

# USA Swimming Board of Directors Meeting Minutes

October 27, 2018 / Denver, Colorado

1 **CALL TO ORDER**

2 Lucinda McRoberts called the October 27, 2018 Board of Directors meeting to order at  
3 12:45 p.m. Mountain Time with the following members in attendance:

4  
5 **PRESENT:** Dale Ammon, John Bradley, Chris Brearton, Cecil Gordon, Tim Hinchey, Lucinda  
6 McRoberts, John Roy, Jeanette Skow, Davis Tarwater, Jay Thomas, Mary Turner, Tom Ugast,  
7 Robert Vincent.

8  
9 **NOT PRESENT:** Maya DiRado, Natalie Hall (via conference line), Jim Sheehan (via  
10 conference line), Jim Wood.

11

12 **GUESTS**

13 Bill Charney (Charney Associates).

14

15 **STAFF**

16 Paula D'Amico, Matt Farrell, Jim Harvey, Isabelle McLemore, Mike Unger.

17

18 **OFFICE REDESIGN**

19 Tim Hinchey provide background on the project including those involved and what USA  
20 Swimming aims to achieve through redesigning the office space (Attachment 1).

21

22 Lucinda McRoberts provided the Board with the most recent cost projection of the project.

23

24 The Board discussed the project, including its costs, timelines, the relocation of  
25 departments, selection of construction firms, and messaging.

26

27 **MOTION:** *To approve the office redesign project materially consistent with the terms and*  
28 *projections stated in the updated memo with \$2.1 million coming out of Board designated*  
29 *reserves. Seconded. APPROVED.*

30

31 **ELECTION OF BOARD OFFICERS**

32 Lucinda McRoberts explained the election process based on one candidate for Board Chair,  
33 three candidates for Board Chair, and one candidate for Vice Chair Fiscal Oversight.

34

35 **MOTION:** *To approve Bob Vincent as Board Chair. Seconded. APPROVED.*

36 The Board engaged in discussion regarding the candidates for the Board Vice Chair  
37 position.

38

39 The Board elected Davis Tarwater as Board Vice Chair.

40

41 **MOTION:** *To approve Tom Ugast as Vice Chair Fiscal Oversight. Seconded. APPROVED.*

42

43 **MOTION:** *To destroy the ballots. Seconded. APPROVED.*

44

45 **ADJOURN**

46 Lucinda McRoberts adjourned this meeting at 1:18 p.m. Mountain Time.

47

48 Respectfully submitted:

A handwritten signature in cursive script that reads "Lucinda McRoberts".

Lucinda McRoberts, General Counsel & VP Business Affairs

**USA Swimming Board of Directors Minutes Attachments**

October 27, 2018 / Denver, Colorado

Attachment 1  
Attachment 2

Page 1 – Memo on the Office Redesign Project  
Memo on Election of Officers

October 24, 2018

Dear Board of Directors,

We look forward to your arrival in Denver next week for our BOD "Orientation" weekend. Congratulations to our new members and welcome back to our continuing Board members. We are excited to begin working together and tackling the strategic opportunities that lie in front of USA Swimming.

As follow up from your first Board meeting, I wanted to update the Board on our recommended office renovation project. A Special Board Meeting will be convened on Saturday 10/27 (1pm MDT). In addition to the officer elections, we are asking the Board to support and authorize the project that will include an extension of our current lease at the Olympic Training Center with the USOC.

Background:

- It has been over twenty years since there has been a major upgrade to the USA Swimming Headquarters in Colorado Springs. (Not including the removal of the Flume in 2006)
- Our staff has grown to nearly 100 full time and space is at a premium and limited.
- Conducted an all staff survey to garner input and ideas.
- From our staff input, created a theme: *We are "ONE" Olympic Plaza.*
- Priority Point became: Transparency – implies openness, communication and accountability
- Additional priorities that describe our intended goals:
  - Servant Leadership – shares power, puts the needs of others first and helps people develop and perform as highly as possible
  - Open and welcome to all – We welcome our membership or stakeholders to visit and work with us at any time
  - Culture for a modern and progressive future
  - Collaboration daily internally and externally (USOC)
  - Together we are stronger
  - **WE ARE "ONE" OLYMPIC PLAZA**
- Excellent opportunity to further illustrate our change in culture towards transparency, servant leadership, productivity and professionalism.
- Early last Fall we received inquiries from Lake Nona, Florida about possibly moving our HQ.
- We communicated to the USOC that our intention is to remain at the OTC but would like some financial assistance in our plans to upgrade. We would also entertain an extension of our current lease which expires in eight years and thereby amortizing our investment over the course of the lease within our annual operation budget.
- The USOC is keen to support this project and we had a meeting on Oct. 4<sup>th</sup> to solicit financial support. Alan Ashley and Rick Adams have been vocal about their interest in supporting this project and keeping USA Swimming onsite at the OTC
- Our remodeled first floor will include new collaborative and meeting spaces the USOC will have access to and improve their OTC long term goals.

