

Committee Name:	Board of Directors	Session #:	1
Committee Chair:	Peter Guadagni		
Minutes recorded by:	Carrie Stolar	Date/time of meeting:	07/15/2023 11:00 AM ET

Actions Taken:

1. Approved: June 20, 2023 BOD amended meeting minutes.
2. Approved: The amended standing rules for recommendation to the HOD.
3. Approved: The adoption of the code of conduct as proposed by the grievance task force.
4. Approved: The audited financial statements for 2022.
5. Approved: The 990 with authorization given to Teddy Decker (Treasurer) to make minor immaterial adjustments.
6. Approved: The authorization to give Dawson the ability to execute the letter of intent as presented for Grown UP Swimming, with minor modifications as necessary.

Number of committee members present:	17	Absent:	1	Guests:	15
Committee members present/virtual (list all, including chair and vice chair): Peter Guadagni - President; Chris Colburn - VP of Administration; Chris Campbell - VP of Community Services; Ed Coates - VP of Local Operations; Robin Smith - VP of Programs; Carrie Stolar - Secretary; Teddy Decker – Treasurer; Katie Kenyon (Legal Counsel); Dawson Hughes – CEO; At-Large Directors: Sue Nutty (Breadbasket); Charles Cockrell (Colonies); Susan Ehringer (Great Lakes); Paige Buehler (Northwest); John King (Oceana); Britta O’Leary (Southeast); Kris Wingenroth (South Central); Jeff Commings (Southwest).					
Not present: Patty Miller (Immediate Past President).					
Guests: Crystie McGrail, Diana LaMar, Marilyn Fink, Sandi Rousseau, Nadine Day, Skip Thompson, Guy Davis, Ian King, Doug Sayles, Brian Robbins, Gary Keehner (Controller), Kyle Deery, Bill Brenner, Jay Eckert, Jessica Reilly.					

Minutes

The meeting was called to order at 11:02 pm ET.

1. Agenda review and declarations of conflict of interest (Peter): No changes to the agenda or conflicts of interest.
2. Minute of happiness and ice breaker (Teddy): Teddy shared about drones lifeguarding beaches The drones are capable of dropping PFDs to those in need until a rescue comes. She also shared that the UK has also just approved water burials (basically a water cremation that is environmentally sound.) For the ice breaker, Teddy asked the BOD to each share something non-swimming that they consider themselves expert about and then share something that they know little about but want to learn more.
3. Approval of June BOD meeting minutes (Carrie): **MSA for approval of the June 20, 2023 BOD amended meeting minutes.** Discussion: none. **The motion passed unanimously.**
4. Proposed edit to standing rules (Peter): **MSA for approve the amended standing rules for recommendation to the HOD.** Discussion: Up to four of the election candidates aren’t delegates. They will need to have the ability to speak behalf of their candidacy without involvement from the president. This change would remain in the rules; however, the rules do get reviewed before every annual meeting. **The motion passed unanimously.**
5. Recommendations for changes to the CEO bonus plan (Ian King): The BOD went into Executive Session for 30 minutes to discuss confidential human resources issues. All guests were placed in a separate Zoom room during this session. (Secretary’s Note: Dawson was not yet on the call.) Ian King remained on the call with the BOD as a member of the Compensation and Benefits Committee. Ian will bring the BOD’s feedback to the Compensation and Benefits Committee and incorporate it into the bonus plan and will bring the updated plan back to the BOD in October.
6. Update from Grievance Task Force III (Katie and John): The task force’s recommendations and work to date has been included in the BOD’s materials. The group has met several times and looked to balance the original grievance/misconduct task force’s recommendations from February of 2023 with their own independent review as to whether or not a USMS code

