

<b>Committee Name:</b>	Board of Directors	<b>Session #:</b>	1
<b>Committee Chair:</b>	Peter Guadagni		
<b>Minutes recorded by:</b>	Greg Danner	<b>Date/time of meeting:</b>	9/20/2021 8:00pm ET

## Actions Taken:

1. Approved: August 21, 2021 BOD meeting minutes.
2. Approved: Proposed changes to Financial Operating Guidelines (FOG), as presented to the BOD, with the additional updates included in the agenda.
3. Approved: USMS will suspend transfer of money to any LMSC that is more than three months late in filing (1) annual financial reports or (2) proof annual tax return, per IRS guidelines, with the USMS National. Any suspension shall be approved by the USMS President and USMS Treasurer.

<b>Number of committee members present: 18</b>	<b>Absent: 0</b>	<b>Guests: 38</b>
<p><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; Donn Livoni - VP of Programs; Greg Danner - Secretary; Teddy Decker - Treasurer; At-Large Directors: Carrie Stolar (Breadbasket); Jeff Strahota (Colonies); Britta O'Leary (Southeast); Mel Goldstein (Great Lakes); Paige Buehler (Northwest); John King (Oceana); Kris Wingenroth (South Central); Jill Gellatly (Southwest), Past Presidents: Patty Miller (Immediate Past President), Dawson Hughes - CEO; Maria Elias-Williams - Legal Counsel.</p> <p><b>Not present:</b> None.</p> <p><b>Guests:</b> Susan Kuhlman - CFO, Kyle Deery - Chief Marketing Officer, Jessica Reilly - Sr. Director, Marketing Technology and Volunteer Services, Bill Brenner - Sr. Director, Club and Coach Development, Jay Eckert - Sr. Director, Membership and Business Development, Onshalee Promchitmart - Manager, Events and Business Development, Nadine Day, Nancy Ridout, Jim Miller, Alta Stengel, Ann Marshfield, Barbara Dunbar, Bob Bruce, Caycee Buscaglia, Cheryl Kupan, Christina Fox, Ed Saltzman, Elaine Joggerst, Erin Sullivan, Frank "Skip" Thompson, Guy Davis, Heather Stevenson, Hugh Moore, Jane Moore, Jerry Lourigan, Jim Clemmons, John Fox, Linda Chapman, Maddie Sibilia, Marilyn Fink, Meg Smath, Michael Moore, Phyllis Quinn, Robin Smith, Sally Dillon, Sandi Rousseau, Sarah Welch, William Tingley.</p>		

## Minutes

The meeting was called to order at 8:02pm ET.

1. Agenda review and declarations of conflict of interest (Peter): No conflicts reported.
2. Minutes (Greg): August 21, 2021 BOD Meeting Minutes (Greg): **MSA for approval of August 21, 2021 BOD Meeting minutes.** Discussion: None. **The motion passed unanimously.**
3. Minute of good news (John): John spoke of resiliency and courage. One swimmer who sustained serious injuries, over a year ago, returned to the water to compete in a 2.5k swim at the Del Valle OW event recently.
4. CEO Update (Dawson):
  - a. Membership: On track for around 50,000 members, an approximate 2.5% decline from last year. Net operating revenue for the year will be positive. Club registration begins October 1.
  - b. Hotel contract for Relay 2022: Has been reviewed and close to being finalized; scheduled to be signed tomorrow. Tiered damages clause if we need to back out. If a local agency indicates holding an event will be unsafe, there is a mutual agreement to renegotiate.
  - c. Insurance: Noted market increases are coming. Ed added that some portion of the increase is due to the expectation that we will see a member increase too. Dawson will provide more specifics to the Board in the coming months.
5. Approval of Update to FOG (Teddy): The BOD was provided three documents related to the proposed changes to Financial Operating Guidelines: markup with tracking changes, changes accepted, and an executive summary. Teddy mentioned that some of the changes were housekeeping in nature and spoke primarily of the major changes being made for the sake of outlining the new budget process. When the documents were circulated with the BOD earlier, some minor changes were suggested over email. When asked about those, Teddy indicated that those will be considered later. When asked about two proposed changes included in the agenda, Teddy noted that those will be included immediately. **MSA to accept the proposed changes to FOG, as presented to the BOD, with the additional updates included in the agenda. The motion passed unanimously.**

