

USA VOLLEYBALL
MINUTES OF THE MEETING
of the
BOARD OF DIRECTORS
October 24, 2011
Denver, CO



- Presiding:** Kevin Twohig, Interim Chair
- Directors:** William Barnum, Ken Cain, Kathy DeBoer, Jon Lee, Ted Leland, Sue Mailhot, Sarah Sulentor, Andy Reitingner, Adam Rymer, Sean Scott, Kerri Walsh Jennings
- Treasurer:** Stewart McDole
- Staff:** Doug Beal, Kerry Klostermann, Margie Mara, John Kessel, Tim McCune, June Sander, Stacie Kearns, and Dave Williams
- Guests:** Al Lau, Ann Davenport, Gabe Gardner
- Absent:** Joy McKenzie-Fuerbringer, Reid Priddy, Ken Shropshire, and The National Beach Tour Rep position is vacant.
- Recorder:** Fred Wendelboe, Recording Secretary

NOTE: Information is reported according to topic and not necessarily in the chronological order of discussion.

I. CALL TO ORDER/INTRODUCTIONS

The meeting of the Board of Directors of USA Volleyball was called to order by Chair Kevin Twohig at approximately 8:01 am MST on Monday October 24, 2011.

Roll Call: Mr. Klostermann called the roll.

Declaration of Quorum: Mr. Klostermann declared a quorum was present. A fifty-five percent "super" majority vote is required to pass any motion of the Board of Directors. Since there are **eleven** votes present, it will take **seven (63%)** votes to pass a motion.

II. ANNOUNCEMENTS: Mr. Twohig welcomed the directors and guests.

III. APPROVAL OF MINUTES

MOTION #1: It was **M/S/C (Barnum/Leland)** to approve the minutes of the May 27, 2011 meeting of the Board as presented.

MOTION #2: It was **M/S/C (Leland/Scott)** to approve the minutes of the April 6, 2011 meeting of the Board by conference call as presented.

IV. APPROVAL OF AGENDA

The agenda was reviewed and approved.

MOTION #3: It was **M/S/C (Leland/Lee)** to approve the agenda.

V. BYLAWS and GOVERNANCE

- A.** Election of Chair (identification of candidates/process): Mr. McDole reviewed the Bylaws requirements for replacement of the Board Chair, since the position is vacant. He raised the question of how to handle tie votes. He suggested a weighted vote where voters rank the candidates as a tiebreaker after three attempts.

MOTION #4: It was **M/S/C (Reitinger/Lee)** to institute a weighted vote after three attempts by majority.

The Floor was then opened for nominations. Mr. Rymer and Mr. Twohig were nominated and the election was scheduled to be held later today after ballots are prepared.

- B.** Roberts Rules of Order: Mr. Twohig raised the question of whether to reinstate RRO and the Special Rules of Order as modified. An ad hoc committee of Fred Wendelboe, Ken Cain, and Stew McDole was appointed to clarify/modify the Special Rules of Order. Written motions and timing of debate will be at the request of Board member or officer/recorder.

MOTION #5: It was **M/S/C (DeBoer/Reitinger)** to approve the reinstatement of Robert's Rules of Order, Newly Revised as the guiding procedures for the Board. In addition, Special Rules of Order will be presented at the next meeting by the ad hoc committee for approval.

- C.** Board Resolution Office Building Purchase: Mr. Beal placed the resolution to purchase a specific building for USAV before the Board and discussed the background and information regarding the purchase. He mentioned broad staff support for the purchase and the USAV Foundation has voted to provide funding on a contingent basis. The A F & B has recommended approval. There are branding opportunities on the building. The resolution is attached as Appendix A.

MOTION #6: It was **M/S/C (Leland/Rymer)** to approve the resolution as presented.

- D.** Bylaws / Op Code Revisions: A number of Bylaw and Operating Code revisions were considered and are detailed in Appendix B.
- E.** National Collegiate Volleyball Federation Member Organization Application: Mr. Klostermann presented the application for membership from the NCVF.

MOTION #8: It was **M/S/C (DeBoer/Noriega)** to approve membership of the NCVF as an Affiliated Organization.

