

Committee Name:	Board of Directors	Session #:	1
Committee Chair:	Patty Miller		
Minutes recorded by:	Greg Danner	Date/time of meeting:	7/13/2019 8:30am MT

Actions Taken:

1. Approved: Accept the audit report.
2. Approved: Accept the 990.
3. Approved: Changes to the Financial Operating Guidelines.
4. Approved: 2020 Budget Assumptions, amended to remove the \$2 fee increase, with a net operating loss up to \$300,000.

Number of committee members present:	22	Absent:	6	Guests:	3
Committee members present (list all, including chair and vice chair): Patty Miller - President; Peter Guadagni - VP of Administration; Chris Colburn - VP of Local Operations; Donn Livoni - VP of Programs; Frank (Skip) Thompson - VP of Community Services; Greg Danner - Secretary; Ralph Davis - Treasurer; Maria Elias-Williams - Legal Counsel; At-Large Directors: Carrie Stolar (Breadbasket); Jeff Strahota (Colonies); Maddie Sibia (Dixie); Dan Cox (Great Lakes); Matt Miller (Northwest); Chris Campbell (Oceana); Ed Coates (South Central); and Teddy Decker (Southwest); Dawson Hughes - CEO; Past Presidents: Nadine Day (Immediate Past President), Rob Copeland, Tom Boak, and Nancy Ridout; Dale Ammon (USA Swimming Liaison to USMS).					
Not present: Past Presidents: Jim Miller, Ted Haartz, Jeff Moxie, Mike Laux and Dan Gruender. Mel Goldstein is recused from the Board due to his contractor position with USMS.					
Guests: Susan Kuhlman - CFO, Bill Brenner - COO, Onshalee Promchitmart - Coordinator, Volunteer Services.					

Minutes

The meeting was called to order at 8:30 am MT.

1. Welcome (Patty): Patty welcomed the Board. No special guests to recognize.
2. Agenda review and declarations of conflict of interest (Patty): None.
3. Board Education – Envisioning the Future (Ed): The Board broke out into multiple groups to envision where USMS will be in five years, both from an expected and hopeful view.
4. *Sweat Equity* Take-Aways (Dawson): The Board has been discussing the book on the forums for the past few weeks, notably the parallels, challenges, and opportunities within the fitness industry. Several themes discussed: tribes, community, social, millennials, profit, lifestyle, engagement, education, brand, value, (destination) events, market share, charity, and connection.
 - a. Maria recommended multi-generational marketing.
 - b. Chris Campbell said that people want to be together when they work out.
 - c. Dawson said that is OK for our clubs to have a focus within USMS, but it helps if we make that clear to potential members.
 - d. Chris Colburn has found that team-defined goals, in addition to individual goals, is important.
 - e. Carrie noted that community, social media, and charity to be some of the most relevant topics to us.
 - f. Nadine mentioned that the highest selling swimsuits for all vendors are for fitness, not competition. We need to branch out and help people accomplish other things, such as the Open Water component in a triathlon.
 - g. Tom suggested charity events that split proceeds between local and national. Nancy and Teddy both mentioned successful charity fundraisers.
 - h. Teddy said we need to switch our focus from the cost of membership to showing the value.
5. 2018 Financial (Ralph):
 - a. Discussed the Audit Review and Summary of deliverables by Kerkering Barberio (K&B):
 - i. Financial statement audit – unmodified opinion
 - ii. Communications to Audit Committee, BOD – no material weaknesses were found by the auditors.
 - iii. Upcoming standards
 - b. Total assets graph
 - c. Net assets detail
 - d. Changes in net assets
 - e. Revenue summary (excludes investment activity)
 - f. Total expenses graph