- The USOC is interested on partnering in our proposed studio and production space as well.
- In addition, Mike and I met with Bill Hybl, Chairman of the El Pomar Foundation. He is also interested in support this project with a grant. He is most interested in our intention to bring back the Ray Essick Board Room on the 1<sup>st</sup> Floor. We look forward to the new ability to host our BOD meetings on site at our offices.
- Debbie and her team have also had several productive meetings with key Trustees and donors that are also interested in contributing to renovated home office.
- Prior to any lease negotiations with the USOC it became obvious that we needed to seek professional guidance on what options we might have in upgrading the building and its furnishings. An architect was hired to survey the building's structure and its systems to see what options we might have to discuss/negotiate with USOC as leasehold improvements, as well as potential sponsors to help offset the cost of any upgrades. The cost of the architect is rolled into the overall cost of Capital Improvements, as it becomes part of the leasehold improvements, and therefore is capitalized and amortized over the life of the new lease on the books.
- This kind of business operation would normally take place somewhere around year ten of the building's life cycle. Our offices are 20 years old.

Therefore, we are seeking the Board's approval to move forward on this project based on the following terms and projections:

1. Building square footage is 23, 140 SQ FT. The estimate for construction is \$118.51 PER SQ FT. Total project estimate is \$3.6M (includes FF&E)  
DLR, our architect has seen everything from \$75-\$160/sf for tenant improvements and anywhere around \$250-\$450/sf for new construction in our area.
2. USA Swimming to actively manage a three-pronged fundraising effort and commit to delivering a minimum of \$1.5M in external financial support (USOC, Donors, Naming rights to rooms, Sponsors).  
Current status:
  - USOC has verbally targeted a commitment goal of \$500,000, to be paid over two to four years.
  - El Pomar has indicated they will invest between \$75,000 - \$100,000
  - Comcast has a proposal to support us with \$100,000 of their sponsorship dedicated to office technology.
3. The USOC is asking us to extend our lease through 2032.
4. We will then amortize the remaining balance of \$2.1M over the extended lease period not exceed an additional \$200,000 per annum against our budget.

	USOC		Remaining	
	Sponsor		Lease Term	Annual
Cost	Donor	Net	Years	Amortization
\$ 3,600,000	\$ 1,500,000	\$ 2,100,000	13	\$ 161,538

We are very excited about the future of USA Swimming and our new environment will capture the spirit of our progressing culture. We appreciate your support with this project.

TO: 2018-19 USA Swimming Board of Directors  
FR: Jim Sheehan  
RE: Election of Officers  
DA: 9/29/18

Given the significant change in Board composition, and in order to give the new Board opportunity to get acquainted, both with each other and the roles/expectations of the three Board officer positions, we will convene a special meeting for the purpose of electing new officers just prior concluding the Orientation workshop on October 26-27.

To help you determine your level of interest in nominating either yourself or a Board colleague for an officer position, this document provides the core job descriptions of the three officer roles, as codified in our Bylaws and Governing Policies. Please consider these roles in light of the newly defined role/purpose, needs and processes of our Board of Directors, its needs and processes (also defined in the Governing Policies).

As this is the transitional year in our governance restructuring, terms to be elected are as follows:

- Board Chair – 3 year-term. (Effective in 2021 will be a 4-year term)
- Vice-Chair Fiscal Oversight – 3-year term. (Effective in 2021 will be a 2-year term)
- Board Vice Chair – 1 year-term. (The person elected as Vice-Chair in 2019 will be the Chair-Elect)

By mid-October, we will provide a form/venue through which those interested in serving in any of the officer positions can express interest and convey relevant experience/qualifications. These will be distributed to the Board at least a week prior to convening in Denver. In the interim, if you have any questions about this process, please don't hesitate to contact:

- Jim Sheehan ([sheehanji@optonline.net](mailto:sheehanji@optonline.net))
- Lucinda McRoberts ([lmcroberts@usaswimming.org](mailto:lmcroberts@usaswimming.org))
- Bill Charney ([bill@bcharney.com](mailto:bill@bcharney.com))\*

*(\* As both Lucinda and I will be traveling extensively over these next few weeks, we have included Bill, our governance consultant, on this list. To expedite responsiveness to any questions you may have about this process, feel free to route any questions through Bill, who has been working closely with us and on our behalf.)*

#### **From Bylaws Section 504.4:**

- .1 **Board Chair** - USA Swimming shall have a Board Chair who shall preside at all meetings of the Board; see to it that the Board fulfills its duties as prescribed by law, the Articles of Incorporation, these Bylaws, and the Board's governing policies then in effect; be the official spokesperson of the Board of Directors and perform such other duties as the Board may from time to time prescribe.
- .2 **Board Vice-Chair** - The Board Vice-Chair shall perform such duties as set forth in these Bylaws or as may be assigned by the Board of Directors and shall perform the duties of the Board Chair in the event of the Board Chair's absence, disability or refusal to act.
- .3 **Vice-Chair Fiscal Oversight** - The Vice-Chair Fiscal Oversight shall perform such duties as outlined in these Bylaws and Policy Manual, or as otherwise assigned by the Board of Directors.

#### **From Governing Policies – Policy 2.4, “Board Chair’s Role and Authority”**

As USA Swimming's chief governance officer, the Chair's primary role is to be the presiding officer, ensuring the integrity of the Board's process. The Chair also leads meetings of the House of Delegates, and represents the Board to outside parties

Accordingly:

1. The Chair's job is to ensure that the Board acts in a manner consistent with its policies and any requirements legitimately imposed upon it from outside the organization.
  - A. Agenda content will include only those issues that clearly (according to Board policy) belong to the Board to decide, consider, or to monitor, or to otherwise inform/educate the Board so it can best fulfill its responsibilities.
  - B. Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.

2. The Chair is authorized to make decisions consistent with the Board Process and Board/Management Delegation policies, except for (a) employment/termination of the CEO, or (b) decisions pertaining to matters about which the Board has specifically delegated portions of its authority to others. The Chair may use any reasonable interpretation of these policies.
  - A. The Chair is empowered to preside at Board meetings with the commonly accepted power of that position, such as ruling and recognizing.
  - B. The Chair has no authority to make decisions within the Board's Ends and Management Parameters policy areas. Therefore, as the CEO is accountable to the Board as a whole, the Chair does not have authority to supervise or direct the CEO.
  - C. The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to the Chair.
  - D. The Chair may delegate this authority but remains accountable for its use.
  - E. The Board Chair shall appoint all non-athlete members of Board committees and their respective chairs unless otherwise designated in the USA Swimming Rules & Regulations, Bylaws or in Board Policies. The Board Chair is an ex-officio non-voting member of all Board committees.
3. The Chair will lead and participate in the Board's assessment of its own performance.
  - A. Criteria for assessment will be the Board's adherence to its Board Process and Board-Management Delegation policies.
  - B. The Board will self-assess its overall performance at least once per year.
  - C. The Board will ensure that there is at least a brief assessment of each meeting prior to adjournment, identifying factors that enhanced its productivity, as well as those that would have made the meeting more successful.
4. The Chair will also make appointments to the House of Delegates, per the USA-S Rulebook.

**From Governing Policies – The Vice Chair - Fiscal Oversight serves as chairperson of the Audit Committee. The Audit Committee's charge (per policy 2.8.3)**

**1. Audit Committee**

- A. **Deliverable #1:** Confirmation of auditor's independence and recommendation to Board for engagement of auditor by no later than end of February each year.  
**Deliverable #2:** - Annual specification of audit scope, consistent with Board monitoring schedule (see policy 4.4), including approval of any permitted non-audit services to be provided by the independent auditor.  
**Deliverable #3:** Assurance that the auditor has unfettered access to organizational management and records.  
**Deliverable #4:** Review with the independent auditor any problems encountered performing the audit, the audited financial statements, and any management letter provided by the auditor.  
**Deliverable #5:** Recommendations for Board consideration regarding revisions to the Board's fiscal policies.  
**Deliverable #6:** Review of annual Form 990 prior to distribution to Board of Directors and subsequent submission to IRS.  
**Deliverable #7:** "Direct Inspection" (internal audit) monitoring of compliance with the Board's fiscal policies (Financial Condition, Asset Protection, Budget, Compensation and Benefits), as directed/scheduled by the Board per policy 4.4 *Monitoring CEO Performance*.
- B. **Authority:** To direct work of outside auditors, to use management time as needed for administrative support, and to incur costs as budgeted for all matters related to the audit
- C. **Composition:** Five members. The Vice Chair-Fiscal Oversight serves as chairperson, plus four members appointed by the Board Chair, including: a non-officer Board member; an athlete from a slate submitted by the Athletes' Committee, and two additional members with designated financial experience.