- F.** Revised Conflict of Interest Policy: the policy was discussed and deferred for refinement. Concerns expressed related to the wording of the requirement to support Board actions and the distinction between conflict of interest, fiduciary

responsibilities, and the best interests of the Corporation. The phrase “duty of loyalty” was also unclear.

- G. At Large Position: Mr. Beal presented the proposal originally proposed in the last meeting. This item will be postponed until the fall 2012 meeting because of concerns about increasing the voting membership of the Board while the Article 8 action is in effect.

MOTION #9: It was **M/S/C (DeBoer/Noriega)** to postpone consideration until the fall 2012 meeting of the Board.

NGC Revision Proposal: Mr. Wendelboe presented a proposed Bylaws amendment regarding the NGC. This proposal raised the question of whether to continue with the NGC electing the Independent Director positions or have the Board elect the positions after the NGC vets and nominates a minimum number of candidates. This reflects current changes made by the USOC. Part of the proposal also was to remove the governance responsibilities of the committee. The sense of the Board was to continue as currently constituted although it may be worthwhile to consider the governance issues in the future.

- H. Service on Committees of the Board (singular representation): The question came up of whether to restrict participation on Committees of the Board to one position per Board member. The sense of the Board was that if a Director is qualified, the Board may ask him/her to serve on as many committees as appropriate.
- I. Beach Assembly Recommendations: Mr. Williams discussed the current status of the Beach Assembly. One of the key initiatives of the Beach Office is to create the Beach Assembly. The office started with a Steering Committee to populate an interim Beach Assembly. Over 350 email invitations were distributed and 25 or 30 people attended the initial meeting at the Manhattan Beach Open from RVA's, Regional event operators, players, officials, and all of the national tour operators. It is hard to identify all of the relevant constituencies, but six constituencies were identified as critical at this time. It isn't necessarily limited to six and certainly the NCAA sand programs as they develop could be included. The six are: National Event Organizers Committee (Cuervo series, the NVL, the Corona Light series for example), an Official's Assembly representative, the Sectional Event Organizers (hard to define at this point), Player's Committee (recreational players), an RVA Assembly representative, and a Junior Assembly representative. Another meeting will be held at the AVCA Convention in San Antonio to continue with the creation of the Administrative Manual. The first recommendation is to change the designation in the Bylaws of the National Beach Tour Director to a Beach At-Large Director.

MOTION #9: It was **M/S/C (Reitinger/Leland)** to approve changing the designation in the Bylaws of the National Beach Tour Director to a Beach At-Large Director on Board. Bylaw 6.02 I. 6 would read: One Beach At Large Director, with one vote.

What is additionally required is to decide the method and timing of the election. One option is to allow the interim Beach Assembly to solicit nominees immediately and then hold an election in

January. Kerri Walsh-Jennings felt that might be giving the interim Assembly too much power and that elite player rights might not be represented sufficiently. Mr. Cain would prefer to allow the RVA's to examine the proposal before moving ahead with an election. Mr. Reitingger asked if it might be possible for the interim Assembly to elect a Director with voice but no vote to at least get another Beach voice on the Board. The consensus was that this was not necessary. The proposal from the interim Assembly regarding the Beach assembly would modify the Bylaws to read as follows:

9.06 Beach Assembly

- A. Composed of one (1) Representative from each Member Organization with functioning beach volleyball programs, recognized Beach Event Organizers and recognized beach players.
- B. The Administrative Council of the Beach Assembly will elect two (2) representatives to the Board.
- C. Charged with:
 - 1. Reviewing and addressing issues exclusively concerning beach registrants and programs, both adult and junior.
 - 2. Reviewing primarily beach registrant and program issues from commissions, sub-commissions and other USAV entities.
- D. Motions go through the USAV Administrative Council to Staff.

The question was raised as to who or how these organizations and individuals are recognized. Mr. Williams stated that the Event Organizers would be anyone running an event recognized by USA Volleyball and players who are in the national ranking system. It will be defined in the Administrative Manual, as will the composition of the Administrative Council. Margie Mara gave some background on how this group came to make these recommendations in an effort to be inclusive of all beach constituencies. The Beach Assembly is very different from our other sub-structures and it is difficult to bring all these groups together in a way that is consistent with other Assemblies.