- g. Expense composition chart
 - h. Supporting services as a % of operating expenses were 12-13% between 2015-2018. K&B indicated this is standard or low for similar organizations.
 - i. **MSA to approve K&B's audit report.** Discussion: Peter asked about the process for reporting a suspected malfeasance since the auditors are not at this meeting. Ralph responded that we have a whistleblower policy to address the reporting process. Susan said that there is a direct opportunity through the Audit committee to communicate any issues to K&B and that would be without herself and Dawson being present. Ralph added that we have excellent controls: The Finance Committee provides oversight as well. Also, suspected issues can be reported to the President or Secretary. **Motion carries unanimously.**
 - j. **MSA to approve the 990. Motion carries unanimously.**
 - k. Investments: Both USMS and SSL investments are doing well so far, and we're pleased with Northern Trust. Ralph explained that we wrote investment policy in 2010 and 2011 was the first year we invested. Jeff asked if our spending policy is limited to 4%. Ralph noted that our spending policy of up to 4% of investments toward operations can be adjusted, just as we put \$500,000 into reserves two years ago. Dawson also responded to Jeff's question, stating that our opportunity reserve policy can cover special projects.
6. FOG Amendments (Ralph): **MSA to approve changes to FOG.** Discussion: Teddy stated that the Finance Committee has discussions about how USMS provides financial oversight of LMSCs and how that can be improved. Rob said that we have limited liability and control over subordinate organizations. As a result, we would have to change from that philosophy to a more customer service center concept. Currently, we don't have the authority to mandate that. Teddy said that USMS could create a checklist for LMSC Boards that want to review their finances, but don't know how. The idea is that independent volunteers don't need to be a person with a financial background. Another option is that LMSCs could partner together to check one another. Peter said that it's as simple as having someone review every check written for the LMSC. Jeff asked for clarification on travel expenses being moved from one section to another. Ralph responded that the change was nothing substantive. Rob suggested that the reimbursement policy item 8. "Personal service request" is more accurately a disbursement, not reimbursement. Teddy indicated that will be corrected. **Motion carries unanimously.**
7. 5 Year Plan (Susan/Dawson):
- a. 2019 Forecast overview: membership services and program services revenue are forecast down compared to budget. Events, advertising/partnership, College Club Swimming (CCS) and admin (transfer) revenue are all up. Our partnership with Disabled Sports USA (DS-USA) has been a success. Strategic management of the budget (one open position unfilled) and moving our local program developer to 2020 were other areas of savings. This all resulted in the net income (loss) forecast being better than the net income (loss) budget. Dawson noted that we're continuing to look for the right opportunity with local support (city/LMSC) in terms of a local program developer. Creating a different fitness model to start alternative programs is an early concept that may be pursued down the road as well.
 - b. Susan broke down the major costs per member: IT, insurance, communications, and convention.
 - c. IT modernization update is part of the five-year plan and this will be discussed in more detail later in the meeting.
 - d. Major assumptions: membership, partnership, all other revenue and expenses (to be covered more during budget assumptions).
 - e. New initiatives: unified fees, 50th anniversary, and so on. Each of these will be discussed later as well.
 - f. 2019-2023 financial plan: The question was posed: When we should use our reserve funds? The BOD agreed that reserves should be used for standalone projects, rather than ongoing programs.
 - g. Current Trajectory and Trends
 - h. Vision and Potential Growth:
 - i. We need growth in membership and revenue
 - 1. Membership segmentation – developing new member segments such as: Adult Learn to Swim (ALTS), Premium, Triathlon, and Open Water will be possible with a unified fee.
 - 2. CCS membership transition – transitioning these members from CCS to USMS is key
 - 3. Olympic Year Campaign and retention
 - 4. Marketing campaigns using new Sitecore functionality (also part of IT modernization)
 - ii. Local Programming: Continue to expand the gold club presence. Currently they account for 15% of our clubs, with 32% of our members. There are about 16% of our members that are unattached.
 - iii. Events:
 - 1. Open Water Task Force (OWTF) and growth strategy
 - 2. New ideas (trying to improve the ePostals, adding new challenges or swims).
 - iv. Continue to help LMSCs develop their purpose, goals, resources, and accountability.
8. USMS 50th Anniversary (Dawson):
- a. Reminder that this is not a member acquisition strategy, it is for our members to celebrate.
 - b. New logo will be on the website, rule book cover, and merchandise.
 - c. We will have an IMSHOF exhibit.
 - d. Spring Nationals will have an improved VIP area, a social, and a relay fundraiser component.

