

<b>Committee Name:</b>	Board of Directors	<b>Session #:</b>	1	<b>Report #:</b>	1
<b>Committee Chair:</b>	Nadine Day	<b>Vice Chair:</b>			
<b>Minutes recorded by:</b>	Chris Colburn	<b>Date/time of meeting:</b>	July 18, 2015 8:00am EDT		

## Motions Passed:

1. MSA to approve the audited financial statements.
2. MSA to approve the USMS 2014 tax return.
3. MSA to accept the assumptions presented for developing the 2016 Budget.
4. MSA to accept the Investment Committee report.
5. MSA to un-table the SSL Motion from the June BOD Conference Call.
6. MSA to amend the SSL motion for SSLF to spend up to \$87,000 for the 2016 grant cycle.
7. MSA to approve SSLF to spend up to \$87,000 for the 2016 grant cycle.
8. MSA to invest \$175,000 of SSL funds through Northern Trust (NT), using the USMS NT investment advisor.
9. MSA to approve the recommendation of the Swimming Saves Lives Foundation Board of Trustees to transfer the funds from the Central Indiana Community Fund to USMS Unrestricted Funds.

**Number of committee members present: 24**

**Absent: 4**

**Number of other delegates present: 9**

**Committee members present (list all, including chair and vice chair):** Nadine Day - President called the meeting to order at 8:03am EDT. Also present were: Ed Tsuzuki - VP of Administration; Chris Stevenson - VP of Local Operations; Chris McGiffin - VP of Programs; Jody Smith -VP of Community Services; Chris Colburn – Secretary; Phil Dodson – Treasurer; Patty Miller - Legal Counsel; At-Large Directors: Bruce Hopson (Breadbasket), Dave Diehl (Colonies), Sean Fitzgerald (Dixie), Dan Cox (Great Lakes), Sarah Welch (Northwest), Jill Gellatly (South Central) (via phone); Leianne Crittenden (Oceana) and Laura Winslow (Southwest); Rob Butcher – Executive Director; Past Presidents: Rob Copeland, Jim Miller, Nancy Ridout, Tom Boak and Ted Haartz; Dave Coddington – USA Swimming Liaison to USMS.

Not present: Dan Gruender, Mike Laux, and Jeff Moxie – Past Presidents; Mel Goldstein is recused from the Board due to his contractor position with USMS.

Guests: Susan Kuhlman, Bill Brenner, Marianne Groenings, Jim Kryka, Nancy Kryka, Kyle Deery, Jim Matysek, Anna Lea Matysek, and Tracy Grilli.

## Minutes

The meeting was recalled to order at 8:03am EDT.

1. Nadine welcomed everyone to the meeting, and asked everyone to sign both the conflict of interest form and the conflict of interest policy acknowledgment form. We followed with introductions of the staff and the Board.
2. President's Report (Nadine):
  - a. Nadine attended the USAS/CCCAN Leadership Workshop in Puerto Rico. USAS wrote a letter of support to FINA in support of full disclosure. Nadine endorsed that letter on behalf of USMS. Nadine made a presentation at the workshop on Masters Aquatics that was well received. Tomorrow we will have a discussion on International Outreach. We need to be aware of our presence internationally, as well as the influence and impact our work has in the larger swimming community.
  - b. Ed asked that we make a distinction on how USMS is unique as an organization. We are the only independent Masters entity that has a seat at the table of U.S. Aquatic Sports (USAS). Tom Boak explained the voting process within USAS.
  - c. Nadine just returned from Pan Ams in Medellin, Colombia. While there, USMS held swimming clinics that were well received. Our coaches (Diana Trianna and Richard Garza) did an outstanding job. There will be no international events next year. The next UANA Pan Am Masters Championship will be held in 2018. Jim Miller and Mel Goldstein are the Masters reps on the UANA Technical Committee. Jim provided some background on the processes within UANA, and the Technical Committee has approved a standardized entry process going forward.
  - d. UANA Congress: This was the first time all 42 member federations were represented. At the USAS Reception. USAS presented the Max Ritter Award to Rose Cody and Giovanna Moriera. Nadine spoke about the outgoing positions, and candidates who were slated for the election. Dale Neuberger was brought forth as the President of UANA. One piece of legislation that will change the makeup of the committees is that each discipline's technical

committee now has a 9<sup>th</sup> athlete member. Also the recommendation was unanimous to amend the FINA constitution to limit officer terms to three terms. There is also discussion to change the age cap to 80 from 79.