MOTION #10: It was M/S/C (DeBoer/Reitingger) to approve 9.06 A-D.

The issue of representation of people who play the sport for a living and people who play it recreationally will need to be addressed in the meeting in December. Also, a clearer definition of how "functioning beach volleyball programs" and "recognized Beach Event Organizers and recognized beach players" are identified should be defined.

- J. AAC Representative as Ex-Officio Board Representative: There was a general discussion of the USOC Athlete Advisory Council. Mr. Gabe Gardner is the current representative from USAV and Allison Aldrich Compton from the Women's Sitting Team is the alternate. The proviso that the AAC Representative sits in an Ex-Officio capacity to the USAV Board is already in Bylaws
- K. USOC Athletes Advisory Council ("AAC") Report Mr. Gardner and Mr. Beal discussed the role of the AAC. The AAC meets three times a year and is a significant part of the USOC governing structure. There are two athlete members on the USOC Board. Mr. Gardner discussed a USOC publication "Guidelines for Best Practices" for NGBs. USAV is considered a role model for other NGBs. He referenced the Athlete Concern Form which was distributed; he is involved with a number of issues concerning the London Games, but his primary concern is

communication with athletes concerning USOC issues. He meets frequently with athletes both in person and by email. He is active in the USOC's career program relating to athlete's jobs after their athletic participation and the whole Paralympic/USOC interface. A primary concern is also the Safe Sport initiative.

VI. COMMITTEE REPORTS

- A.** Audit, Finance & Budget Committee: Mr. Rymer reported on the Committee. Key Details from 2nd Period Review
1. FY 2011 tracking to ~\$780,000 surplus from an approved operating budget with a deficit of \$397,000.
 - a) Highlighted financial impacts in 2nd Period:
 - (1) Memberships higher than projected – \$292k
 - (2) Opportunity Fund projected savings - \$100k
 - (3) Additional grant funding from State of Texas - \$200k+
 - (4) Grand Prix prize money - ~\$70k
 - (5) Assorted savings and additional revenue - \$394k
 - (6) Cuervo Beach Volleyball Series – USAV's projected 50% share of the net loss amounts to \$315k
 2. 2012 Budget Initial discussion of 2012 budget last week
 - a) Olympic year (and other events) will add financial challenges
 - b) Meeting of AFB committee in Colorado Springs being scheduled for late November/early December to review/refine 2012 budget for board review
- B.** Ethics & Eligibility: Mr. Twohig referenced his written report and stated that there were no outstanding issues. He thanked Karen Gee for her service to the Arbitrator program.
- C.** Nominating and Governance Committee: Mr. Lau reported on the committee's activities. He asked for clarification on the Board sense of the rigor of the vetting of candidates other than the minimum criteria for candidates other than Independent candidates. Mr. Leland mentioned that the issue of diversity needs to be addressed by the NGC when considering the candidate slates presented to them. Kathy DeBoer and Doug Beal expressed the belief that the NGC must have the responsibility to promote the expressed desires of the Board for diversity and broad based representation. Mr. Cain expressed the opinion that the Assemblies responsible for the election of candidates would resent any attempt by the NGC to consider anything other than the minimum criteria. Mr. Lau believes the NGC has the responsibility to ask constituent groups to reconsider their candidate list when the Committee believes there should be either more diversity or a broader base of experience and representation. Mr. McDole made the point that the USOC vision for NGB Boards was to have Board members to bring to the Board their experience and knowledge garnered as members of a constituent group such as coaches or beach athletes or RVAs rather than to represent that groups views only. One point made repeatedly was that this Board was to represent the totality of USA volleyball and that the fact that a Director comes from a constituency was less to represent that group but more to bring that experience to the table so that the Board can make more informed decisions for the good of the sport.

- D. Administrative Council: Mr. Reitingger reported on the meetings of the Council. First matter considered was the Beach Assembly; secondly, the council discussed the matter of Administrative Manuals; and finally, the Council discussed the issue of approval of candidates as national officials involving the Regional Commissioner signing off on whether they were in good standing in their region, the proposed language was referred back to the Official's Division for revision.