- e. Swimmer magazine, our website, and our social media pages will feature special content.
9. Open Water (OW) Task Force Recommendations (Donn/Dawson):
- a. Strategy (2019 priorities):
 - i. Develop an OW Results database (in progress).
 - ii. OEVT registrations – based on feedback from hosts that our OEVT rate was expensive, we plan to have a reduction from \$20 to \$15, with preferably no LMSC add-on fee.
 - iii. Marketing expansion.
 - iv. Donn recommended an early registration window (access) for USMS members.
 - v. Work on recruiting new event hosts.
 - vi. Rule changes.
 - vii. Find ways to add value to hosts: one such way would be covering some Club Assistant fees for online registration.
 - viii. Allow registration to start before membership year the event is held.
 - ix. Sanction process adjustment: trying to make it as simple and easy as possible.
 - x. Develop a list of OW workout guidelines.
 - xi. Continue to explore partnerships.
 - b. Next steps for 2020:
 - i. Consider an OW/Tri special membership tier.
 - ii. Evaluate results from the 2019 priorities.
 - iii. Long Distance event discussion.
 - iv. Legislation.
 - v. Education on insurance requirements and structure for OW workouts vs. OW events.
 - vi. Look into event cancellation insurance in greater detail.
10. Unified Fee (Dawson/Communication Group):
- a. Showed the unified fee benefits chart, which had been previously distributed.
 - b. LMSC Feedback: Communications group members each recapped their calls with LMSC leaders. A general tone of positivity was reported, though there are some LMSCs with concerns and challenges to address. Only 5-6 LMSCs haven't been reached yet.
 - c. FAQ review: Developed as a result of questions arising from LMSCs, this document should alleviate some concerns and assist in the socialization of the unified fee.
 - d. A timeline still needs to be developed.
 - e. 2020 budget implications will be discussed with the budget assumptions portion of the meeting. Convention hotel fees (for next year) are expected to be covered for LMSCs that become early adopters of the unified fee.
 - f. Communication strategy
11. 2020 Budget Assumptions (Susan/Dawson):
- a. Traditional memberships: 2.5% over 2019 forecast (61,173)
 - b. Membership fee increase of \$2 to \$47
 - c. No change in 2020 year plus rates
 - d. IT:
 - i. Phase II of IT Modernization project
 - ii. Phase III
 - iii. Community software in 2019, enhance in 2020
 - iv. Improved email communications
 - e. Programs:
 - i. Strategically schedule 11 education weekends in larger hub cities to include coach certification, ALTS, and stroke clinics. We will visit additional cities if LMSCs or clubs express interest and will work together.
 - ii. Access to water is very important and lane costs continue to increase.
 - iii. Member connection to USMS is the coaches and we need to ensure they understand the big picture.
 - iv. Overall attendance from education events: 1160 participants for all programs.
 - v. Business Development Summit for Coaches
 - vi. Local Swim Programs – expand to add one in 2020 (delayed from 2019). We learned a lot from the San Diego program startup. Building the USMS membership fee into the club membership fee is important.
 - vii. Regional Program Developer – expand to add one regional program (delay from 2019)
 - viii. Fitness Program – future consideration
 - ix. Coaches Committee Mentorship program
 - x. Biennial National Coaches Conference
 - xi. Off year for FINA Worlds Coach, so no funding needed. Nadine asked if Pan Am Games coaches in Colombia are eligible for funding. Bill said it is a Coaches Committee line item. Skip discuss at the next Coaches Committee meeting.

