

USA VOLLEYBALL BOARD OF DIRECTORS

MINUTES

May 26-27, 2016

Orlando, FL

Thursday, May 26: 2:00pm - 7:00pm

I. CALL TO ORDER/INTRODUCTION

Lori Okimura

A. Roll Call and Declaration of Quorum

Kerry Klostermann

Present: Bill Barnum, Lori Okimura, Todd Rogers, Brent Rasmussen, Jeff Conover, Brent Gardner, Cecile Reynaud, John Hughes, Tayyiba Haneef-Park, Andy Reitingner, Sue Mailhot, Ken Cain.

Absent: Ashley Dombkowski, Kristin Fasbender, April Ross, and Ken Shropshire.

Staff: Doug Beal, Kerry Klostermann, Chris Vadala

B. Board Directory

Kerry Klostermann

C. Introduction of Guests (*International officials Introduced Friday, May 27) Lori Okimura

The following guests were present: Stacie Kearns, Kevin Twohig, Jon Lee, Margie Mara, Charlie Snyder, John Ruger, Bill Kauffman, Steve Bishop, Dave Peixoto, George Mulry, Ann Davenport, Harold Cranswick, Donna Donaghy, Bernie MacLean, Mike Deaver, Sandy Abbinanti, Nathan Trohdal, Judy Praska, Katie Holloway, June Sander, April Biebel, Bob Baker, Jennifer Armson-Dyer, Stew McDole. Fred Wendelboe.

Ms. Okimura also recognized Jon Lee for his election as RVAA Chair.

II. ANNOUNCEMENTS

Lori Okimura

A. Close nominations for Officer Elections (Board Chair, Treasurer)

Ms. Okimura announced that the period for nominations for officer positions has closed. Steve Smith, Jon Lee and Brent Rasmussen will be overseeing the elections.

Mr. Gardner asked for clarification of terms of officers. Ms. Okimura, with Mr. Smith's agreement, indicated that the election of the Chair would be for the remainder of his/her term on the Board because of the new Bylaw amendment. The Bylaws do not require the treasurer to be a member of the Board, so the term of the treasurer would be for four years.

Ms. Okimura encouraged Board members to reach out to the candidates in case they have questions or need further information.

III. APPROVED MINUTES – January 30, 2016 & February 18, 2016 Telephonic

Lori Okimura

Ms. Okimura noted that the minutes for January 30-31 meeting and the February 18 telephonic meeting have previously been approved electronically.

IV. APPROVAL OF AGENDA / ADDITIONS

Lori Okimura

Ms. Okimura asked that the following agenda items be moved to be addressed on the first day, time permitting: Section IX.K.1 and 2 (Katie Holloway's reports), the Transgender Policy (and that it be moved from the Executive Session to the regular session), the E&E report, Section XI.B on Bylaws revisions, Section XI.D on dissolution of the Governance Committee, Section XI.D.2 on the motion on term limits for Board Members, and that the following items be removed from the agenda: Section XI.E.5 on members of the AFB for Quad 2020 (those recommendations will be coming soon), Section XI.G (Ad Hoc Committee and Working Group reports), Section XI.H (Nominating Committee Report), Section XI.I (Commission Reports) and Section XI.M (NCAA Report).

Motion #1 to amend agenda as provided above. Made by Rasmussen, seconded by Reitingger. Approved unanimously

V. BOARD ADMINISTRATIVE OVERVIEW

Kerry Klostermann

A. Next Meetings 2016/2017

- October 9 -10, 2016 – Las Vegas (following RVA Meetings) - Ms. Okimura reminded the Board of these dates. This could also be the first meeting with the new CEO, so we will leave additional time for discussions. Mr. Cain reported that the location will be the newly renovated Flamingo Hotel. RVAA meeting will be October 7th and 8th.
- January 28, 2017 proposed Board Strategic Planning Session (Southern California). Ms. Okimura noted that 2017 is an odd year and therefore the Board will meet for a strategic planning session. Ms. Okimura proposed a full-day planning session on Saturday, January 28th, and suggested that the Board consider others who might be invited for parts of that day.
- January 29-30, 2017 proposed Board Meeting (Southern California).

VI. USAV FOUNDATION

A. USAV Foundation Report

1. Annual Meeting Update S. Sulentor/Klostermann

Ms. Okimura reported that the slate of candidates for the Foundation is not yet ready for approval.