VII. **ELECTION OF CHAIR:** Mr. Rymer was elected. He resigned as Chair of the Finance & Budget Committee but will stay on the committee as a member.

VIII. **CEO REPORT**

- A. Olympic Beach Trials Update: no trials, procedures are as defined by the FIVB.
- B. Haiti Street Project: USAV is quite heavily involved in a number of projects to support Haiti including a volleyball facility.
- C. Branding Project: USAV is involved in a new branding project with tighter controls on new logos and branding opportunities.
- D. Beach Update: we have partnered with IMG in 2011 for producing beach events on a 50/50 partnership. They found Cuervo as a sponsor. In 2012 and beyond, USAV is no longer at risk and should recoup the approximately \$600K lost in 2012 over the next one to two years as IMG continues with 5 to 6 events with Cuervo as the title sponsor. Mr. Rymer questioned how the commitment to put the Corporation at risk financially in this area without specific Board action. Mr. Beal felt that there was a clear charge to staff that USAV was committed to continuing beach activity and support and to produce events. Perhaps the amount of risk was not specifically approved, but Mr. Beal felt that risk of this amount was not out of line with risk in previous events over the years. The decision was made to produce these events at a level that continued the quality and image of pro beach events to establish the brand. USAV is committed to cooperating with other tours and attempt to coordinate schedules. Mr. Rymer feels that events at this level will lose money. Mr. Beal believes we need to support the sport but we can't support everything and the choice to partner with IMG is proper at this time. MS Walsh commented that the Cuervo events were great except they were not family/kid friendly and that USAV needs to support all tours and make younger players feel welcome. USAV is aware of that and will work to make it happen.
- E. California Office Update: the office in the American Sports Center has expanded and the Beach office in Hermosa Beach is in a new building.
- F. High School Online Coaching Education: USAV has almost recovered our investment; the volume has not been as large as hoped but it seems to be increasing.
- G. RVA-Related Expenditure Update: Mr. Beal referenced expenditures in the budget for grassroots and RVA related programs from the fee increase. Mr. McDole asked whether the RVA were appreciative of these programs. Mr. Reitingger felt that there should be more tangible programs.
- H. Chief Operating Officer Update: in process, optimistic for hire by year-end.

- I. NORCECA Congress Update: Mr. Beal referenced the report on the recent NORCECA Congress. He feels that recently reelected President Marte is doing an excellent job and USAV is very active in the Confederation.
- J. 2012 FIVB Congress Update (Sep 13 – 24): reminder, dates are firm; Congress 19-21 at the Disney Hotel. It is a nice event for us from an international outreach perspective but quite an expensive event to host. There will be a need for volunteers to help staff it.
- K. USOC/USAV Safe Athlete Initiative: Mr. Beal described the programs that both the USOC and USAV are developing. We are making this information available to clubs as it becomes available. Additionally, we will need to decide what kinds of behaviors are coming to be required. He has asked Margie Mara and Cecile Reynaud to put a plan together.
- L. Men's Volleyball Update: there are some new collegiate programs and a new NCAA Men's Division III championship.
- M. USOC Website Redesign: there will be a redesign of the USOC which will mean a new USAV design as well.
- N. 2012 Budget: 2012 will be a very challenging year financially. The budget will be balanced, but with difficulty. London will be very expensive Games, much more so than the last two Games. The FIVB Congress will also be expensive, possibly in the range of \$250K. We have two required NORCECA events, a junior event that will be reasonably modest, but the senior event could cost as much as \$500K. We are currently trying to see if another country is interested in hosting it. The building will add expenses, as well as increased rent for the California offices.
- O. Marketing Update (Hilton/Spalding/ Molten/Mizuno): Mr. Klostermann reported on current sponsorship status. We have a separate Hilton sponsorship in addition to the USOC relationship, also with United; a licensing agreement in place with Spalding for US Open Beach logo mark on 3 to 6 SKU's; Mizuno is interested in renewing, combining Mizuno USA and Japan; Molten has renewed as the indoor ball sponsor.
- P. USAV is developing a plan to take advantage of Olympic Games opportunities for promotion; before, during and after.