- f. Events:
 - i. Develop best practices for Open Water event development
 - ii. Adopt new OW strategy:
 - 1. Reduce OEVT fee from \$20 to \$15
 - 2. Absorb Club Assistant \$1.50 per participant fee
 - 3. Add improved host customer service by expanding OW Coordinator duties
- g. Communications and Publication:
 - i. Develop new Swimmer app for better viewing experience
 - ii. Assume 43% members will continue to receive the physical magazine
 - iii. Continue to enhance usage of Sitecore analytics
- h. Marketing revenues:
 - i. Revenues equal to 2019 forecast
 - ii. 17 partnerships: includes several joint partnerships with USA-S. Some partnership renewals are questionable at this point.
 - iii. 14 Swimmer magazine advertisers
 - iv. Value-in-kind products
 - v. 50th anniversary revenues are expected to partially offset celebration costs
- i. Marketing expenses:
 - i. Internet advertising:
 - 1. Focus on membership leads from new website functionality; push Olympic year ads
 - 2. Promote ads for education programs and events (via Facebook and Google)
 - ii. New member welcome kits
 - iii. Collaborate with USA Swimming – Aquazone booth during Olympic Trials
 - iv. Brand essence promo videos: new video launch in advance of Olympics campaign
- j. 50th anniversary celebration:
 - i. Spring nationals include special relay fundraiser (VIP exhibition relays with guests)
 - ii. IMSHOF traveling USMS exhibit
 - iii. Summer nationals – improved VIP experience
 - iv. Swimmer 50th anniversary poster
- k. CCS:
 - i. Assume clubs will increase 5%
 - ii. Assume swimmers will increase 4%
- l. Compensation/staffing:
 - i. Benefits cost increase 11%
 - ii. Merit pool remains at 3%
 - iii. Small change in total staff FTEs: 17.5
 - iv. First full year with partial staff restructure
 - 1. Membership services combined with program services
 - 2. Events now managed along with partnerships
- m. Insurance:
 - i. Flat for 2019-2020
 - ii. Effective cost of insurance is 6% lower when netted with our partnership
 - iii. New member benefit with marketplace portal
 - iv. Access to claims 24/7
 - v. Improved certificate of insurance process that requires less National Office staff time
- n. Administration – Volunteers:
 - i. Convention stipend for LMSC unified fee voluntary opt-in for 2020
 - ii. Diversity and Inclusion Committee funding
 - iii. Admin national: new office space lease agreement savings
 - iv. Deprecation of IT modernization
- o. What changed?
 - i. Susan recapped all the above items
 - ii. Opportunity reserve: \$47k
- p. Big picture:
 - i. Revenues minus expenses, net loss estimated up to \$170,000.
 - ii. Matt asked if we considered spending less in IT, via outsourcing outside the country. Dawson said we have outsourced some work to developers out of the country and that in terms of staffing, we're spending less on IT now than we were four years ago. The overall IT spend is higher due to infrastructure costs.
- q. Capital budget: IT Phase III CRM, partner signage, other capital as needed.
- r. **Motion to approve the 2020 Budget Assumptions as presented by the CFO.** Discussion: the group discussion centered around spending more out of reserve, rather than increasing the USMS fee. Many BOD members felt that a fee increase detracts from the unified fee discussion and is not central to the unified fee concept. Peter noted that we

would present the greater loss in reserve funds as a one-year plan. Tom said we can focus on all the benefits of the unified fee, without worrying about the fee increase component. Nancy agreed, stating that we would be using our reserves to make this transition and continue to give the members all the services we initially planned. Chris Colburn also signaled approval that this would be our best method to transition to a desired end state. Ed suggested that many of the LMSCs were already supportive of the fee increase and Dawson cautioned the group about the significant impact on the reserves. **MSA to amend the motion to remove the \$2 fee increase. The motion to amend passed, with two voting against. The amended 2020 Budget Assumptions is with a net operating loss up to \$300,000. The amended motion passed, with one voting against.**

12. Digital Transformation (Dawson):

- a. Try Masters Swimming Week (TMSW): the digital trial membership form was new this year.
- b. Partnership with swim.com video sent yesterday
- c. Projects targeted for completion by end of 2019:
 - i. Club registration updates
 - ii. Open Water database results (beta)
 - iii. LMSC websites hosted by USMS are now live: www.newmexicomastersswimming.org, www.northdakotamastersswimming.org
 - iv. USMS workouts have been moved to Sitecore
 - v. Community component – slow roll out planned for Q4 and sunseting existing forums.
 - vi. EXM – Email marketing with automation – slow roll out to begin soon.
- d. 2020 Projects:
 - i. Expanded API with registration partners
 - ii. Continued community build: badging member profiles, self-management
 - iii. Additional swim.com integration
- e. CRM:
 - i. Small initial scope planned for College Club Swimming (CCS) for 2020-2021 season. This experience will be valuable before moving on to a bigger project (USMS).
 - ii. Susan said this will help us get to know our members better and improve our engagement with them.

