

**USA VOLLEYBALL  
MINUTES of the MEETING  
of the BOARD OF DIRECTORS  
Oct 14, 2013 Denver CO**



- Presiding:** Adam Rymer, Chair
- Directors Present:** William Barnum, Ken Cain, Kristin Fasbender, Gabe Gardner, Jon Lee, Sue Mailhot, Lori Okimura, Sarah Noriega Sulentor, Andy Reitingger, Cecile Reynaud, Todd Rogers, Ken Shropshire
- Directors Absent:** Kerri Walsh Jennings
- Treasurer:** Kevin Twohig
- Recorder:** Fred Wendelboe, Recording Secretary
- Staff Present:** CEO Doug Beal, Kerry Klostermann, Margie Mara, Tim McCune, Stacie Kearns, Chris Vadala, Sean Scott, Bobby Clarke
- Guests:** Stew McDole, John Hughes, Nancy Funk, Gino Ferraro, BAAC Rep; Katy Meyer, BAAC Rep, Ann Davenport, Donna Donaghy, Tom Donaghy
- 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 Adam Rymer at approximately 8:04 am EST on Monday October 14, 2013. He introduced the new Board members and asked them to give a brief bio. Cecile Reynaud is the Coaches rep and she is from Florida State. Kristin Fasbender is with the NCAA and Gabe Gardner is the new Player Rep. He also introduced Beach staff members Bobby Clarke and Sean Scott.

**II. Roll Call:** Mr. Klostermann called the roll. With 13 Directors present, Mr. Klostermann declared a quorum was present. The Beach Director position is vacant.

**III. Approval of Agenda:** The agenda was reviewed and approved with adjustments permitted if necessary.

**MOTION #1: It was M/S/C (Reitingger/Mailhot) to approve the agenda as revised.**

**IV. Approval of Minutes:** There were some motions deferred from previous meetings. The question of ad hoc members on the AFB committee was raised. AFB Chair Kevin Twohig explained the need for additional expertise in the audit area. The Board affirmed the right for Committee Chairs to add ad hoc members whenever the need for additional expertise was required.

**MOTION #2: It was M/S/C (Mailhot/Reitingger) to approve the minutes of the January 14, 2013 meeting of the Board as modified**

There were items tabled and or deferred from the May 24, 2013 minutes.

- a. Motion 8: It was moved to table consideration of the proposed deletion of Bylaw Article 7.02 C 6 d-g until an appropriate entity to assume those responsibilities is identified. An appropriate entity has not been identified. With no further action, the Bylaw remains unchanged.
- b. Motion 10: It was moved to table consideration of the changes to Operating Code Article I dealing with the Board's authority to review but not approve Assembly Administrative Manuals. That authority is granted in the Bylaws. The Structure & Function Committee is directed to bring language to the Board to bring the two documents into agreement.
- c. Motion 18: It was moved to approve the additional expense of \$7162 (anticipated to be up to \$25,000) in the 2012 budget for campaign expenses for Doug Beal's FIVB President candidacy which initially was included in the approved budget at \$25,000. Mr. Twohig presented the circumstances which were reviewed by the AFB Committee which led to the action to provide additional expenses for Mr. Beal's candidacy. The USOC had encouraged and supported the candidacy and the Board had approved the initial \$25,000 support. During the campaign it became apparent that amount was insufficient and the AFB approved an additional amount of up to another \$22,000, which ultimately amounted to the \$7162 amount in additional expenses. The AFB believed that they had the authority to approve these funds and believed it was an appropriate expenditure of Corporate funds. The resulting motion to the Board was after the fact to reflect the action in the budget. This action was discussed in executive session resulting in the motion being put on the table for consideration.

**MOTION #3: It was M/S/C (AFB)** to approve Motion 18 from the minutes of the May 24, 2013 meeting of the Board. Mr. Cain recorded an abstention.

**MOTION #4: It was M/S/C (Lee/Reitinger)** to approve the minutes of the May 24, 2013 meeting of the Board as modified by these actions.

#### **V. REPORT OF THE INDEPENDENT REVIEW OF BEACH OPERATIONS**

Mr. Barnum and Mr. Shropshire reported on the activities of the Committee charged to fulfill this mission. They sought out candidates to do the review of beach operations. After developing a short list of candidates, they were sent to the Board for review and then condensed to a shorter list and then the final candidate, Perelman, Pioneer and Company, was selected, interviewed and hired. They submitted a report to the Committee after a short time and are in the process of reviewing beach operations and producing a report for Board and staff review.

**VI. Executive Session:** The Board went into Executive Session to discuss the Beach Operations report and the financial support for Mr. Beal's candidacy for the FIVB President. Mr. Rymer reported that the Board will develop policy for use in the future regarding financial support for involvement in international campaigns or other involvement in the international community. The Board discussed how to handle the report from the Beach Review Committee and any confidentiality issues that may pertain to that issue. The Chair reported on a complaint

filed with the USOC which led to a question for staff about the extent of the D & O insurance coverage.