2. Foundation Chair Report S. Sulentor
3. USAV Alumni Association S. Sulentor

Ms. Okimura reported that the alumni association was something launched by Ms. Sulentor and has had some early success. Ms. Haneef-Park asked about the status of putting together a master list of alumni. Mr. Trodahl reported that he has gone through rosters to compile the list of athletes, and he is now working on obtaining contact information for everyone. Mr. Beal reported that the scrimmages were started three years ago and grew fairly rapidly. The coaches love them, and the players are starting to love them, while attendance has shown growth.

4. Development Director Update K. Klostermann
5. Foundation Activities & Events Nathan Trodahl

Mr. Trodahl reported that the Foundation is building an alumni association, hosted a 100-days event on April 27th. Mr. Klostermann reported that there has been some progress on hiring the new Development Director.

VII. 2016 Olympic / Paralympic Games Logistics Update

Kerry Klostermann

A. FIVB House Rio

Mr. Klostermann reported that USAV is in pretty good shape for the logistics of the Rio Games. USAV has done a room barter with the USOC for 11 rooms at the JW Marriott for athletes and support staff (at comparable pricing to existing hotel costs), while the USOC will put some of their people at the USAV hotel. There are still a few issues to finalize, such as how to provide athletes with some support services. The USOC is still working on a security evaluation for the Saionara. Mr. Klostermann also noted that the FIVB House is very close to the USAV's hotel and is available for functions and meetings, usually at no cost. Mr. Cain noted that the AFB will be reporting that although we set aside \$450,000 for Olympic expenses, increased security and hotel costs could cause us to have to eat into the contingency fund by approximately \$46,000, which Mr. Klostermann confirmed.

Mr. Gardner raised a question of tickets for families of athletes and coaches. Mr. Klostermann reported that each athlete receives two complimentary tickets from the USOC with the option to purchase two more, and USAV has agreed to front the cost for those two tickets for the athletes. If someone doesn't use their tickets, they can go into a pool to use for other athletes. Also, USAV may have available some additional tickets that were purchased for Board members attending, as fewer Board members are going to Rio than expected. Ms. Okimura noted that this is not because Board members did not want to go, but rather because the Board voted to self-fund and it is fairly expensive. The deadline to enter teams by name are July 15 for Beach, July 17 for indoor and July 26 for sitting. Ms. Reynaud asked about tickets for the sitting discipline. Mr. Klostermann reported that the pool of athlete tickets so far seems to be enough.

VIII. STRATEGIC PLAN & DEPARTMENT OPERATING PLAN

Chris Vadala

Mr. Vadala provided the Board with copies of the organizational chart and the updated strategic plan brochure. Mr. Cain noted that the staff is trying to tie in the strategic plan to budgeting objectives, which begins in August, and Mr. Vadala would like input by August. Mr. Cain noted that RVAA input is not likely until October. Mr. Vadala acknowledged this. Mr. Reitingner raised a question about staff responding to Board questions, which Ms. Okimura suggested be addressed in the personnel portion of the meeting.

Mr. Vadala then discussed the objectives which are listed on the dashboard he handed out. Mr. Cain referenced the AFB meeting, where it was asked if certain areas need more input, such as social media, where we may not be measuring the right data, or membership growth, which may be slightly under the projected goals. Mr. Vadala reported that the AFB discussed this, which was helpful in reaffirming that USAV is focusing on the correct categories, but USAV is open to other categories that people feel would be helpful. Mr. Gardner asked about how the USAV brand is impacting sponsorship. Mr. Klostermann replied that he feels the sponsorship plan is strong. He also noted that more and more companies are focusing on social media. He also noted that there are aggressive goals for sponsorship in the next Quad, which he feels are attainable, but will depend on the next CEO. Mr. Gardner asked if USAV is benchmarking its sponsorship against other NGBs. Mr. Klostermann reported that this is being done, and he had reached out to USA Swimming and USA Wrestling to gauge this. Mr. Reitingner asked about whether the lack of access to emails is hindering sponsorship. Mr. Klostermann indicated that most sponsors are comfortable not indicating concern with the USAV policy, but noted that, for example, the affinity credit card response has not been good and the credit card partner attributed this to the fact that the partner is not able to use its typical process for new credit card solicitations. Mr. Klostermann noted that, for 2016, USAV was projecting \$5.1M in sponsorships and believes it will hit that. USA Wrestling projects \$1.2M in sponsorship, and USA Swimming projects \$5-\$6M annually in sponsorship and licensing revenue.