13. Future of the USMS Annual Meeting (Patty): Patty indicated there has not been much news. As has been previously reported, Nadine, USAS Convention Committee Chair, indicated that USA Swimming (USA-S) is not sure if they want to continue with the same format. If they break away from the USAS convention, then there will be some change ahead. The convention doesn't change the governance structure of where USMS stands and what USAS is. Nancy said she feels honored to be part of all the aquatic sports and be with the other disciplines, since it is a larger community and family. Rob suggested that a new convention format could include the separation of committee and HOD activities, thereby reducing the length of convention. USMS could hold regional events around business. Dawson expects that more clarity will be coming soon. Dale noted that USA-S is not trying to change relationships, rather the goal is to consolidate convention into an efficient event; too many extraneous aspects were built around it. Peter asked the group to consider our committee structure in general in that some committees don't affect bylaws and don't necessarily need to be at convention. Nadine pointed out that USA Diving and USA Synchro have masters committees in their organization since they're not separate NGBs. The BOD will await a decision from USA Swimming.

14. The BOD meeting will resume Sunday, July 14th at 8:30 am MT.

The meeting was recessed at 5:17 pm MT.

Respectfully Submitted,

Greg Danner, Secretary

Committee Name:	Board of Directors	Session #:	1
Committee Chair:	Patty Miller		
Minutes recorded by:	Greg Danner	Date/time of meeting:	7/14/2019 8:30am MT

Actions Taken:

1. Approved: Ratification of email vote approving June 17, 2019 Meeting minutes.
2. Approved: Ratification of Actions Taken Since Winter (Feb) 2019 BOD Meeting.
3. Approved: Officer reports as consent agenda, as well as additional reports added this morning.

Number of committee members present:	20	Absent:	8	Guests:	3
Committee members present (list all, including chair and vice chair): Patty Miller - President; Peter Guadagni - VP of Administration; Chris Colburn - VP of Local Operations; Donn Livoni - VP of Programs; Frank (Skip) Thompson - VP of Community Services; Greg Danner - Secretary; Ralph Davis - Treasurer; Maria Elias-Williams - Legal Counsel; At-Large Directors: Carrie Stolar (Breadbasket); Jeff Strahota (Colonies); Maddie Sibilila (Dixie); Dan Cox (Great Lakes); Matt Miller (Northwest); Chris Campbell (Oceana); Ed Coates (South Central); and Teddy Decker (Southwest); Dawson Hughes - CEO; Past Presidents: Nadine Day (Immediate Past President), Rob Copeland and Nancy Ridout; Dale Ammon (USA Swimming Liaison to USMS).					
Not present: Past Presidents: Tom Boak, Jeff Moxie, Jim Miller, Ted Haartz, Jeff Moxie, Mike Laux and Dan Gruender. Mel Goldstein is recused from the Board due to his contractor position with USMS.					
Guests: Susan Kuhlman - CFO, Bill Brenner - COO, Onshalee Promchitmart - Coordinator, Volunteer Services.					

Minutes

The meeting was called to order at 8:16 am MT.

1. 2020 Convention Topics (Peter/Donn/Chris Colburn):
 - a. Rules (Peter): There was some discussion around relays, ultimately Rules decided to turn down a new USA-S rule that allows a leadoff split to count if there's a subsequent DQ.
 - b. Legislation (Peter):
 - i. Waiting on the Registrar role name change to Membership Coordinator to make further adjustments.
 - ii. Proposal to reduce the club transfer period from 60 days to 30 days.
 - iii. Proposal to have At-Large Directors elected at the same time as officers.
 - iv. Proposal to have the Diversity Committee to be outreach oriented.
 - v. ALTS committee formation was not recommended.
 - c. Long Distance (Donn): Proposals and/or discussions include: entries for Open Water events a year in advance, a traditional swimsuit category proposal, and an altitude adjustment for ePostal results. The LD committee agreed that results are sacred ground but is open to hearing arguments on that adjustment topic.
 - d. Workshops (Chris Colburn): Six workshops slotted: Four on Friday and two on Saturday. The Officials Committee, Swimming Saves Lives Foundation, Volunteers Task Force (VTF), and the Diversity & Inclusion Committee are all slated for workshops that are meant to be interactive and solicit feedback. One of the VTF workshops will be on our national committee structure. The National Office is planning on a workshop or presentation, but the topic has not been decided out of 7 or 8 possibilities. Patty expects that we will have HOD time available and the National Office can cover their topic during that time.
 - e. Nadine: On behalf of USAS, she promoted the opt-in paperless for convention attendees. Mentioned that the host hotel is out of double rooms, but some rooms may be released by the other NGBs and available later.
 - f. Ed: Stated that the Convention Task Force was mostly inactive this year. He offered to work on scripts for presenters.
2. Consent Agenda – Officer Reports (Officers):
 - a. President (Patty): No updates.
 - b. VP Administration (Peter): Added to his report that there is some policy disorganization on the website. Also, he sees issues with some committees being listed in the rule book.
 - c. VP Programs (Donn): No updates. Noted that Bob Bruce is planning on vacating his role as Open Water Committee Chair at the end of the year. Peter reminded the Board that committee chairs should avoid naming a successor as those appointments are the responsibility of the President.
 - d. VP Community Services (Skip): Noted there have been 11 applications for the coaches' mentor/mentee program. Chris Campbell noted one correction: he is no longer heading up the Awards subcommittee.
 - e. VP Local Operations (Chris): No updates.