IX. USAV FOUNDATION:

Mr. Leland presented a report on Foundation activities. The Foundation voted to assist with funding the USA Volleyball building, approved the 2012 Foundation budget, and plans to meet in January. Mr. McCune reported on key fundraising efforts that are linked to the London Olympics. Three teams have qualifying events coming up and he is emphasizing a Qualifier Challenge to support 2016 potential athletes; London VIP packages are in the works, pegged at \$100K, \$75K, \$50K, and \$30K.

X. BOARD PRESENTATIONS

- A. Beach Strategic Planning Discussion: non-conflicting schedule a priority as much as possible; current strategic plan is still viable except for the demise of AVP.
- B. Girls Qualifier System and Events Discussion: Mr. Beal gave a brief history of the evolution of the Qualifier system. There are 10 licensed Girl's Qualifiers and 9 Boy's Bid Tournaments that are used to qualify teams for the Junior National Championships. These events generate considerable revenue for USAV.

- C.** A Junior Club ranking system is under development. It will not be used for 2012, but will be tested. It is both a seeding and ranking system.
- D.** A Membership Category Review was distributed with supporting data. We adopted a free membership for 8 and under players; currently there are slightly more than 800, but if you jump to the 12 and under, the number increases to over 30K. Some Regions use more membership categories than others; some categories may be reconsidered in May.

XI. NEXT MEETINGS OF THE BOARD OF DIRECTORS:

The Board will meet in Anaheim/LA on Monday, January 23, Travel on Sunday.

XII. ADJOURNMENT

No further business being offered, Mr. Twohig declared the meeting adjourned at approximately 3:12 pm.

Respectfully submitted,

Fred N. Wendelboe
Recording Secretary



Resolution
by the Board of Directors of USA Volleyball

Purchase of Headquarters Office Building – Colorado Springs, Colorado

WHEREAS, the headquarters office building currently being leased by USA Volleyball (USAV) has been for some time an inadequate work environment for many reasons, some of which are:

- a. Lack of Work Space: There is no remaining office space to accommodate the hiring of additional employees and a number of employees are already sharing work space resulting in less than ideal conditions;
- b. Lack of Storage Space: Given the volume of product and program supplies that USAV receives on a continual basis, and the lack of storage space on premise, boxes are being stacked in entryways and hallways creating a possible hazard and presenting a less than professional appearance;
- c. Employee Safety: There have been numerous automobile break-ins while vehicles are parked in our building's lot even during working hours and a number of forced entries into the building itself. The building is located in one of the highest crime areas in the city and employee safety, particularly for those who work after hours into the evening, is of great concern; and

WHEREAS, USAV has the opportunity to purchase a quality office building (approximately 30,000 square feet versus current space of approximately 12,500 square feet) that will address those issues cited above for the foreseeable future under the following conditions:

- a. Purchase Price: \$2,800,000;
- b. Seller donation to USAV: \$100,000;
- c. Financing: Ent Federal Credit Union; step down line of credit; 80% Loan to Value based on appraised value of improved building; interest rate 4.75%; 18-year amortization; with 4 year renewable terms; and

WHEREAS, Management will incorporate the increased costs of mortgage payment (over current lease costs) and operating expense into USAV's annual operating budget as well as one-time relocation expenses with the expected assistance of the USAV Foundation;

NOW, THEREFORE, BE IT RESOLVED, that the purchase of the headquarters office building, located at 4065 Sinton Road, Colorado Springs, El Paso County, Colorado is hereby ratified, confirmed and approved; and

The undersigned further certifies that there is no provision in the articles of incorporation or the bylaws of USA Volleyball limiting the power of the board of directors to pass the resolution described above and that the resolution is in conformity with the provisions of the articles of incorporation and the bylaws.