Ms. Okimura reviewed the minutes from the AFB meeting and how improvements could be made. The AFB felt that there were examples of where the staff has not been able to take full advantage of the data that had been gathered . . . yet. This was not meant to criticize but rather to provide examples for improvement.

Mr. Vadala then discussed the Department Operating Plan and its dashboards. He noted that there were 58 goals and over 100 operating tactics. These are being monitored and assessed as to whether these goals and tactics are being met, lagging slightly behind or are seriously behind. Ms. Okimura asked whether there were internal controls where similar entries appear across departments on certain issues, such as independent contractor agreements, merchandising and the inclusion of the sitting discipline, where appropriate.

Mr. Vadala then reported on the staffing plan and revenue goals. In February, the staff had a retreat to discuss this, and quickly acknowledged the importance of understanding how any plan would be paid for and what the possible revenue streams might be. The staff felt that, by 2020, a reasonable goal is for revenues to reach \$41M, and a "stretch goal" would be \$46M per year. There was a discussion that some departments get very busy at certain times of the year and whether certain staff could be shifted at key times to meet these needs. Mr. Vadala also reported that staff recognized that program staff could not just assume that it would continue to grow. Mr. Rogers asked about the possibility of additional marketing personnel and whether they would be in addition to Kerry Klostermann (or his successor), and Mr. Vadala indicated this is the planned projection. Mr. Rogers also noted the need for more HR employees if there is a significant growth in staff. Mr. Rogers asked if there was a standard ratio for number of HR employees per certain number of staff. Ms. MacLean reported that this analysis used to be transactional, but USAV is getting close to a tipping point where there would be need for more employees. Mr. Rogers then asked whether the National Team Director would oversee all national teams. Mr. Vadala responded that this is being discussed. Mr. Beal indicated that this model would change staffing needs significantly, and is not likely in the next Quad. Mr. Rogers asked what the industry standard ratio is for salaries and benefits. Mr. Beal responded that the industry recognizes that 27 - 28% is a "not to exceed" number, and USAV is under this.

Mr. Vadala asked Board members to begin thinking about topics for the January Board strategic planning session.

IX. STAFF REPORTS (written and distributed prior to the meeting)

A. USA Indoor, Sitting Teams & International Relations

Doug Beal

Mr. Beal reported that Stacie Kearns is now the Chief Financial Officer, which is an elevation in status for her. He reported that, in his experience, USAV has never had teams across the spectrum as prepared for an Olympics, and USAV has never had as much direct support from the USOC. There will be lots of unique things in Rio. The number of friends and family of athletes coming to the Games has increased in past Olympics, but is not likely to happen in Rio because of the many issues reported. Rio has cut back on the number of volunteers by one-third, the size of many of the venues (seats, footprint, amenities) are being reduced, not as much for indoor volleyball but especially for Beach. This may not be visible on television, and viewers should see a spectacular Olympics. USAV has announced an extended contract for Karch Kiraly.

Mr. Beal reported that, at a recent FIVB Board meeting, he has never been as overwhelmed by a topic at a meeting as the need to reduce expenses, which is in stark contrast from 4-5 years ago. Three examples illustrate this - the volleyball museum, where all work has stopped on the displays for this; a proposal to reduce prize money for beach events starting in 2017; and starting in 2017, FIVB will not pay travel costs to any events for any federations. This will impact USAV and creates a need for more information on how this will work. Governance continues to create concerns, as this last example was provided to the FIVB Board of Administration the morning of the meeting. The authority of the FIVB Board of Administration has gone down over the years and that of the Executive Committee has gone up. The FIVB will have the FIVB House in Rio, which will be completely funded by FIVB, Red Bull and the Beach Majors corporation, promoters of the Swatch Majors Series.

FIVB is trying to extend a relationship with some US network. It had been with Universal, which was taken over by NBC. FIVB is proposing a two-year deal. The coverage leading up to Rio will be more than ever, both indoor and beach. Overall, the commercial growth of volleyball is very exciting.

The USOC hired a director of collegiate partnership, Sara Willhite. Recently, there have been a number of exciting developments for volleyball on the collegiate level.

At the NORCECA Board meeting, events continued to be a challenge for USAV. There is some happiness if USAV misses events and NORCECA wants USAV to host events we do not want to host, but overall the relationship with NORCECA is very good.