- f. Treasurer (Ralph):
 - i. No updates.
 - ii. Provided additional clarity on the budget assumptions motion passed yesterday by indicating we will need to transfer approximately 13% of our reserves to cover the budgeted net operating loss. Over a two-year span, this will be a 20% reduction in reserves. Ralph stated that he will post additional detail on the forums.
 - iii. Dawson requested that the BOD allow the staff to revisit the budget assumptions and proposal due to the MSA that eliminated the \$2 increase, among other discussion points yesterday. He indicated that the staff may have some suggestions to lower the amount of planned investment transfers for 2020 and present a revised budget in August. BOD agreed and will review proposed adjustments during next BOD meeting.
 - g. Secretary (Greg): Minutes and approval/ratification:
 - i. Ratification of email vote approving June 17, 2019 BOD minutes: **MSA to approve the minutes. The motion passed unanimously.**
 - ii. Ratification of Actions Taken Since Winter (Feb) 2019 BOD Meeting: **MSA to approve the actions taken. The motion passed unanimously.**
 - h. Immediate Past President (Nadine): No updates.
 - i. Legal Counsel (Maria):
 - i. No report.
 - ii. Regarding the SafeSport banned list: We will continue to address any issues on a case by case basis.
 - iii. No legal actions pending against USMS.
 - j. **MSA to accept officer reports as consent agenda as well as additional reports added this morning. Motion carried unanimously.**
3. Summer Board Meeting Messaging and Communication (Patty): Patty and Dawson will work on official communication surrounding this Board meeting. BOD members are welcome to share information regarding the general topics discussed, but parties interested in detail should wait until the minutes have been approved. Liaisons to national committees may share more information as needed as it specifically pertains to their responsibilities.
4. New Business:
- a. Minor Athlete Abuse Prevention Policy (MAAPP): Dale explained the background of this USA Swimming (USA-S) program, as originating from Congress and the U.S. Center for SafeSport. USA-S was asked to implement the policy in short time frame, so many of the details are still being clarified. Since they are general guidelines for 20 different sports, not all areas are applicable. As it relates to USMS, organizations with shared facilities should limit the amount of crossover between adults and minor athletes. As an example, Rob stated that an adult shouldn't be alone with a minor in a locker room or bathroom. Cell phone use is prohibited in those areas, and adult members should maintain a common-sense approach.
 - b. Ralph asked the Board to revisit the use of reserve funds to offset the postponement of a membership fee increase, due to the significant impact on the reserves (as discussed yesterday). The next Finance Committee meeting is August 20th, so the Board will swap calls with the Executive Committee next month to give ample time between the next BOD call and that Finance meeting in case we change directions.
 - c. Nancy: Praised the Board for their cooperation and efforts.
5. The next BOD call will be at 8:30pm ET on Monday, August 5, 2019. The next EC call will be at 8:30pm ET on Monday, August 19, 2019.

The meeting was adjourned at 9:42 am MT.

Respectfully Submitted,

Greg Danner, Secretary