

<b>Committee Name:</b>	Board of Directors	<b>Session #:</b>	1
<b>Committee Chair:</b>	Peter Guadagni		
<b>Minutes recorded by:</b>	Carrie Stolar	<b>Date/time of meeting:</b>	9/16/2022 1:00pm MT

## Actions Taken:

1. Approved: August 15, 2022 BOD meeting minutes.

<b>Number of committee members present:</b>	<b>18</b>	<b>Absent:</b>	<b>0</b>	<b>Guests:</b>	<b>44</b>
<b>Committee members present (list all, including chair and vice chair):</b> 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 (via Zoom); At-Large Directors: Jenny Hodges (Breadbasket); Jeff Strahota (Colonies); Mel Goldstein (Great Lakes); Paige Buehler (Northwest); John King (Oceana); Kris Wingenroth (South Central); Britta O’Leary (Southeast) (via Zoom); Jill Gelatly (Southwest) (via Zoom); Maria Elias-Williams (Legal Counsel), Patty Miller (Immediate Past President), Dawson Hughes – CEO.					
<b>Not present:</b> none					
<b>Guests (in person):</b> Jessica Reilly (National Office), Bill Brenner (National Office), Maddie Sibia, Mollie Grover, Joan Campbell, Christina Fox, MJ Caswell, Jeanne Ensign, Rob Copeland, Jay DeFinis, Rand Vaillancourt, Bob Bruce, Chris McGiffin, Gerald O’Mara, Skip Thompson, Bruce Schroeder, Doug Sayles, Jim Miller, Ed Tsuzuki, Kristof Kertesz, Robin Tracy, Susan Ehringer, Bill Tingley, Mary Hull, Steve Peterson, Erin Sullivan, Sue Nutty, Nicki Phillips, Beth Nymeyer.					
<b>Guests (via Zoom):</b> Terry Heggy, Marilyn Fink, Cole McGee, Barbara Dunbar, Rob Duguay, Sandi Rousseau, Alta Stengel, Brandon Franklin, Catherine Rust, Stacey Eicks, Emily Cook, Ally Sega, Meg Smath, Sarah Welch, Christina Fox					

## Minutes

The meeting was called to order at 1:02 pm MT.

1. Agenda review and declarations of conflict of interest (Peter): No changes to the agenda or conflicts of interest.
2. Minutes (Carrie): August 15, 2022 BOD Meeting Minutes (Carrie): **MSA for approval of August 15, 2022 BOD Meeting minutes.** Discussion: None. **The motion passed unanimously.**
3. Minute of Happiness (Jenny): Jenny shared her family’s recent multigenerational swim meet experience.
4. Review of NBR process for misconduct complaints (Dawson/Peter): Please refer to Dawson’s memos to the BOD that were previously distributed.
  - a. Our goal is to have an appropriate and efficient process for complaints.
  - b. A 4–6-person task force will be named to take a closer look at the process.
    - i. Members of the task force will have appropriate professional experience.
    - ii. Please let Peter know if anyone from the BOD is interested in taking part.
  - c. Sensitivity and confidentiality in the process review will be emphasized.
  - d. Dawson shared that at the last BOD meeting, the \$100 filing fee for complaints was eliminated.
5. CEO update (Dawson):
  - a. Membership stands at 53,500 with a forecast of 55,500 for the end of the year.
  - b. Staff update:
    - i. Susan has officially retired as CFO, and Gary Keehner has been hired as controller.
    - ii. Please go to the website to the National Office page to see the other recent new hires.
6. Transgender/nonbinary swimmer task force (Information) – Peter
  - a. Its members are Vicki Shu, Leo Letendre, Rook Campbell, Marilyn Fink, CJ Rushman, Dr. Jim Miller, MD, and Erika Braun.
  - b. As an organization, we want to be supportive and prepared.
7. Approval of Financial Operating Guidelines (FOG) revision (Teddy). **MSW to approve the Financial Operating Guidelines (FOG) with housekeeping revisions as presented in the forum.** Discussion: Teddy took the BOD through questions and housekeeping items that were posted in the forum. The discussion included the following:
  - a. The LMSC section of FOG was expanded significantly to incorporate several of the LMSC standards.