Mr. Gardner indicated that players are asking USAV to purchase airline tickets for them because FIVB's ticketing policy was very restrictive. Mr. Beal indicated that this is likely to be the case because of the new FIVB policy. Mr. Gardner asked if USAV could negotiate an agreement with an airline sponsor to assist with this. Mr. Beal indicated that there is already a deal with United through the USOC, but it likely will not address these issues, but this could improve in the next Quad under a new deal.

Ms. Okimura asked Mr. Beal to address commission changes. Mr. Beal explained that USAV has the ability to nominate individuals for FIVB positions, and there is nothing that requires confederation approval, but the confederations do exercise this authority and only nominate those who are on NORCECA commissions, which ends up limiting our number of candidates. USAV is moving to get key people on NORCECA commissions to address this problem.

B. Operations, Information Technology, Diversity & Inclusion **Chris Vadala**

Mr. Vadala reported that the Board has received a written informational report on Paralympic sports.

C. USOC, Sponsorship, Television & Int'l Events **Kerry Klostermann**

Mr. Klostermann reported that the Molten contract is awaiting his signature, as well as the USOC Digital Marketing Agreement and broadcasting agreement. All have been approved by the contract review committee. Mr. Klostermann reported that Peter Diamond has indicated that NBC is very happy with USAV's programming.

D. Q & A for written reports submitted by department

1. *Communications & Creative Services (Charlie Snyder)*
2. *Indoor High Performance & Domestic Events (Tom Pingel)*
3. *USA Beach Teams and High Performance (John Ruger)*
4. *Region Services, Sport Development, Coaching & Officials (Margie Mara)*
5. *Human Resources, SafeSport (Bernie MacLean)*
6. *Finance (Stacie Kearns) *additional verbal report in AFB summary*

There were no follow up questions on these written reports.

Friday, May 27: 8:00am -2:00pm

X. **8:00am to 11:00am EXECUTIVE SESSION**

Motion #2 to go into Executive Session, made by Reynaud, seconded by Reitingger, approved unanimously.

Motion #3 to come out of Executive Session, made by Reitingger, seconded by Reynaud, approved unanimously.

A group of approximately 20 international referees joined the meeting, were introduced to the Board and discussed their backgrounds. Ms. Okimura thanked the group for coming to the Board meeting.

Ms. Okimura then reported that, in Executive Session, the Board (i) received a report from the Contracts Review Committee; (ii) discussed the Personnel Committee report and had a discussion with Doug Beal on his experience with the Personnel Committee, and (iii) discussed the search process for a new CEO. The final vote for the CEO will be taken by the Board of Directors in place at the time a candidate is brought forward.

XI. **BYLAWS and GOVERNANCE**

A. Transgender Policy –

Margie Mara

Motion #4 to approve the following gender competition policy, made by Reitingger, seconded by Mailhot. The language of the proposed transgender policy is attached to these minutes. Mr. Reitingger and Ms. Mailhot subsequently agreed to withdraw their motion.

Mr. Reitingger asked for confirmation that this is a suggested policy for Regions and that Regions could deviate from this to follow their state laws. Ms. Okimura confirmed that this is her understanding. Ms. Mara indicated that this policy was developed by a group of doctors and medical advisers, while at the same time trying to maintain competitive fairness. Ms. Mara also emphasized that these are guidelines only and are evolving as the issue evolves in society. Ms. Reynaud asked whether there is an effort to recruit a woman and someone who has expertise in the psychological field to the committee. Mr. Klostermann indicated that he spoke with Dr. Briner, who was going to a conference and would be looking for people to recruit. Ms. Haneef-Park asked about how this would work with state laws. Ms. Mara emphasized that these guidelines were developed to create a fair and consistent national standard, but which also would offer flexibility for compliance with state laws. Mr. Reitingger asked what would apply if an out-of-state athlete came to his state to play in a tournament. Ms. Mara indicated that the committee would continue to look into this issue. Ms. Mailhot noted that a Region could have a different rule than the national rule, but the national rule would apply at a national competition. Ms. Okimura asked if USAV's registration system tracks an athlete as transgender. Ms. Mara responded that she is not aware of this being tracked in USAV's registration system. Mr. Cain noted that the policy is not just a recommendation, as there is use of mandatory language such as "must" and "shall." Mr. Cain mentioned that he had received a letter from Bob Baker against the proposed policy. Mr. Smith read the letter to the Board. Ms. Mara indicated that, if the Board is not comfortable with the proposed policy, it could refer the matter back to the committee for further study of other NGB policies and for the committee to come up with a new recommendation. Mr. Reitingger and Ms. Mailhot agreed to withdraw their motion. Ms. Okimura summarized several issues that need to be addressed: flexibility to comply with state law, recognition that most if not all athletes are not trying to obtain a competitive advantage, and a need to add diversity and expertise in psychology to the committee.