## VII. BYLAWS and GOVERNANCE

A. RVA Report: Mr. Lee submitted the report. He submitted RVAA Motion 3: As a replacement to RVAA Motion 13 of May 2012 and Motion 17 of Oct 2012, we recommend to the USAV BOD to revise Op Code V. 5.02 C. 3. to read:

Clubs: Each Club, consisting of one or more teams, shall be considered registered with the Corporation by registering with its respective RVA. Individuals and teams shall register in the same RVA in which the Club is registered. Each Club shall register with one RVA, as determined by the principal address of the designated club leadership.

EXCEPTION: A club may request to register in an adjacent RVA with the permission of the Principal Representatives of both RVAs.

This motion is presented for consideration but will be brought to the floor in January.

Additionally, he referenced an issue of a dispute between the Ohio Valley and Pioneer RVA's regarding a border registration issue. It has been referred to the Corporate E & E Committee. Also, the RVAA recommends to the USAV BOD that a 3rd party organization be set up for the Safe Sport program. The RVAA recommends that the RVAs shall not bear the cost of the 3rd party reporting organization for Safe Sport. The RVAA recommends that USA Volleyball by Dec 31, 2013 communicates a deadline date to all affiliated member organizations for the implementation of their Safe Sport policies per USAV By-Laws Article IV. 4.01.3.

B. Administrative Manual Review Sub-Committee:

**MOTION #5: It was M/S/C (Reitinger/Okimura) that the Chair establish a document review task force to review corporate documents. The composition of the task force shall include at least one Board member and representation from each Assembly.**

C. Paralympic NGB Discussion: Mr. Vadala discussed the issue of paralympic representation and governance. Issues include representation on the Board and/or committees. Staff recommends that a task force including board members be formed to review this issue including financial implications. Mr. Rymer will appoint a task force to report in January.

D. Intermountain Region Update & Discussion : Mr. Beal reported on the current status of the Intermountain Region. The Northern California Region is continuing to provide services in the area.

E. PVL Member Organization Application: The PVL is requesting affiliate membership with USAV. They have not been incorporated for the required two years and will be considered for affiliation when they are in full compliance with the requirements. Note: that provision is no longer a requirement in the Bylaws and was applied in error so this will be returned to the floor at the next Board meeting.

F. USOC AAC Report: Mr. Gardner reported on the activities of the AAC. The AAC is in the process of formulating a strategic plan for the upcoming Quad with very concrete goals. The Athlete Career Program is advancing with the appointment of a USOC staffer and the development of an alumni network. The Olympic Training Centers are working to fully utilize the facilities. Implementation of the Safe Sport initiative is a continuing priority. The Elite Athlete Health insurance is another priority. A policy should be developed to insure athletes are aware how they can qualify for the Elite Athlete health insurance and assist other athletes to acquire coverage. Direct inclusion of Paralympians in all programs is still a continuing emphasis.

G. Ethics & Eligibility Committee Report: Jon Lee reported on the activities of the committee. The OVR/Pioneer is the only E & E issue but the arbitrator program is requesting increased support.

H. Nominating & Governance Committee Report: Nancy Funk reported on the activity of the committee. All NGC seats are filled. Larry Linne was selected as the Independent member of the committee. They are informing directors of their status and eligibility to continue on the Board. Bill Barnum was reelected to the Independent seat on the board. Notes have been sent out to the representatives of the Junior Assembly, RVA, and Beach Athlete – Female reminding them that their BOD seats need to be elected in 2014 and to begin looking for candidates to represent them. A date of March 15, 2013 was set for the Beach position and April 1, 2013 deadline for the other positions to return the candidate names to the NGC for vetting. The committee plans to begin seeking resumes in December to fill the Independent seat on the USAV BOD held by Adam Rymer.

I. Audit, Finance & Budget Committee Report: Mr. Twohig cited the report emailed to the Board. They present the following motions to the Board.

**MOTION #6: It was M/S/C (AFB)** move to approve the contract for audit services to Waugh & Goodwin to perform annual audits of USA Volleyball's financial records and federal and state tax returns for the years ending December 31, 2013 through December 31, 2016.

**Motion #7: It was M/S/C (AFB)** move to amend the Audit Charter as follows: The audit committee of AFB shall review the auditor relationship every five years. This review shall consider, at a minimum, the level and quality of service currently being provided, auditor independence and objectivity, and fee structure. Based on the review, the audit committee will determine if a change in the lead partner or a new independent accounting firm is recommended. If a new independent accounting firm is warranted, the current firm will not be invited to participate in the proposal process.