of conduct is warranted and, if so, what it would look like, including how it would be implemented, any rule changes that would be necessary and evaluate process improvements to the current grievance structure. The task force recommends that we adopt a code of conduct for USMS that would be linked to the existing waiver and added to the upcoming registration process. USMS insurance coverage will not be affected by the addition of the code of conduct. In the code, the task force tried to capture as many events and activities as possible under the code so that individuals participating in USMS events and activities are subject to the code even if they are not USMS members (so that one event members are covered). They recommend that the proposed rule changes come under consideration for the 2024 annual meeting. Charles asked about the code of conduct vs. Part 4 of the rule book. Katie explained that the task force felt it was important to have a separate document specifically referenced in the registration process to add clarity to our expectations and broaden the umbrella as to who the code of conduct covers. Both the code and Part 4 will be consistent. Katie said that the task force identified trends within the grievances; historically grievances and appeals tended to pertain to performance and lately they have shifted to behavior. Now there are clear expectations for behavior for those that fall under the USMS umbrella. Katie said that Phase 2 for the task force will focus on the reporting mechanism. The task force looked at transparency of communication/access and process. A neutral role, an ombudsman position or a vice chair, needs to be created. This person would help disseminate information in a timely manner, answer questions, and give informal insights. They have also outlined the rules that need to be updated. The task force is still working on a clearinghouse so that they can track trends as well as a more streamlined grievance process. They are also writing a grievance withdrawal process as one does not currently exist. Robin asked if the local process will be included in Phase 2? She also noted that there is an increase in the number of clubs that are coach-owned, so there is nowhere for concerns to go. Katie said that there will be outreach and education of the process to members, coaches, LMSCs and clubs. In Robin's example the ombudsman would be the appropriate person to go to. Paige asked where the code of conduct would reside. Katie said that it would be a hyperlink within the waiver document so that it is its own stand-alone document. **MSA to adopt the code of conduct as proposed by the grievance task force.** Discussion: Paige asked when it would go into effect. It will go into effect immediately but will be with next year's registration. **The motion passed unanimously.**

Peter also noted that an appeal to the BOD from March was withdrawn.

7. Approval of audit and 990 (Teddy and Gary): **MSA to approve the audited financial statements for 2022.** Discussion: Teddy explained that there are no changes from previous years besides language to do with leases due to new standards in GAAP. Teddy said that there was a clean opinion from the auditors; there were no comments, discrepancies, or material adjustments from the auditors. This shows the strong state of the financial system of USMS, and Teddy gave kudos to Gary. **The motion passed unanimously. MSA to approve the 990 with authorization given to Teddy to make minor immaterial adjustments.** Discussion: The schedule of support shows the trend that the gifts and grants drop off in 2022. This is in part to the SSLF grants that are now passed through our financials to the USA-S Foundation who administers the ALTS grants. **The motion passed unanimously.** From the auditors' presentation, Teddy noted that there is a significant drop in net assets mainly due to the drop in the stock market.

The BOD took a 17-minute break until 1 PM ET.

8. CEO and goals update (Dawson):
 - a. Membership is up 1.5% compared to the 2019 benchmark but the annual forecast for Q2 will be reduced to around 57,000. Because of the lower membership numbers, revenue is also lower than expected but events, College Club Swimming (CCS) and partnership revenue have helped offset the revenue shortfall.
 - b. Update on goals and initiatives:
 - i. Club development:
 1. Accessibility and availability: It has been difficult to get a baseline.
 2. Size: Increase the number of clubs that require USMS membership. Working on the analysis.
 3. Club Development: There are 85 Clubs that Bill and Steve have connected with about growth opportunities, of which 60 are new clubs. Twelve are approved for funding, but the timeline to get them started is long. The "right" coaches are also proving difficult to find. Contact Bill and Steve if you have clubs or facilities to recommend for club development efforts.
 - ii. Try Masters Swimming (TMS): We have been doing it since 2016. This is the first year that we have done it two times. Less than 200 clubs are participating. Trial membership signups are not translating to membership signups, so the result isn't what we had hoped. Paige asked if there are metrics on the advertising associated with TMS? Kyle said that there is about a \$10 cost per acquisition and has been consistent over the last few years. Conversion to members is TBD. The data points to people joining clubs but not necessarily USMS.
 - iii. Event development:

- 1 Add one OW/pool event or clinic in each LMSC or host one sanctioned event in each available course, including OW: Dawson shared data that showed that almost all LMSCs have hosted a short course yards event this year, and the average number of participants in an event is 100 (88 excluding nationals). The average number of participants needs to increase to make events more viable. Teddy expressed her surprise at how low the average number of participants is when compared to a USA-S event and said that this number should be shared with event directors to adjust expectations.
 - 2 Seven events have submitted requests asking for support. One test event is a CCS/USMS meet. It will be hosted by the CCS club and will give USMS access to a new facility.
 - iv Community development:
 - 1 Working on how best to get a baseline for the goals so that they are trackable. Also developing a communication strategy. May potentially ask during registration.
 - 2 LMSCs hosting nontraditional events. Communication and education need to happen to capture.
 - v Local focus and support
 - 1 Communication project
 - 2 Is basically a business plan. More discussion is needed.
 - vi Independent swimmer
 - 1 The original timing to launch was 2025, but with the Olympics in 2024 and the attention that will be on swimming, it may get launched earlier.
 - 2 Fitness series update:
 - a Tie into independent swimmer concept.
 - c. Projects:
 - i 2023
 - 1 Swimmer magazine (digital) and search capabilities on website
 - 2 Event sanctioning
 - 3 Bulk registration
 - 4 Automatic renewals
 - ii 2024
 - 1 Independent swimmer
 - 2 Improved CCS – website, etc.
 - 3 Grown Up Swimming?
 - iii 2025
 - 1 Event results
 - d. Membership metric
 - i 57,500 “traditional” members
 - ii 8,000 CCS members
 - iii 100,000 self-reported swimmers in clubs
 - 1 Add value to make membership attractive.
 - iv 1,775 One Event members
 - v Independent swimmer customers
 - vi Grown Up Swimming participants.
9. Accomplishments, opportunities, and challenges: Break out session.
- a Flyers (Sue Nutty, Chris Colburn, Peter, Britta, Paige, Robin)
 - i Accomplishments: Unified fee, national office stability, investment in IT resources, change of focus to the local level, post-pandemic USMS is in pretty good shape
 - ii Challenges: change management (change is slow), the number of swimmers on clubs that aren’t USMS members, take “Masters” out of our name, clubs have different business models (so programming isn’t applicable to all clubs), the declining number of baby boomers.
 - iii Opportunities: Grown Up Swimming, CCS growth, independent swimmers, open water
 - b Backstrokers (Ed, John, Carrie, Chris Campbell, Charles)
 - i Accomplishments: the pandemic gave us the opportunity to do things differently (hybrid meetings, different technologies), Relay (and the change of focus each year), Nationals (the return of participation), the usage of our resources to help clubs locally (especially during the pandemic), governance in our organization
 - ii Challenges/Opportunities: Rebuild the community (versus individual), finding new skills within our volunteers/members, membership (offer different classifications/types, summer memberships for college swimmers), lack of water and coaches, build/increase diversity in our membership.

- c Breastrokers (Teddy, Dawson, Katie, Susan, Jeff, Kris):
 - i Accomplishments: Rebound from COVID, biggest ever Nationals (well run and high quality), BOD communication group (2-way communication), evaluating change (affect positive change for the organization)
 - ii Challenges/Opportunities: Membership growth (growth isn't always the answer, focus on good experiences for the membership), personalities/differing opinions on how USMS moves forward, provide proper value for dues, pool availability/affordability for events, getting over the fear of the word "Masters", Grown Up Swimming, Olympics campaign (welcome back former members).

10. Preview of 2024 budget assumptions (Dawson and Gary)

- a Big picture assumptions:
 - i Virtual annual meeting: \$100,000 less than a hybrid meeting
 - ii Terminated office lease: \$40,000 less
 - iii Decrease FTE by 1 compared to budget.
 - iv Increase marketing spending in Olympic year.
 - 1 Independent Swimmer launch
- b Assumptions:
 - i Payroll increase of 4% (estimate from the Comp and Benefits Committee)
 - ii 59,000 – 60,000 members
 - iii Will forecast for slower membership growth.
 - iv Plan to diversify product offering without devaluing the traditional membership.
 - 1 Compliment and supplement the current membership.
 - v Net operating income before depreciation forecasted at -\$128,000
 - vi 2025 fee increase (discussed in 2022)
 - vii Return to positive NOI before depreciation in 2025.
 - viii Capital needs to be evaluated further: Independent swimmer, event results, CCS integration (API and Website).
- c Q&A: The 1 FTE that was unfilled was a volunteer services role to backup Jessica. The annual meeting is budgeted to be hybrid every other year. Peter said that BOD members will be asked in August what an acceptable deficit budget range would be so that it can be shared with the Finance Committee.