- b. The conflict of interests mentioned in FOG are those specifically related to financial issues. Wording will be modified to refer to “financial conflict of interest.”
  - c. In general, in FOG, “shall” means requirement, and “should” means recommended.
  - d. FOG is reviewed every two years. The title of highest-ranking financial person is the one included (currently a controller). For the future, a CFO can have the dual controller/CFO title to eliminate future revisions concerning the title.
  - e. Housekeeping: UANA is now called Pan Am Aquatics.
  - f. **The Second and Motion were withdrawn so that the BOD can review the changes discussed.** The approval of the FOG revisions will take place at the next scheduled board meeting.
8. Review of 2022 business plan and budget assumptions (Dawson):
- a. Board financial update
    - i. Dawson reviewed the USMS budget timeline and the history and forecast of the net operating income and net assets from/for 2017 – 2022.
    - ii. USMS investment returns were strong until recently (due to recent market volatility).
    - iii. 2023 Changes
      - 1. Additional full-time employee (volunteer services support)
      - 2. Club and event matching grants (LMSC and national)
      - 3. Event development is new to the budget
      - 4. Inflation
    - iv. Financial projections
      - 1. Working towards a break-even budget in 2025
    - v. 2023 Operating Projection
      - 1. Fee increase recommendation (increase to \$65 fee on Nov 1 and \$70 on Jan 1)
        - a. Without a fee increase there would be a substantial budget deficit (\$600K), resulting in a reduction in programs and services.
        - b. Need to increase fees to catch up/keep up with inflation.
        - c. Largest capital expense will be improving the sanction application process and events.
        - d. The one event membership fee is recommended to be increased at the same rate as the member fee, increasing to \$17.50 for next year.
      - 2. LMSC financials
        - a. Revenue for LMSCs has grown significantly over the last three years while expenses have fallen due to the pandemic. With the focus on local events, clubs and membership, the funds are available for investment at the LMSC level.
    - vi. Questions/Answers
      - 1. Without a fee increase, budget cuts would primarily affect staffing and the publishing of the magazine. Insurance is a major expense but is a necessity. Relay and annual meeting are the other big expenses in the budget.
      - 2. One idea from Jeff Strahota focuses on LMSCs reserves to improve the overall USMS budget. It would take the LMSC portion of the membership fee and contribute it back to the national level to keep the membership fees the same.
        - a. It is a balancing act to solve the budget deficit
          - i. Continue membership growth
          - ii. Plan to address inflation
          - iii. Spend reserves wisely
          - iv. Encourage LMSCs to spend their reserves locally
      - 3. Skip Thompson (MI LMSC) commented on LMSC spending in 2019. LMSCs expenses were more than revenue that year. Per Dawson, it was also the last year of the USAS annual meeting, so much of the LMSC spending would still been on travel. With the introduction of the unified fee, LMSCs were less focused on spending for the annual meeting and more focused on clubs and members.
        - a. Per Dawson, since 2019 we have changed our strategies, changed the financial model of the annual meeting, and added Relay, but wise spending of revenue and reserves is important for the LMSCs.
        - b. Skip asked about the projections for this year for net income. Dawson explained that the projected net income is (\$320K). 2021 was breakeven due to PPP loans. This time of year is a difficult one for cash flow as it is before the next year’s membership revenue begins for 2023, and this year and/or next year, given the deficit budget, we may need to sell investments, utilize a line of credit, or take out a short term loan from the SSL reserves.

- 4 Ed Tsuzuki (NJ LMSC) commented on membership numbers. Dawson shared that the membership high was in 2016 and it bottomed out in 2021. We expect an 8% increase this year.
- 5 Susan Ehringer (KY LMSC) had two questions:
  - a Did we overshoot what we gave back to the LMSCs from the unified fee? Dawson said that it was the right decision at the time. The LMSC reserves grew because of the pandemic. At the LMSCs there is no need to carry significant reserves. With no swimming, there were no expenses. At the national level, expenses continued, including payroll, capital expenses and insurance. We need to focus on how best to use these funds with grant and partnership programs as well as to invest in coaches, clubs and events.
  - b What have we done to reach out to the 10K to 15K members that we have lost? Dawson said that renewal emails were sent, an automated marketing campaign was created, a targeted social media and email campaign happened, and a survey was sent to understand why they didn't return. We need to find ways for LMSCs/clubs/coaches to reach out to them as well. We need to engage them through social events and competitions.
- 6 Skip Thompson (MI LMSC): Why did the membership go down in 2021 as compared to 2020?
  - a Dawson explained that it is a timing issue. Most membership is renewed by January. In 2020, most had registered and were kept engaged during the pandemic.
- 7 Marilyn Fink (San Diego Imperial LMSC): Marilyn commented that some LMSCs do have fixed assets/staffing so they need to keep reserves for those expenses. Also, many LMSCs wish to subsidize or pay for registrations for clubs/new clubs/certain populations of members, and there is no mechanism available besides handwriting a check. Dawson explained that a grant project will be available next year to better support this and there are LMSCs that already do this (not charging). He suggested that Marilyn contact Jessica for more details. Clubs still need to submit information so that they can be listed in club finder correctly.

9. Recognition of outgoing legal counsel and directors (Peter):

- a. Maria Elias, Mel Goldstein, Jenny Hodges and Jeff Strahota were recognized for their service to USMS and the BOD.

10. The next BOD meeting will be on Monday, October 17, 2022 at 5:00 pm ET.

The meeting was adjourned at 3:36 pm MT.

Respectfully Submitted,

Carrie Stolar, Secretary