3. Staff Report: Rob gave an overview that the presentation would cover IT, Membership Services, and Marketing.
  - a. IT Services (Jim Matysek): Jim introduced the IT staff, and the department's responsibilities. These include National Office support, web servers support, external services management, national database management, and national website management. Jim provided some key statistics regarding our infrastructure services and the websites USMS manages. Jim outlined the greatest ongoing infrastructure need as an upgrade to the version of PHP that runs usms.org. Infrastructure projects include version control updates, long-term code modernization, mobile awareness, and documentation. Jim outlined top projects and issues, including tasks related to 2016 Registration and outcomes of the 2015 Convention, as well as changes to the Event Results Database. Ed asked that we make sure we are good on resources to be able to meet the needs of the organization over time. Discussion centered on ensuring that the Board understands the need.
4. The Board recessed at 9:54am EDT and reconvened at 10:03 am EDT. As the Board reconvened, Kyle Deery introduced the newest member of the staff.
5. Audit Report (Rob Lane, Kerkering Barberio): Rob outlined the deliverables, key issues, and strategic considerations of the audit performed for USMS. The audit was characterized as clean and unmodified. Rob highlighted key data points from the audit. Supporting services currently sits at 12% of total operating expenses. The Board asked Rob Lane if there was anything the Auditor was asked not to address. Rob responded in the negative, adding that the Board and the Audit Committee were extremely cooperative throughout the audit.
6. Financial Presentation (Susan and Phil): **MSA to approve the audited financial statements.** Patty asked Phil a question related to the amount of lobbying activities in which USMS participates. **MSA to approve the USMS 2014 tax return.**
  - a. Forecast for 2015 is a deficit budget of \$155,000. Including some deficit spending changes, we will come out \$122,000 ahead of the original budget. Membership growth is forecast at 3.5%. There will be more communication about the 16-month membership option this year. 70% of the year-plus members were new in the 2014-15 membership cycle.
  - b. Communications and Publications: We did not add the four additional pages we planned in 2015 to add to *SWIMMER*, and we saved money in our digitizing costs of archived issues since we had caught up on that process.
  - c. Education Services: ALTS instructor course interest has been 100% higher than anticipated. Next year plans will account for 25 classes. In 2016 there will be 29 Masters Coach certifications, with expected attendance of 600. There is a change forthcoming in how recognized coaches are counted, resulting in a slight drop in revenue. Phil spoke to the request from the Coaches Committee on a National Coaches' Clinic. Discussion followed on the dynamics and the partnership between Education Services and the Coaches Committee, and the rationale behind the beta test of the Coaches Clinic. The concern communicated in the ensuing discussion dealt with any potential duplication of effort between the staff and volunteer infrastructures. As discussion continued, consensus was that the volunteers could continue with this type of event with staff involvement and guidance, provided the Board remains informed.
  - d. Swimming Saves Lives Foundation: There will be a push for increased visibility for Swimming Saves Lives next year, given the increase in grants AND in grant requests.
  - e. Marketing services will expand this year with staff augmentation and new plans for adding sponsors and partnerships. Jody asked Kyle the cost of acquiring a new member (per Kyle, about \$12 per member).
  - f. Risk Management and Insurance: The plan is to continue with ESIX. The forecast is that our insurance costs will increase up to 4%. Rob Butcher provided some background on some of the insurance considerations in the current market. Rob also indicated that we need to be cognizant of the increased perceived liabilities. Susan presented some changes in fees that are proposed as part of the proposed budget assumptions to help absorb the costs.
  - g. Susan indicated that the changes related to the National Office move would be helpful. Other expenses this year are for new backstroke flags, servers, and other hardware. The expectation is that the salary budget will increase by 6%. There are no new hires planned for 2016.
  - h. **MSA to accept the assumptions presented for developing the 2016 budget.**
7. Investments Presentation (Phil): Phil provided an overview of how are investments are progressing, as well as forecasts for growth and income over the coming year. Ted asked for some details on why the anticipated return on the second half of the year would be higher. **MSA to accept the Investment Committee report.**
8. The Board recessed for lunch at 12:03pm and reconvened at 1:02pm.
9. Staff Reports Part 2:

- a. Membership Services (Anna Lea): Anna Lea provided an overview of the Membership Services staff (Anna Lea and Tracy) and the duties of the division, including member communications; problem solving; risk management/insurance issues; acting as liaisons to the LMSCs; and providing a number of services such as coordinating the Rule Book and Convention, and managing entries for National Championships. Anna Lea went on to cover key membership issues that currently prevail within USMS. A key discussion point included the fact that many LMSCs are not printing requested membership cards in a timely fashion. Nadine indicated that we would discuss this with the LMSCs at Convention.
  - b. Marketing Report (Kyle): Kyle provided some of the vision behind the expansion of the department through the new Marketing Coordinator hire. He went on to ask a number of guiding questions about how USMS looks at partnerships, how we cultivate our partnerships, and how partners see a return on investment with USMS. Kyle explored the basis of a successful partnership. He outlined the benefits we realize from a successful partner like AquaSphere, as well as what benefits the partner can realize in kind. There was a discussion on the benefits of marketing with respect to community and recruiting. Kyle showed how USMS is evolving with respect to marketing, such as through the Google Grants program. He concluded by demonstrating how everyone on the staff is involved with Marketing.
  - c. Executive Director (Rob Butcher): Rob gave an overview of the Key Performance Indicators measured by the National Office. Rob used the analogy of the Golden Triangle to demonstrate the philosophy of the National Office's performance. Rob provided some statistics kept by the National Office with respect to volunteers, products and services. Discussion ensued about attracting and retaining members, especially members in the 18-24 age group. Rob raised the question of whether or not the membership product we have today is the right product for the 18-24 year old swimmer. The sense of the Board was that the National Office should pursue potential alternatives for attracting more athletes in the 18-24 age group, with a goal of presenting the results at the 2016 Winter Board Meeting. From a marketing perspective, Rob provided some statistics on year-over-year increases of views on the website. With respect to partnerships, Rob showed the increases in certified coaches, numbers of clubs and workout groups, and the numbers of club and facility visits. Discussion continued on the measurement of successes based on these improvements. Rob continued with the staffing plan through 2019. Rob concluded with what he sees as a series of hot issues related to Masters Swimming. The first was the SwimToday program, similar to the "Got milk?" marketing campaign; new partnership opportunities with USA Triathlon and Swim Across America; the evolving merchandise landscape; an evolving culture of volunteerism within USMS; and maintaining our vigilance on the topic of risk management.
10. Swimming Saves Lives Foundation (Rob Butcher): **MSA to un-table the SSL Motion from the June Board Conference Call.** Rob recalled the SSL memo distributed to the Board on July 9. We have 65 grant applications in-hand for this year's grant cycle, which is a far cry from where the Foundation started in 2009. Rob recounted the charter of the Foundation and some of the questions Rob and Brandon have fielded about some of the intended areas of the charter (e.g. medical research). A discussion followed about the scope and the feelings surrounding the types of grants to fund, and to get a sense of the Board on the desired priorities of the Foundation. The SSL BOT is recommending a \$70,000 spend this year for grants. Phil moved and Rob seconded to amend the current motion to spend up to \$87,000 for grants for the 2016 grant cycle. **MSA to amend the motion. MSA to approve the motion as amended, to spend up to \$87,000 for SSL grants for the 2016 grant cycle.**
  11. Phil led a brief discussion about the recommended modification of the Investment Policy. **MSA to invest \$175,000 of SSL funds through Northern Trust (NT), using the USMS NT investment advisor.** The investment will be overseen by the USMS Investment Committee.
  12. Board Training from the Governance Committee (Ed and Patty): Ed and Patty presented "Board Training: Understanding Roles and Responsibilities" to the Board for this year's Board Training.
  13. **MSA to approve the recommendation of the Swimming Saves Lives Foundation Board of Trustees to transfer the funds from the Central Indiana Community Fund to USMS Unrestricted Funds.**
  14. Next session will be July 19, 2015 at 8am EDT (Part 2 of the Summer BOD Meeting).

The meeting recessed at 5:34pm EDT.

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