Dated: October 24, 2011

Kerry J.W. Klostermann

Corporate Secretary

Appendix B

Bylaws and Operating Code revisions:

The National Structure and Function Committee presented a series of Bylaw and Operating Code revisions. The first items for consideration were labeled “Housekeeping” and are attached in Appendix C. Mr. Cain pointed out that some of the changes listed in the Bylaw document concerning elections appear to take effect prior to the expiration of the Article 8 agreement and the references to elections referencing the Quadrennium is confusing. The consideration of the Housekeeping document was deferred. Changes to specific Bylaws were then considered as referenced in Appendix D.

BYLAW MOTION #1: It was **M/S/C (National Structure and Function Committee)** to approve changes to Bylaws 2.02 G; 3.01 X as presented.

BYLAW MOTION #2: It was **M/S/C (Cain/Lee)** to defer consideration of changes to Bylaw 4.01 A until the RVA Assembly can review.

BYLAW MOTION #3: It was **M/S/C (National Structure and Function Committee)** to approve changes to Bylaws 4.01 b 2; 4.02; 4.06 as presented.

BYLAW MOTION #4: It was **M/S/C (Cain/Reitinger)** to defer consideration of changes to Bylaw 4.07 until the RVA Assembly can review.

BYLAW MOTION #6: It was **M/S/C (National Structure and Function Committee)** to approve changes to Bylaws 6.03 D as presented.

BYLAW MOTION #7: It was **M/S/C (National Structure and Function Committee)** to approve changes to Bylaws 7.02C; 8; 8.01C as presented.

BYLAW MOTION #8: It was **M/S/C (National Structure and Function Committee)** to approve changes to Bylaws 9.01B & D; 9.02 as presented.

BYLAW MOTION #9: It was **M/S/C (National Structure and Function Committee)** to approve changes to Bylaws 13.01 as presented.

BYLAW MOTION #10: It was **M/S/C (National Structure and Function Committee)** to approve changes to Bylaws 15 as presented.

BYLAW MOTION #11: It was **M/S/C (National Structure and Function Committee)** to approve changes to Bylaws 19 as presented.

BYLAW MOTION #12: It was **M/S/C (National Structure and Function Committee)** to delete Articles 22 and 23 of the Bylaws.

The Board deferred consideration of the issues of Chair Pro tem, National Beach Tour, At Large position, the Beach Assembly and Athlete representation.

BYLAW MOTION #13: It was **M/S/C (Leland/Reitinger)** to approve changes to Bylaws as presented in the Housekeeping document with the exception of the changes recommended for

Appendix B

Articles 4.01 and 6.02.

OPERATING CODE MOTION #1: It was **M/S/C (National Structure and Function Committee)** to approve the Operating Code Housekeeping changes in Articles 1, 2 & 3 as amended.

OPERATING CODE MOTION #2: It was **M/S/C (National Structure and Function Committee)** to approve the Operating Code Housekeeping changes in Articles 4 & 5 as presented.

OPERATING CODE MOTION #3: It was **M/S/C (Cain/Mailhot)** to defer consideration of changes to Operating Code Article 6.03 6 & 7 until the RVA Assembly can review.

OPERATING CODE MOTION #4: It was **M/S/C (Rymer/Lee)** to defer consideration of action to delete Operating Code Article 6.05 until the action is taken on moving them to the Bylaws is complete.

OPERATING CODE MOTION #5: It was **M/S/C (National Structure and Function Committee)** to approve the Operating Code Housekeeping changes in Articles 6 with the exception of the above as presented.

OPERATING CODE MOTION #6: It was **M/S/C (National Structure and Function Committee)** to approve the deletion of Article 7 of the Operating Code.

OPERATING CODE MOTION #7: It was **M/S/C (Cain/Mailhot)** to defer consideration of changes to Operating Code Article 8, 9 & 10 until the RVA Assembly can review.

OPERATING CODE MOTION #8: It was **M/S/C (National Structure and Function Committee)** to approve the deletion of Articles 11 & 12 of the Operating Code.

OPERATING CODE MOTION #9: It was **M/S/C (National Structure and Function Committee)** to approve the Operating Code Housekeeping changes in Articles 13 & 14 as presented.

OPERATING CODE MOTION #10: It was **M/S/C (National Structure and Function Committee)** to approve the Operating Code Housekeeping changes in Articles 15 as presented.