6. Suspension of funds transfers to LMSCs out of compliance with financial reporting requirements (Peter): A memo was recently issued to the Board detailing a LMSC that has had difficult volunteer transitions and questions surrounding signing authority on the checking account where USMS funds were being transferred. Over concerns related to our 501c3 status, this is not a good practice. This proposal revolves around the stoppage of fund transfers in these situations until we can ascertain they're being used for purposes appropriate related to member dues. **MSA: USMS will suspend transfer of money to any LMSC that is more than three months late in filing (1) annual financial reports or (2) proof annual tax return, per IRS guidelines, with the USMS National. Any suspension shall be approved by the USMS President and USMS Treasurer. It is acceptable to delay approval of the suspension if either the President or Treasurer believes there are legitimate extenuating circumstances.** Discussion: There was BOD consensus that it was appropriate to suspend transfer of money in these situations, though there was some support for the concept that extenuating circumstances be considered. Overall, the majority felt that a LMSC can rely on the National Office for support and that the items requested are straightforward from an accounting perspective, so that extenuating circumstances should not be permitted. **Chris Colburn amended his motion to strike the last sentence (as shown above). The motion passed.**
7. Interpretation of 506.3.10 regarding the Board's emergency powers (Chris Colburn): Chris Colburn recapped the detailed interpretation provided by Charles Cockrell, Legislation Committee Chair. The spirit of the memo covered the emergency powers related to (USMS Code of Regulations and Rules of Competition) Parts 1, 2, and 3 such that the BOD can suspend, but not amend rules. When the emergency powers were considered for holding national championships, the order of operations started with needing the advice and consent of the committee that the rule(s) pertains to. Although the BOD would have preferred to decide on matters for both National Championship events, another important part of the order of operations is that any suspension expires at the next House of Delegates session. As such, there was no reason to make any request for the October LC National Championship event being held at Spire, since the Annual Meeting will happen first. Chris Colburn summarized the experience by saying that it helped the Board understand its emergency powers in an extraordinary situation, as well as to understand the checks and balances. The BOD made an honest effort to be transparent and to make sure things were done properly. Chris Colburn and Patty commended Charles Cockrell for his interpretation. Peter editorialized that certain aspects of what was considered would be better placed in policy. In cases of unusual situations, the organization could be empowered to make reasonable choices, rather than forced to go through the BOD or the rule book.
8. Strategic plan review (Peter):
  - a. Timing: Peter sought concurrence from the BOD that a strategic plan be presented at Relay 2022. Teddy asked if the goal is to present a strategic plan itself or the plan to get to the strategic plan. Peter clarified that the goal would be to present a new strategic plan at that time. With full vetting from the BOD, this could be acceptable.
  - b. Process: Peter identified that the group of Carrie Stolar, Jill Gellatly, Britta O'Leary, Guy Davis, Linda Bostic, and Jeff Moxie will put together a recommendation on a process (to develop the new plan) for the October BOD meeting. Peter stressed that the BOD will be involved in signing off on that process, providing feedback along the way, and ensuring that the end product represents what the Board sees as being the plan. There will be check-ins at every BOD meeting between now and February for this development. Several BOD members voiced support for Relay 2022 being an appropriate venue to share the new strategic plan and some suggested that it could be used to gather feedback, though support for this was not unanimous. Paige noted that if we want Relay 2022 to include this component, we'll need to commit that it will be prepared in time.
9. The next EC call will be held on Monday, October 4, 2021 at 8:00pm ET. The next BOD call will be held on Monday, October 18, 2021 at 8:30pm ET.

The meeting was adjourned at 9:06pm ET.

Respectfully Submitted,

Greg Danner, Secretary