C. **Ethics & Eligibility Report (10) Jon Lee/Steve Smith**

Mr. Lee reported that Angelo Iasillo still serves as the assigner of arbiters. An arbiter manual has been completed. A casebook has also been compiled to show some of the sanctions that have been imposed for certain offenses. Mr. Lee recommended the assignment of arbiters for outdoor and beach events, and suggested that certain events be reviewed to see how necessary this might be. Mr. Lee also suggested that a spectator code of

conduct be adopted in Regions that don't have one. Mr. Lee also revisited an incident involving the accidental discharge of a weapon at an event. The committee did adjourn to deal with a claim brought by a junior player in the California region, and the athlete/parent chose not to file an appeal. Mr. Lee also discussed a Region's decision to expel a coach who was found to be a sexual predator. Mr. Beal noted that posting a spectator code of conduct can be a challenge. Steve Bishop, Executive Director of the Florida Region, mentioned that the Florida Region developed a spectator code of conduct in 2008 and has been posting it at all venues. This has correlated with a decrease in the incidents. Ms. Mara indicated that Region Services offered two pop-up banners to each region and the opportunity to purchase more. Many regions chose to make their own to save on cost. Ms. Okimura reviewed the members of the committee, and that Jon Lee will continue to serve as the Chair and Angelo Iasillo will serve as the Associate Chair. Ms. Okimura also asked the committee to do an assessment of E&E at various levels.

D. Officer Elections

1. Board Chair - **Motion #5 to elect Lori Okimura by acclimation, made by Gardner and seconded by Reitingger. Approved by acclimation.**
2. Treasurer - Candidates nominated were Ashley Dombkowski and Angelo Iasillo. **Mr. Smith and Mr. Lee certified that Ms. Dombkowski was elected as the new Treasurer.**

E. Bylaws Revision

Klostermann / Okimura

Mr. Klostermann confirmed that all proposed Bylaws amendments were distributed at least 30 days prior to this meeting. He then went through all of the proposed amendments.

Motion #6 to approve Bylaw changes proposed in the attached list, made by Barnum, seconded by Hughes, approved unanimously. Please see the attachment for the changes approved.

F. SafeSport Discussion & Motion

Doug Beal

Mr. Hughes reported that the RVAA approved the following two motions:

RVAA Motion 16: USA VOLLEYBALL SAFESPORT CERTIFICATION MOTION Proposed by the SafeSport Working Group, a subcommittee of the RVAA Insurance Committee April 26, 2016 and endorsed by the RVAA Insurance Committee on May 23, 2016. (KW/DP passed) Motion Carries RVAA 3 Nay

During the 2016-17 season, **participation** in nationally sanctioned junior events will require that SafeSport certification be completed by all registered adults. (National Qualifiers & JNC only – not to include Region Bid tournaments).

Effective the 2017-18 season all registered adults associated with junior programming (who are required to have a **background** screening) are also required to be SafeSport certified. (Complete the core SafeSport course found at <http://safesport.org>.)

Individual regions may set earlier deadlines for their respective regional events.

Ms. Reynaud thanked the Regions for passing these motions and to Bernie MacLean for setting up the task force.

G. Approve members of Governance Committee

Lori Okimura

Motion #7, made by Reitingger, seconded by Conover, to dissolve the Board Orientation Committee, and their responsibilities be transferred to the governance committee. Approved unanimously.

1. Original Motion #4 – Requirements of the Board Article 5.02
2. Original Motion #8 – Removal of Directors Article 5.06
3. Term limits for Board members.

Motion #8 to waive the 30-day Bylaws notice provision, made by Reitingger, seconded by Mailhot. Approved unanimously.

Motion #9, made by Reitingger, seconded by Mailhot, to amend 5.01.C as follows:

5.01 Composition and Duties.

A. Number of Directors. All corporate powers and affairs of the Corporation shall be governed by the Board whose members are selected without regard to gender, race, color, religion or national origin. The Board shall be comprised of at least twenty percent (20%) representation by international athletes as defined in these Bylaws.

B. Composition. The Board shall be composed of seventeen (17) individuals, each of whom shall have vote, selected as hereinafter provided. An individual may hold no more than one (1) voting position on the Board at any one time.