11. Grown Up Swimming Proposal (Dawson and Brian Robbins):

- a Dawson prefaced his presentation by saying that a significant amount of information was shared with the BOD on Grown Up Swimming (GUS) prior to the call. Brian Robbins (Head Grown Up of GUS) then presented on the origins and evolution of GUS and swimmer profiles.
- b GUS is in 7 cities this summer. GUS partners with kids' summer league teams. League directors are hired on a part-time/contractor basis, and they help recruit new teams and team captains and help team captains find swimmers, help to find pool time and run the meets. GUS does the admin work, marketing, social media, waivers, meet entries, and insurance. Brian also shared the current league numbers/participants/teams and future projections. They have 900 swimmers now. Success is 50 – 60 swimmers participating in the first year.
- c Questions: Sue asked if there are age groups. (yes, by decade). Chris Campbell asked about virtual competitions. Brian said that out of towners can swim with clubs in different cities, but there aren't any virtual competitions. The second all star meet will take place in October in Hilton Head Island, SC with the rest of the weekend filled with social time. Challenges include finding pool time and committed league directors. From a diversity perspective, Jeff asked about selecting cities with diverse populations. Brian says that sometimes pool space in areas with diverse populations are limited. They are testing a scenario in Jacksonville, Houston, and Pittsburgh using city pools which are typically more diverse. Kris asked about GUS's biggest challenges. Brian answered that finding pool space and the time commitment required by Brian and the league director are the biggest challenges.
- d **MSA to authorize Dawson to execute the letter of intent as presented for Grown UP Swimming, with minor modifications as necessary.** Discussion: Questions were asked about the scaled payment schedule which occurs over 4 years to reduce our risk and increase the incentive for Brian, the geographic diversity and how markets are prioritized and chosen. The strategic value is clearly beneficial, but challenges around diversity exist. The financial risk is more than likely less than \$170,000. Can GUS and Masters coexist? Yes, along with cross marketing potential. Slower growth projections are also being examined. It can become a positive revenue source for USMS and fits within our mission of bringing more adults into swimming with a minimal time commitment with the bonus of the social aspect. **The motion passed.**

The BOD took a 5-minute break until 3:36 ET.

12. Consent agenda:

- a President (Peter): Please let Peter know as soon as possible if any BOD member will not be attending the annual meeting in person. Teddy will attend virtually, and Katie is trying to reconcile a work conflict.
- b VP of Administration (Chris Colburn): The bid cycle is in progress for the 2024 LC Nationals.
- c VP of Local Operations (Ed): Ed shared specifics about the number of nominations from the Recognition and Awards Committee for the awards that will be given out at the annual meeting.
- d VP of Community Services (Chris Campbell): Awards are being evaluated for Fitness and Diversity and Inclusion as well as the coaching awards. The Fitness Education Committee has submitted a legislative proposal to sunset itself at the end of this year. Per Chris Colburn, the Legislation Committee will be recommending this proposal to the HOD.
- e VP of Programs (Robin): The Long Distance Committee is continuing to work with the national office on changes in the process for the virtual events and the OW national championships. For 2025, there is a new model and approach to try and increase participation for OW. The Officials Committee is looking at having a schedule or shift limits for the larger meets.
- f Treasurer (Teddy): No updates.
- g Secretary (Carrie): No updates.

13. The next BOD meeting will be on August 14 at 8PM ET.

The meeting was adjourned at 3:49 PM ET.

Respectfully Submitted,

Carrie Stolar, Secretary