**Motion #8: It was M/S/C (AFB)** move to the following text to revise the Budget Procedures in the Policy Manual: It is necessarily true that the corporate budget will continuously change. Most changes will be at internal operational levels and not require formal revision of the budget. The corporate treasurer will be routinely notified by staff of budget changes. Should the treasurer feel that a given change warrants a broader review, he/she will submit it to AFB for consideration and recommendation. AFB may in turn act on behalf of the Board of Directors to

finalize revisions that have a total fiscal impact at a level less than one percent of the present budget. AFB as a group or any member individually would in turn have the option to request submission of any revision to the Board of Directors for review and action. In addition the following principles will serve to guide budget revision process:

- Staff may request a formal review and budget revision for any change where broader consideration is felt desirable.
- Any budget change with an aggregate budget implication exceeding one percent of the present budget will require formal revision by the Board.

#### 1. 2<sup>nd</sup> Period Review 2013

The 2<sup>nd</sup> Period review projects budget impacts of \$1,253,500 Operating & (\$186,000) Capital. Background: Version one of the 2013 budget provided for an operating surplus of \$618,167 and capital purchases of (\$331,255). Version 2 included modifications for the Women's National Team Exhibitions and beach operations. After the May meetings, another (\$30,000) was approved for the Men's National Team Exhibitions, leaving a revised budget of \$535,282 operating and (\$331,255) capital. The modified budget (version 3) as approved in May was used for purposes of the 2<sup>nd</sup> period review.

Finance and Senior Staff met with individual staff members and departments during September with the intent of comparing how departments were operating compared to budget and year-end projections. Items of note:

- The USAV Foundation grant for \$165,000 wasn't included as part of the budgeted income figure. This amount will increase our net income, but is earmarked for debt reduction.
- Increased team attendance at the Girls' National Qualifiers resulted in additional revenue estimated at \$109,000.
- An allowance for uncollectible sanction fees from professional indoor volleyball has been setup for a total of (\$161,000).
- There was a significant amount of additional United VIK earned through bookings on the USAV website portal. The total value of flights received from United is approximately \$103,000.
- There were two errors in the budget where a transfer out of department revenue was incorrectly budgeted as an increase in revenue for a total budget impact of (\$182,000).
- The limited membership growth is approx. 20,000 and is currently estimated to have a positive budget impact of \$200,000.
- IMPACT fees on-demand has more than doubled the expected income and is expected to reach an additional \$160,000 in revenue.
- The GJNC was budgeted very conservatively since this was the first year of expansion. Net income is expected to exceed projections by \$296,000.
- Due to athletes retiring and not returning to the national team, the women's national team athlete support is expected to save approximately \$100,000.
- The HVAC system replacement is estimated at (\$184,000) affecting capital purchases.

- Remaining variances are expected to have a net operating budget impact of \$463,500.

#### 2. Quad Goals Review

AFB reviewed the goals approved in 2011 and the staff recommendations provided in 2012. The recommendations include a contingency fund to provide support for unforeseen and unbudgeted opportunities that advance the strategic priorities of the Corporation. Staff is also recommending increasing the Olympic Fund as the USOC is indicating that Rio may be more expensive than London. Staff to prepare revised Quad Goals for AFB meeting in December.

#### 3. 2012 Tax Return

The tax return is in hands of the Auditors for review. The 990 and 990-T will be sent to AFB and the Board for review by the end of October, prior to filing with the IRS.

#### 4. London Olympic Tickets

Beach Team Leader Al Lau signed for approx. \$107,000 in London Olympic tickets. Beach athletes have been invoiced for \$38,000 and ½ have paid the invoices. The balance of the ticket value of \$69,000 is unaccounted for and owed by Mr. Lau. A number of requests for payment have been sent. AFB is concerned that Al Lau may have committed a substantial violation of his fiduciary responsibilities and considered asking the USAV E&E Committee to consider the issue. In the meantime, Doug Beal will reach out to Mr. Lau and attempt to negotiate a settlement.

#### 5. 2014 Budget Process Update

Growth is exceeding staff capabilities resulting in many requests for additional staff. International events and Safe Sport are both cost centers that are included in the 2014 budget. Staff will have a draft and balanced 2014 budget to AFB by December 2<sup>nd</sup>.

J. Administrative Council Report: Mr. Reitingger reported on the recent meetings of the Administrative Council. There was additional dialogue on the Beach election. There was discussion of an Insurance issue where it was determined that our coverage does not extend to members, including officials, traveling to an event in a group of less than three. We will be looking at that to try to extend to individuals traveling alone. There is an issue with regions having the right and/or ability to modify online forms.

K. Rules Commission Report: Margie Mara reported on the activities of the Commission. The DCR has been printed and delivered. An App for both Apple and Android devices for both the indoor and beach rules is in development and will be completed by the end of October.