C. Term Limits. A member of the Board shall be eligible to serve a maximum of three (3) consecutive terms consecutively (a "term" is defined as serving all or part of a term). An individual may serve three (3) consecutive terms, sit out one (1) term, and then again be eligible for nomination/election/selection to the Board. A Director's term shall begin on July 1 of the year (s)elected and end June 30 of the final year of the term.

The motion fails, 5 Yes, 6 No, 1 Abstention.

Motion #10 to vote on Motion #9 by paper ballot. Made by Reitingger, seconded by Reynaud. Approved unanimously.

Mr. Okimura noted that she is not in favor of unlimited terms, and argued that a third term would be helpful, because a first term is often spent learning about the organization, and the second term is then spent finishing up work begun in the first term, so a third term would allow additional work to be done and to help recruit a replacement and ease him or her into the position. Mr. Gardner indicated that he is opposed to the motion, noting that some athletes will only have two terms because of the 10-year rule. He also cited other organizations in the Olympic movement and indicated that he is not aware of any of them that allow three terms. An individual can have an impact from day one and he does not need a term to get up to speed. Mr. Reitingger argued that the electing body should decide whether an individual should rotate off the Board or not, so allowing a third term would be appropriate. Ms. Reynaud cautioned against thinking this Board is doing a great job, and argued that three Quads is too long for someone to serve on the Board. Mr. Gardner asked for the history of the two term limit provision, which was implemented as part of the reorganization in 2008. Mr. Smith explained that the USOC, at that time, was focused on preventing the same Board members from serving unlimited terms and encouraged NGBs to institute term limits, although there was no requirement for a particular length of term limit. Mr. Barnum indicated that he has served on many different Boards and all types can work. The current Board is not at war, which is positive, but may be a reason not to vote for this motion, and suggested that this not apply to any existing Board members. Mr. Twohig argued that, based on his business experience, there is a lot to be gained by new members coming on the Board and energizing the Board, so he is in favor. Mr. Cain indicated that he has served on Boards with no term limits, and the corporate memory served that Board well. Ms. Praska indicated that, in her region, they eliminated term limits on the advice of counsel as good governance in Minnesota. Mr. McDole agreed with Mr. Cain's and Ms. Okimura's perspective about keeping good people on the Board, and also agreed with Mr. Gardner that USAV can find a role for people rotating off the Board due to term limits.

Ms. Okimura reviewed the voting members of the standing committee: Chris Brown, Shannon Davenport, Donna Donaghy, Sam Lagana, Jon Lee, Sue Mailhot, Andy Reitingger, and Todd Rogers. One additional athlete will be added to the committee after the Rio Games.

Motion #11 to table motions from agenda, ADD REFERENCE made by Barnum, seconded by Rogers, approved unanimously.

Steve Smith

E. Audit, Finance & Budget Committee Report

Dombkowski / Kearns

Ms. Kearns reported that field work began on February 29th. The AFB held a conference call on May 3rd to go over the audit. USAV received a clean opinion with one recommendation on outstanding (stale) checks, that stale checks be turned over every two years. AFB approved all audit documents for referral to the Board.

Motion #12 to approve the audit (brought forward by the AFB committee). Approved unanimously.

Ms. Kearns reminded the Board that it approved a budget with a \$700,000 deficit in the Olympic year. The AFB reviewed the numbers from the first quarter, the AFB is now projecting a deficit of close to \$1M for the year. Ms. Kearns noted that the first review tends to be very conservative and figures tend to improve. AFB has also assembled a list of cost cutting measures that can be implemented if needed.

Ms. Kearns then discussed the internal financial controls, namely who can and needs to sign certain checks. She expects to have a proposal to bring to the Board in October.

She then discussed a Colorado Springs warehouse lease that has seven years remaining. This lease has a right of first refusal in case the owner decides to sell. The owner indicated in December that he was selling the building. After some analysis and due diligence, the thinking now is that this is not something USAV should do, but it does retain the right of first refusal if the owner receives an offer.

Mr. Cain mentioned that two of the four positions for hiring this year have changed - the start date for the officials position will be later than anticipated, and the marketing director will be pushed back to 2017. Ms. Kearns explained this is one of the possible cost cutting measures.

Ms. Mailhot asked if it would be prudent to cease hiring over the short term so the new CEO would have input on the hiring. Ms. Kearns indicated that the open positions are integral to operations, which likely need to be filled before a new CEO is hired, so she would not support a hiring freeze. