CALL TO ORDER

Bob Vincent, Board Chair, called the February 2, 2019 Board of Directors meeting to order at 9:00 a.m. Mountain Time with the following members in attendance:


NOT PRESENT: Chris Brearton, Teri McKeever.

GUESTS

Sean Redmond (Western Zone Director), Tristan Formon (Eastern Zone Director), Pam Lowenthal (Central Zone Director), Dave Smith (Southern Zone Director), Bill Charney (Charney Associates).

STAFF

Tom Avischious, Paula D’Amico, Jim Harvey, Debbie Hesse, Isabelle McLemore, Lindsay Mintenko, Eric Skufca, Joel Shinofield, MJ Truex, Mike Unger, George Ward.

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.

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.
BOARD CHAIR’S REMARKS
Bob Vincent thanked everyone for attending the Safe Sport Leadership Conference, emphasized the need to always talk about safety at Board meetings, and described the "Four Corners" from Servant Leadership in Action: How You Can Achieve Great Relationships and Results.

MINUTES
MOTION: To approve the November 18, 2018 Board of Directors meeting minutes (Attachment 2). Seconded. APPROVED.

WELCOME TO BOARDPAQ
Bob Vincent provided an overview of BoardPaq and how to use it.

BOARD WORK PLAN UPDATE (2.3.2)
Davis Tarwater provided an update on the Governance Committee’s next steps regarding putting together a Board work plan.

CLOSED SESSION (2.3.6)
LITIGATION UPDATE
The Board meeting went into closed session so that USA Swimming’s General Counsel, Lucinda McRoberts, could give a legal update.

BOARD PROCESS
AUDIT COMMITTEE RECOMMENDS AUDITOR ENGAGEMENT TO BOARD BY FEBRUARY 28 (2.8.3.A)
MOTION: To approve Waugh & Goodwin, LLP as the auditing agency for USA Swimming for the year ending December 31, 2019. Seconded. APPROVED.

BOARD ESTABLISHES CURRENT YEAR "CHARGE" WITH TARGETED SKILLS/ATTRIBUTES FOR NOMINATING COMMITTEE (2.9.3)
Bob Vincent provided Board and USA Swimming membership demographics to formulate criteria for the Nominating Committee when they consider nominees for the Board and added that Wendy Boglioli is coming off the committee and the Board will be approving a nominee to replace her on the committee.

John Bradley recommended someone with an advocacy background for the Board

The Board discussed deadlines for applications and the overall time frames for the nominating process.
3.7 - EXECUTIVE COMPENSATION COMMITTEE PROCESS TO UPDATE CEO EMPLOYMENT AGREEMENT (2.8.7)
Bob Vincent tasked the Executive Compensation Committee to review Tim Hinchey's contract regarding benefits and length.

MEMBER RELATIONS COMMITTEE UPDATE
Bob Vincent reported on the intentions of the Membership Relations Committee and provided tasks for the committee to complete in order to bring recommendations to the Board in April.

MANAGEMENT PARAMETERS MONITORING (4.4)
POLICY 3.3 - TREATMENT OF STAFF
Lucinda McRoberts presented the Policy 3.3 - Treatment of Staff (Attachment 3). Bob Vincent charged the staff to ensure each volunteer committee can answer how they are furthering the goals and vision of USA Swimming, and additionally asked for the roles of Staff Lead and Committee Chair to be defined for each committee.

Mike Unger provided some background on the committee appointment process.

MOTION: To approve the performance monitoring report on Policy 3.3, “Treatment of Staff,” 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 (INT)
Eric Skufca introduced himself as the new Chief Financial Officer and reported non-compliance on Policy Provision #2. Mr. Skufca explained that while the 2018 total operating projected expenses will be better than budgeted, it did not exceed the shortfall in total revenue (primarily corporate sponsorship and membership). Mr. Skufca added that the 2018 operating deficit is projected to miss budget by $1.12 million or 3% of 2018 projected revenue or 0.5% of the total quad projected revenue. Mr. Skufca noted the goal is to finish the Quad at budget neutral and further explained the variance in missed budget projection is due to an accounting revenue recognition related to the partnership with the Omaha Sports Commission and the choice to conservatively recognize the applicable rights fee revenue consistent with previous quads and our current quad budget (Attachments 4 - 5).

Mr. Skufca summarized the 2018 preliminary budget projection with the expectation to close the books in February 2019.
Tim Hinchey explained the learning opportunities for staff with regards to the sales process moving forward so that sponsorship sales and projections are better accounted for in the budget. Mr. Hinchey expressed his confidence in reaching the projected 2019 revenue of $5.5 million and recommended a discussion at the next Board meeting regarding how the organization drives revenue.

Mike Unger provided background on membership projections from year to year.

The Board engaged in discussion regarding the quad budget and expenses related to Golden Goggles particularly in relation to giving to the Foundation.

**MOTION:** To approve the performance monitoring report on Policy 3.4, “Financial Condition and 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.**

**POLICY 3.7 - COMPENSATION & BENEFITS**

Tim Hinchey spoke to the compensation for staff as it pertains to market value and succession planning, performance reviews, and a new bonus structure (Attachment 6).

**MOTION:** To approve the performance monitoring report on Policy 3.7, “Compensation and Benefits,” 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.**

**STAFF REPORTS**

**CHIEF ADMINISTRATIVE OFFICER & GENERAL COUNSEL**

Lucinda McRoberts provided the Board with an update regarding the hiring of a new Human Resources Director, the timeline for USA Swimming’s office redesign, and the "operating agreement" between LSCs and USA Swimming to memorialize their existing relationships, including the use of intellectual property.

**CHIEF FINANCIAL OFFICER**

Eric Skufca provided an update on fourth quarter investments, including that the investments overall are down, but the organization beat the benchmarks for the quarter, the three year, the five year and the ten year (Attachment 7).
CHIEF OPERATING OFFICER

Lindsay Mintenko provided updates regarding the Coach Incentive Program, which provides money to coaches who put athletes on the podium at Operation Gold competitions and is supported by the USA Swimming Foundation and Carolyn Dirks; highlighted her recent trip to Hangzhou, China for the FINA World Swimming Championships, including appreciation for having the budget to have the team stay longer in order to better prepare for the competition, the quality of the accommodations, and the success of the team; and noted she is currently filling international team coaching staffs for 2019.

Mike Unger reported that the IRC endorsed Van Donkersgoed as a nominee to the UANA Executive Committee in the role of Vice President and Janet Events as a nominee for FINA Treasurer.

**MOTION:** To approve Van Donkersgoed as the nominee for Vice President to the UANA Executive Committee. Seconded. **APPROVED.**

**MOTION:** To approve Janet Evans as a nominee for Treasurer of FINA. Seconded. **APPROVED.**

Mr. Unger provided updates on the calmed relationship between FINA and the International Swim League (ISL); FINA’s newly created Champions Series in which USA Swimming is hosting the final meet in Indianapolis May 31 - June 1; FINA’s decision to sign with the International Testing Agency; 2020 Olympic Trials including a signed contract with Omaha and ticket sales; and, highlighted membership numbers across the country and the overall success of flex membership (Attachments 8 – 9).

MJ Truex updated the Board on transgender legislation including the creation of two panels, the Intake Panel and the National Eligibility Appeals Panel.

MANAGING DIRECTOR, COMMUNICATIONS

Belle McLemore reported that USA Swimming will be streamlining its brand throughout the organization which will include identity standards guidelines to be used by anyone who uses USA Swimming intellectual property, and finally noted some staffing changes including that Amanda Bryant will be working within Event Marketing and taking over the AquaZone at the 2020 Olympic Trials.

CEO’S UPDATE

Cecil Gordon reported that the Foundation Task Force will take an in depth look at Board selection, size, and responsibilities with the goal of looking at the relationship between the USA Swimming Foundation and USA Swimming and how the two can better work together.
Bob Vincent presented the motion to re-elect Cecil Gordon and Elizabeth Beisel as well as elect David Shackley to the USA Swimming Foundation Board of Directors. Mr. Hinchey provided background on Mr. Shackley.

**MOTION:** To re-elect Cecil Gordon and Elizabeth Beisel to a two-year term and to elect David Shackley for a term commencing effective immediately until December 31, 2020 to the USA Swimming Foundation Board of Directors. Seconded. **APPROVED.**

Mr. Hinchey thanked Paris Jacobs for her time on the Foundation Board as she rolls off the board and noted Jim Wood’s contribution to the organization.

Debbie Hesse announced new trustees, Sara and Steve Schramm.

Mr. Hinchey reported on signed agreements with Phillips 66, Toyota, Streamline Brands, and Neptune Benson; verbal agreements with Comcast XFINITY, Golden Road Brewery and Marriott; and pending agreements with Counselman Hunsaker and Beecher Carlson. Mr. Hinchey lastly provided an update on the Chief Commercial Officer position to which he decided to not hire a search firm and gave some background on candidates with the objective of having someone hired by the end of March and start by the beginning of April (Attachment 10).

**ZONE DIRECTORS PRESENTATION**

Tristan Formon presented on what Zones are and how they fit into the governance structure of USA Swimming, including how they are comprised, responsibilities of the Zone Directors, and how Zones build and retain the base of USA Swimming (Attachment 11).

Dave Smith provided a brief overview of how the Southern Zone has been proactive through their Zone Board of Review process.

Sean Redmond reported on the strategic priorities of the Zones as well as the strategic focus of the USA Swimming Board from the perspective of the Zones.

Pam Lowenthal briefly described the partnership between USA Swimming, Local Swimming Committees (LSCs), and inner-city clubs, specifically the Chicago Park District with the focus on promotion and sustainability of their swim programs including open water.

**“ENDS” MONITORING**

**1.0 – BROADEST (GROWTH/SUCCESS OF SWIMMING)**

Bob Vincent presented the Policy 1.0 – Broades End: Growth and Success of Swimming (Attachment 12).
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.

GUEST PRESENTATION
DAN MCGINN & REX REPASS – MEMBER SURVEY & MISSION VALUES
Belle McLemore introduced Rex Repass, the President of Research America.

Mr. Repass presented the results of his research on the awareness and opinions of USA Swimming members and non-members regarding our programs, and their understanding and thoughts about our organization as a way to assess USA Swimming’s mission, vision and values.

CLOSING ROUNDTABLE
TASK ASSIGNMENTS REVIEW
Bob Vincent reviewed the tasks handed out over the course of the meeting.

NEXT MEETING / EVENTS
- Friday, April 26, 2019 in Colorado Springs, CO
- Wednesday, September 11, 2019 in St. Louis, MO
- Saturday, September 14, 2019 in St. Louis, MO
- Thursday and Friday, October 3-4, 2019 in Colorado Springs, CO (Board Orientation)

MEETING ASSESSMENT
The Board engaged in a round table discussion assessing the days meeting. Bob Vincent asked the Board to reach chapters 2 and 19 of "Servant Leadership" before the next Board meeting.

ADJOURN
Bob Vincent, Board Chair, adjourned this meeting at 2:50 p.m. Mountain Time.

Respectfully submitted:

Lucinda McRoberts, CAO & General Counsel               Bob Vincent, Board Chair
USA Swimming Board of Directors Minutes Attachments

February 2, 2019 / Colorado Springs, CO

Attachment 1  Page 1 – Agenda
Attachment 2  Page 2 – DRAFT BOD Minutes November 18, 2018
Attachment 3  Page 3 – Policy 3.3: Treatment of Employees & Volunteers
Attachment 4  Page 3 – Policy 3.4: Financial Condition & Activities
Attachment 5  Page 3 – Financial Update
Attachment 6  Page 4 – Policy 3.7: Compensation and Benefits
Attachment 7  Page 4 – USA Swimming Q4 2018 Investment Summary
Attachment 8  Page 5 – Membership Dashboard
Attachment 9  Page 5 – Flex Dashboard
Attachment 10 Page 6 – CEO Report to the Board
Attachment 11 Page 6 – Zone Directors’ Presentation
Attachment 12 Page 6 – Policy 1.1: Broader End – Growth & Success of Swimming