L. Beach Assembly Report: Katy Meyer reported on the Beach Assembly Administrative Council activities. She identified the members of the Council. The Council has met 33 times in 17 months. The Council has elected two Board reps, a rep to the NGC and two reps to the USAV Administrative Council. They have updated the Beach Administrative Manual. The BAAC At Large and Board Beach Development Director

elections are ongoing.

M. Beach Event Sanctioning: Mr. Beal discussed the issues for USAV regarding sanctioning national events. The NVL requested and was granted sanctioning of their events. The AVP was offered the same sanctioning but did not respond. This presents problems when dealing with all parties with interests in these events. There are ongoing issues. Lori Okimura commented on her experience when reviewing events this year. She has some concerns that the NVL has ties with the JVA in the junior beach area and this may be affecting USAV junior membership growth. The AVP may also be leaning that way and has impressed her with their long term plans.

### **VIII. REGION MEMBERSHIP GROWTH MEETING SUMMARY**

Mr. Rymer discussed the need for membership growth in all areas, particularly in under-represented areas like adults. A group of RVA Commissioners has been working on the problem and has come up with some proposals that were presented to the RVAA this week. A Regional incentive program will be initiated.

### **IX. CEO / STAFF REPORT**

A. Pro League Update (GPE & PVL): Doug Beal reported on the progress of the PVL. There is growth in the number of participating regions. Grand Prix Entertainment is in default on their commitment and may not be a continuing relationship.

B. Beach International and Pro Beach Update: Sean Scott reported on the player results on both the FIVB and NORCECA tours. There are two levels of events on the FIVB tour, Grand Slam and Open, which is a new direction. Participation in NOCECA events earns FIVB points.

C. National Indoor Team Update: both teams have had successful year; both have qualified for the Grand Champions Cup. Both coaching staffs are highly qualified and have had a lot of turnover from the London teams.

D. USAV 2013/2014 Event Update: Para Zone Championship (Edmond, OK) has just been completed. The Women's team won and the men's team finished second and both qualified for additional events.

E. Org Chart and New Hire Update: the org chart has been distributed; we are at 70-75 staff in our 4 locations. Beach staffing is still on hold and Ali Wood Lamberson is resigning for personal reasons.

F. Office / Storage Locations Update: new warehouse and office space in Colorado Springs, beach office moved and some expansion in Anaheim.

G. USOC Update (DMA): the Digital Media agreement with the USOC is still under review and we are still looking at that relationship and hosting our own website but we are in a four year agreement.

H. Safe Sport Update: Mr. Beal gave an update on the program. It is required of

NGBs by the USOC. It has been recommended by the AAC and the NGB Council to have third party reporting agency to receive reports, similar to USADA. That has been confirmed but is still in the developmental stage. USAV is committed to this program. Cecile Reynaud believes this commitment should be added to our Mission statement. Mr. Beal supports that addition. He believes that this initiative may prompt changes to the USOC Bylaws.

I. Employee Handbook: Mr. Vadala reported on the initiative. A draft has been distributed to staff for review. The intent is to have it completed by December 1.

J. USAV 2013 Goals & Strategic Plan Update: A status report has been distributed on the third quarter review on these documents.

#### **X. USAV Foundation Report**

Mr. McCune reported on the Foundation activities. He distributed the current brochures. We have hosted events at several events; a wine tasting at the High Performance Beach Championships, a parent's suite at the Boys Championship, which will be at both Boys and Girls Championships next year. The Foundation will be launching a new website next year. Lori Okimura mentioned the need for Board members, staff and USAV representatives in general need something to give people they speak to about the Foundation. A small card with website, Facebook, etc. info, pins or other items were suggested. Tim will follow up.

**XI. New Business:** Mr. Reitingger mentioned the need for an orientation for new Board members. Mr. Rogers presented his opinion that there is a need to reconfigure or dissolve the Beach Assembly. After considerable discussion the following motion was presented.

**Motion #9: It was M/S/failed (Rogers/Mailhot)** move to dissolve the current Beach Assembly and form a task force to incorporate the findings from the Beach Independent Review Committee to reconstitute the Assembly per the Bylaws.

After much discussion about the state of the Beach Administrative Manual, the following motion was offered.

**Motion #10: It was M/S/C (Mailhot/Reitingger)** move to delay the election of the Beach Development Director until the Beach Assembly Administration Manual is approved by the Board.

**XII. Next Meeting of the Board of Directors:** January 26-27 in a place to be determined.

**XIII. Adjournment:** No further business being offered, Mr. Rymer declared the meeting adjourned at approximately 2:47 pm.

Respectfully submitted,

Fred N. Wendelboe  
Recording Secretary