

USA SWIMMING EXECUTIVE COMMITTEE MEETING MINUTES

Sunday, July 2, 2017

Indianapolis Marriott Downtown

1 **CALL TO ORDER**

2 USA Swimming Board Chair, Jim Sheehan, called the July 2, 2017 Executive Committee
3 meeting to order at 8:00 a.m. Eastern Time with the following members in attendance:
4

5 **PRESENT:** Tim Bauer, John Bitter, Robert Broyles, Van Donkersgoed, Lucinda McRoberts,
6 Jim Sheehan, Bob Vincent, Mark Weber.

7
8 **NOT PRESENT:** Dan McAllen, Jim Wood
9

10 **STAFF:** Matt Farrell, Jim Harvey, Debbie Hesse, Pat Hogan, Lindsay Mintenko, Mike Unger.
11

12 **MOMENT OF SILENCE**

13 A moment of silence was observed for USA Swimming members who have passed away
14 since the last USA Swimming Board of Directors meeting.
15

16 **AGENDA REVIEW**

17 Jim Sheehan set forth the agenda for the meeting (Attachment 1).
18

19 **MOTION:** *To approve the Agenda. Seconded. APPROVED.*
20

21 **CONFLICT OF INTEREST**

22 *"Is any member aware of any conflict of interest (that is, of a personal interest or direct or*
23 *indirect pecuniary interest) in any matter being considered by this meeting which should now*
24 *be reported or disclosed or addressed under the USA Swimming Conflict of Interest Policy?"*
25

26 If a Board member determines there to be a conflict of interest at any point during the
27 course of the meeting when a specific subject is being discussed and / or action is being
28 taken, a declaration of a conflict of interest should be made at that time.
29

30 **ACCEPTANCE OF USA SWIMMING 2016 AUDIT REPORT**

31 Bob Vincent reported that the USA Swimming Audit Committee met the previous week and
32 unanimously recommends that the Executive Committee accept the Audit Report on behalf
33 of the Board of Directors, as authorized by the Board at its April 22, 2017 Meeting. The
34 auditor made no findings or adjustments in the Report.
35

36 **MOTION:** *To accept the 2016 Audit Report. Seconded. APPROVED.*
37
38

39 **2018 BUDGET REVIEW AND APPROVAL**

40 **PHILOSOPHY AND OVERVIEW**

41 Jim Sheehan highlighted that the 2018 Budget is a part of the broader 2020 Quad Strategic
42 Plan and should be reviewed and analyzed as such. While an annual budget is approved
43 year-by-year, the overall budget is balanced across the quad.

44
45 Mike Unger explained that budgets and programs are evaluated and determined by each
46 Division but are reviewed comprehensively by the Chief Financial Officer. Division
47 Directors are instructed to budget revenue conservatively and expenses generously. Mr.
48 Unger also highlighted some 2018 budget challenges, including lower than expected
49 membership growth and hosting the FINA World Junior Championships.

50
51 **BUDGET HIGHLIGHTS**

52 Bob Vincent summarized the 2020 Quad Budget, including projected revenue and expenses
53 of over \$156 million (Attachment 2). A projected operating surplus in 2020 will cover
54 projected deficits in 2017-2019. Mr. Vincent also summarized the proposed 2018 Budget,
55 which includes a \$1.1 million operating deficit, resulting from approximately \$37 million in
56 operating revenue and \$38 million in expenses (Attachment 3). Mr. Vincent added that
57 investment income will make up for the decreased revenue projection resulting from lower
58 than expected membership growth.

59
60 **REVENUE REVIEW**

61 Jim Harvey summarized the Revenue Budget 2017-2020, including membership, marketing
62 partnerships, USOC and other sources of revenue, and answered questions from the
63 Executive Committee (Attachment 4).

64
65 **EXPENSE REVIEW**

66 **ACHIEVE: NATIONAL TEAM**

67 Lindsay Mintenko summarized the National Team Division expenses, including the
68 implementation of an anti-doping education platform, and answered questions from the
69 Executive Committee (Attachment 5).

70
71 **BUILD: CLUB DEVELOPMENT**

72 Pat Hogan summarized the Club Development Division expenses, highlighted major
73 changes from the prior quad and answered questions from the Executive Committee
74 (Attachment 6).

75
76 **PROMOTE: BUSINESS DEVELOPMENT AND PROMOTIONS**

77 Matt Farrell summarized the Business Development & Promotion Division expenses and
78 emphasized four major focal points: (i) implementing an internal measurement system
79 (Participation, Programs and Purchase); (ii) developing USA Swimming Productions and
80 various television and technology platforms; (iii) enhancing the Pro Swim Series; and (iv)
81 tying the SwimToday program to the new Flex Membership (Attachment 7).

82
83 The Executive Committee discussed various marketing initiatives and event opportunities.

84 **SUPPORT SERVICES**

85 **BUSINESS OPERATIONS AND EVENTS**

86 Mike Unger summarized the Business Operations & Events Division expenses and
87 explained that the budget varies considerably year-to-year depending on what events are
88 taking place (Attachment 8).

89
90 **EXECUTIVE**

91 Mike Unger summarized the Executive Division expenses, including Safe Sport and legal
92 initiatives, and answered questions from the Executive Committee (Attachment 9).

93
94 **FINANCIAL AFFAIRS / RISK MANAGEMENT**

95 Jim Harvey summarized the Financial Affairs Division expenses (Attachment 10) and the
96 Risk Management expenses (Attachment 11).

97
98 **CAPITAL BUDGET**

99 Jim Harvey summarized the Capital Budget 2017 - 2020 (Attachment 12).

100
101 **REQUEST FOR BUDGET APPROVAL**

102 Jim Sheehan requested the Executive Committee's approval to present the proposed 2018
103 budget to the USA Swimming Board of Directors at its September 12, 2017 meeting.

104
105 ***MOTION:** To approve the 2018 proposed budget and present it to the USA Swimming Board of*
106 *Directors at its September 12, 2017. Seconded. **APPROVED.***

107
108 **OTHER BUSINESS**


109 Van Donkersgoed presented an Athlete Leadership in Governance Camp proposal
110 (Attachment 13). The Executive Committee and staff discussed various aspects of the
111 proposal, including scheduling, number of attendees and overall expense, and agreed that
112 staff would put together a small group to work out the details and logistics of the proposal,
113 to be funded out of reserves.

114
115 Staff then exited the room so the Executive Committee could discuss the CEO evaluation
116 process for 2017.

117
118 **ADJOURN**

119 Jim Sheehan adjourned the meeting at 10:20 a.m. Eastern Time.

120
121
122 **Respectfully Submitted:**

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124 

125
126 Lucinda McRoberts, Secretary



Jim Sheehan, Board Chair

Attachments

July 2, 2017 – Executive Committee Meeting – Indianapolis Marriott Downtown

Attachment 1	Page 1 – Agenda
Attachment 2	Page 2 – 2020 Quad Business Plan Summary
Attachment 3	Page 2 – Proposed 2018 Budget Highlights
Attachment 4	Page 2 – Revenue Budget 2017-2020
Attachment 5	Page 2 – National Team Division
Attachment 6	Page 2 – Club Development Division
Attachment 7	Page 2 – Business Development and Promotions Division
Attachment 8	Page 3 – Business Operations and Events Division
Attachment 9	Page 3 – Executive Division
Attachment 10	Page 3 – Financial Affairs Division
Attachment 11	Page 3 – Risk Management
Attachment 12	Page 3 – Capital Budget 2017-2020
Attachment 13	Page 3 – Athlete Leadership in Governance Camp proposal
Attachment 14	Foundation Division