson also gave updates on Swim-a-Thon, including the numbers being up from last year.
- Tina Dessart reported on second wave of Make a Splash Local Partner grants that have gone out. Ms. Dessart also reported on the expansion of the program, including an increase of over 200 local partners since the end of 2018.

2019 FOUNDATION BOARD MEETINGS

- Friday, November 22, 2019, TBD, Los Angeles, California

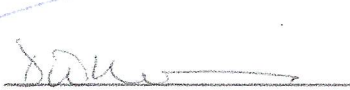
ADJOURN

With no further business to discuss, Dr. Cecil Gordon adjourned this meeting at 5:25 pm Central Time.

Respectfully submitted,



Dr. Cecil Gordon
Chair
USA Swimming Foundation



Dave Wiederecht
Secretary
USA Swimming Foundation

USA Swimming Foundation Board of Directors Minutes Attachments

April 25, 2019 / Colorado Springs, Colorado

Attachment 1	Page 1 – Agenda
Attachment 2	Page 1 – DRAFT April 25, 2019 Board of Directors Minutes
Attachment 3	Page 1 – Foundation Restructuring Recommendations Summary
Attachment 4	Page 2 – Proposed: Foundation Bylaws – Redline
Attachment 5	Page 2 – Proposed: Foundation Bylaws – Clean *reflecting changes from 9/5/19 call
Attachment 6	Page 1 – Proposed: Foundation Code of Conduct
Attachment 7	Page 3 – Proposed: Foundation Individual Responsibilities
Attachment 8	Page 3 – USA Swimming Foundation 2019 Q2 Financial Report
Attachment 9	Page 3 – USA Swimming Foundation 2019 Q2 Financial Memo
Attachment 10	Page 3 – USA Swimming Foundation 2019 Q2 Investment Summary
Attachment 11	Page 3 – USA Swimming Foundation 2019 Budget Projection
Attachment 12	Page 3 – USA Swimming Foundation 2020 Budget Draft
Attachment 13	Page 4 – USA Swimming Foundation Staff Report/Presentation