

USA Swimming Board of Directors Meeting Minutes

April 22, 2022 / Denver, CO – USA Swimming Workshop

1 **CALL TO ORDER**

2 Chris Brearton, Board Chair, called the April 22, 2022 Board of Directors meeting to order
3 at 8:35 a.m. Mountain Time with the following members in attendance:

4
5 **PRESENT**

6 Maya Andrews (virtual), Chris Brearton, Kenneth Chung, Tony Ervin (virtual), Kathy Fish,
7 Bruce Gemmell (virtual), Jennifer Gibson, Natalie Hall, Clark Hammond, Tim Hinchey, Ira
8 Klein, Katie Meili (virtual), Kathleen Prindle, Bill Schalz, Michelle Steinfeld, Ashley Twichell
9 (virtual), Bob Vincent.

10

11 **GUESTS**

12 Tim Bauer, Anne Berry, Bill Charney, Mike Dilli, Ryan Gibbons, Ken Hayashida, Mark Jones,
13 Derek Paul, Matthew Rigsby, Dave Smith, Tom Ugast.

14

15 **STAFF**

16 Chloe Adkins, Paula D'Amico, Shana Ferguson, Abigail Howard, Lucinda McRoberts, Lindsay
17 Mintenko, Eric Skufca, Joel Shinofield.

18

19 **BOARD CHAIR'S WELCOME**

20 Mr. Brearton spoke about the challenges the organization has recently faced and how this
21 meeting will be more proactive with the future of the sport top of mind through mitigating
22 risks and forward thinking.

23

24 **RULES OF ENGAGEMENT**

25 Mr. Brearton provided an overview of the Rules of Engagement (Attachment 1).

26

27 **SAFE SPORT MOMENT**

28 Joel Shinofield, Managing Director of Sport Development, reported that USA Swimming's
29 Safe Sport Department is hiring two coordinator positions so the entire department can be
30 more strategic in its approach to assisting and educating membership regarding Safe Sport
31 issues. Mr. Shinofield also encouraged the Board to join upcoming Safe Sport trainings.

32

33 Abby Howard, Senior Director of Legal & Membership Affairs, briefly described the U.S.
34 Center for SafeSport's (intake, resolution, reporting and communication processes).

35

36 **DECLARATION OF CONFLICT OF INTEREST (2.5.4)**

37 *"Is any member aware of any conflict of interest (that is, of a personal interest or direct or*

38 *indirect pecuniary interest) in any matter being considered by this meeting, which should now*
39 *be reported or disclosed or addressed under the USA Swimming Conflict of Interest Policy?"*

40

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

44

45 **MINUTES**

46 **MOTION:** *To approve the February 11, 2022 Board of Directors meeting minutes*
47 *(Attachment 2). Seconded. APPROVED.*

48

49 **BOARD PROCESS**

50 **POLICY 4.4 AMENDMENT TO THE BOARD GOVERNING POLICIES MANUAL**

51 Michelle Steinfeld, Secretary & General Counsel, presented the following proposed changes
52 to the Board Governing Policies Manual: (1) ensuring that Policy 4.4 accurately reflects the
53 semi-annual presentation of Policy 3.6, Financial Planning and Budgeting, and (2) moving
54 the presentation of Policy 3.4 to the Board Meeting at the Annual Business Meeting.

55

56 Eric Skufca, Chief Financial Officer, remarked that during the reporting of Monitoring
57 Report 3.4, Financial Condition and Activities, the Board approves an external auditor and
58 explained the need to shift from the spring Board meeting to the Board meeting occurring
59 during the Annual Business Meeting to give the organization appropriate time to review its
60 external auditor and plan for each subsequent year.

61

62 **MOTION:** *To amend Policy 4.4 of the Board Governing Policies Manual as outlined in*
63 *Attachment 3, effective immediately. Seconded. APPROVED.*

64

65 **BYLAW 2.6 AMENDMENT**

66 Mrs. Howard presented the changes to Bylaw 2.6 which consolidate and formalize the
67 requirements of those individuals who are required to be non-athlete members of USA
68 Swimming into one place.

69

70 **MOTION:** *To amend Bylaw 2.6 as outlined in Attachment 4, effective immediately. Seconded.*
71 **APPROVED.**

72

73 **BYLAWS 5.1.2 AND 5.5.1 AMENDMENTS**

74 Ms. Steinfeld explained the proposed changes which would allow members of the National
75 Board of Review (NBOR) to serve five consecutive term limits with the intent to retain
76 institutional knowledge for NBOR panelists.

77 The Board discussed adding clarity to Bylaw 5.1.2(F) by including language that NBOR
78 members serve two (2) year terms.

79

80 **MOTION:** *To amend Bylaws 5.1.2(F) and 5.5.1 as orally modified by Board discussion,*
81 *effective immediately (Attachment 4). Seconded. APPROVED.*

82

83 **NBOR RULEBOOK PROPOSALS DISCUSSION**

84 Ms. Steinfeld presented proposed legislation to modify Article 4 of the Rulebook regarding
85 NBOR procedures, including one proposal which would solidify Board-approved changes to
86 the Ethics Committee’s jurisdiction, as well as a few housekeeping items. Ms. Steinfeld also
87 explained a second alternative proposal which would move certain portions of Article 4 to
88 USA Swimming’s NBOR Procedures document within its Operating Policy Manual
89 (Attachments 5 - 6). Ms. Steinfeld noted that the rationale for moving these sections of
90 Article 4 was because they are already encompassed in the NBOR Procedures document
91 and because these articles are procedural in nature, as opposed to containing actual rules
92 that would belong in the Rulebook.

93

94 Mrs. Howard explained that the NBOR Procedures document offers a comprehensive
95 overview of the NBOR process within the Operating Policies Manual, specifically for those
96 involved in the process.

97

98 Derek Paul, Chair of the Rules & Regulations Committee, added his support for the proposal
99 to move portions of Article 4, noting the ease of access to the information the change would
100 allow.

101

102 The Board discussed the benefits of moving the procedural portions of Article 4 and agreed
103 that a cross reference should be available in the Article 4 so that members are easily
104 directed to the Grievance Policy on the USA Swimming Website.

105

106 **MOTION:** *To submit the legislative proposal regarding Article 4 of the USA Swimming*
107 *Rulebook to the Rules & Regulations Committee for consideration by the May 15, 2022*
108 *deadline, as outlined in Attachment 6. Seconded. APPROVED.*

109

110 **FOUNDATION UPDATE**

111 Lucinda McRoberts, Chief Administrative Officer and Executive Director of the USA
112 Swimming Foundation, introduced Anne Berry, Vice Chair of the Foundation Board of
113 Directors. Ms. Berry reported that nearly \$900,000 in grants were awarded to learn-to-
114 swim providers so far this year. Ms. Berry expressed special gratitude for Rowdy Gaines
115 and the Pool & Hot Tub Alliance for their generous donation (Attachments 7 - 9).

116 Ms. Berry described the USA Swimming Supporters Club, which will be highlighted both at
117 the Foundation's luncheon at the USA Swimming Annual Workshop and during the
118 upcoming Phillips 66 International Team Trials in Greensboro, NC.

119
120 Ms. Berry commented on the successful fundraising year in 2021 and noted the 2021
121 surplus of \$483,000 for the Foundation.

122
123 Lastly, Ms. Berry announced that the Make-A-Splash tour presented by Phillips 66 kicks off
124 in May with its first stop in Philadelphia, PA.

125
126 Ms. McRoberts briefly provided background on prospective Foundation Board of Directors
127 member, Tom Luchsinger.

128
129 **MOTION:** *To elect Tom Luchsinger to the Foundation Board of Directors for a 2022-2024*
130 *term. Seconded. APPROVED.*

131

132 **MANAGEMENT PARAMETERS MONITORING (4.4)**

133 **POLICY 3.1 TREATMENT OF MEMBERS / CONSUMERS**

134 Ms. Steinfeld presented Policy 3.1, Treatment of Members/Consumers (Attachment 10).
135

136 **MOTION:** *To approve the performance monitoring report on Policy 3.1, "Treatment of*
137 *Members/Consumers," conveys (a) interpretations of the policy that are reasonable, and (b)*
138 *that the report reasonably substantiates compliance with the policy requirements, consistent*
139 *with the CEO's interpretations. Seconded. APPROVED.*

140

141 **POLICY 3.2: EXTERNAL RELATIONS**

142 Ms. McRoberts presented Policy 3.2, External Relations (Attachment 11).
143

144 **MOTION:** *To approve the performance monitoring report on Policy 3.2, "External Relations,"*
145 *conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably*
146 *substantiates compliance with the policy requirements, consistent with the CEO's*
147 *interpretations. Seconded. APPROVED.*

148

149 **POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES**

150 Mr. Skufca reported that the 2017 – 2021 quad will end with an operating surplus of
151 approximately \$1.86 million and that the annual external financial audit will be completed
152 in the coming weeks.

153

154 Mr. Skufca additionally presented the current 2022 projection, as compared to the
155 approved operating budget deficit of approximately \$2.6 million and explained the material
156 budget to projection variances known at the time of this Board meeting. Variance examples
157 include increased expenditures for additional domestic and international events that were
158 not anticipated or on the calendar when the 2022 budget was presented and approved in
159 2021. Mr. Skufca also noted that some of the increased cost will be offset by less than
160 expected insurance and commercial expenses. Lastly, Mr. Skufca added that Partnership
161 Marketing revenue ended higher than projected for 2021 but is currently trending less
162 than budgeted for 2022.

163

164 Mr. Hinchey thanked the staff for their hard work on achieving a surplus and additionally
165 expressed gratitude towards Vice-Chair Fiscal Oversight Kenneth Chung for his
166 contributions and expertise in finances and risk management.

167

168 Mrs. Ferguson commented on Partnership Marketing's commitment to investing in
169 partnerships during the coming year.

170

171 Mr. Chung presented Policy 3.4, Financial Condition & Activities (Attachments 12 - 19).

172

173 **MOTION:** *To approve the performance monitoring report on Policy 3.4, "Financial Condition*
174 *& Activities," conveys (a) interpretations of the policy that are reasonable, and (b) that the*
175 *report reasonably substantiates compliance with the policy requirements, consistent with the*
176 *CEO's interpretations. Seconded. APPROVED.*

177

178 **POLICY 3.5: ASSET PROTECTION**

179 Mr. Chung presented Policy 3.5, Asset Protection (Attachment 20).

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181 **MOTION:** *To approve the performance monitoring report on Policy 3.5, "Asset Protection,"*
182 *conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably*
183 *substantiates compliance with the policy requirements, consistent with the CEO's*
184 *interpretations. Seconded. APPROVED.*

185

186 **POLICY 3.8: EMERGENCY MANAGEMENT SUCCESSION**

187 Ms. Steinfeld presented Policy 3.8, Emergency Management Succession (Attachment 21).

188

189 **MOTION:** *To approve the performance monitoring report on Policy 3.8, "Emergency*
190 *Management Succession," conveys (a) interpretations of the policy that are reasonable, and (b)*
191 *that the report reasonably substantiates compliance with the policy requirements, consistent*
192 *with the CEO's interpretations. Seconded. APPROVED.*

193 **MEMBERSHIP REVENUE ANALYSIS**

194 Mr. Shinofield provided both current and historical membership data, noting the deficit in
195 12 and under membership. Mr. Shinofield additionally reported on what the organization
196 has learned in the years since the implementation of the Flex membership category, noting
197 that if the organization does not change the Flex membership category, the organization will
198 continue to lose membership revenue as athlete growth will continue to be modest and just
199 under 20% of Flex memberships are taken from Premium and Seasonal memberships. Mr.
200 Shinofield reminded the Board that in January 2020, it had passed a motion regarding the
201 Flex membership structure, that had been delayed multiple times due to the pandemic. He
202 then explained a new proposal regarding membership fees and categories that could
203 supersede the January 2020 motion.

204
205 Mr. Shinofield proposed to change the Flex membership by making it for 12 and under
206 athletes, increasing the fee, and shifting the administrative responsibilities to USA Swimming
207 staff as opposed to Local Swimming Committees (LSCs).

208
209 The Board engaged in discussion regarding the nuances of the different memberships and
210 how the changes to Flex would affect membership as well as revenue and costs.

211
212 Mr. Brearton asked for an accelerated analysis of how any changes to Flex membership will
213 impact the organization.

214
215 Mr. Shinofield additionally asked for the Board to consider putting forward a resolution to
216 the House of Delegates regarding a fee change to Seasonal membership with the intention of
217 beginning in the 2024 membership year.

218
219 Ms. Steinfeld informed the Board that based on this discussion, the staff would draft a
220 proposed Bylaw change to Flex membership, a proposed Flex membership fee change, and a
221 proposed resolution to the House of Delegates regarding the Seasonal membership fee. Ms.
222 Steinfeld explained that these proposals would be circulated to the Board for written
223 approval via Action Without a Meeting and that they would formally supersede the past
224 January 2020 motion regarding Flex membership.

225
226 **CLOSED SESSION (2.3.6)**

227 **LITIGATION UPDATE**

228 The Board went into closed session so Ms. Steinfeld could provide a legal update.

229
230 **USOPC UPDATE**

231 The Board remained in closed session for an update on the USOPC.

232 **BOARD CALENDAR**

233 The Board came out of closed session and Mr. Brearton presented the 2022 Board calendar.

- 234 • April 21–22: USA Swimming Annual Workshop, Denver, CO
- 235 • April 21: Board Strategy Session
- 236 • April 22: In-person Board Meeting
- 237 • July 26-30: Phillips 66 National Champs, Irvine, CA
- 238 • USA Swimming Alumni Reunion
- 239 • Foundation Trustee Council Meeting
- 240 • September 23: In-person Board Meeting @ Annual Business Meeting, Colorado
- 241 Springs, CO
- 242 • November 20: In-person Board Meeting @ Golden Goggle Awards, New York City,
- 243 NY
- 244

245 **ADJOURN**

246 Mr. Brearton adjourned this meeting at 12:13 p.m. Mountain Time.

247

248 Respectfully submitted:

249



Michelle Steinfeld, Secretary and General Counsel



Chris Brearton, Board Chair

USA Swimming Board of Directors Minutes Attachments

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| | |
|---------------|---|
| Attachment 1 | Page 1 – Agenda: April 22, 2022 |
| Attachment 2 | Page 2 – DRAFT BOD Minutes February 11, 2021 |
| Attachment 3 | Page 2 – Policy 4.4 Changes |
| Attachment 4 | Page 4 – April Bylaw Edits |
| Attachment 5 | Page 3 – NBOR Legislation Version 1 |
| Attachment 6 | Page 3 – NBOR Legislation Version 2 |
| Attachment 7 | Page 3 – USA-S Foundation Financial Statement 2021 |
| Attachment 8 | Page 3 – USA-S Foundation Financial Summary 2021 |
| Attachment 9 | Page 3 – USA-S Foundation Financial Written Report |
| Attachment 10 | Page 4 – Policy 3.1, Treatment of Members/Consumers |
| Attachment 11 | Page 4 – Policy 3.2, External Relations |
| Attachment 12 | Page 5 – USA-S Financial Summary Comparison 2021 |
| Attachment 13 | Page 5 – USA-S Financial Statement Report 2021 |
| Attachment 14 | Page 5 – USA-S Financial Written Report 2021 |
| Attachment 15 | Page 5 – USA-S Q1 2022 Financial Report - Preliminary |
| Attachment 16 | Page 5 – USA-S / Foundation Investment Statements |
| Attachment 17 | Page 5 – USA-S 2022 Budget to Projection |
| Attachment 18 | Page 5 – USA-S Business Plan Summary 2017 - 2021 |
| Attachment 19 | Page 5 – Policy 3.4, Financial Condition & Activities |
| Attachment 20 | Page 5 – Policy 3.5, Asset Protection |
| Attachment 21 | Page 5 – Policy 3.8, Emergency Management Succession |
| Attachment 22 | Staff Report to the Board |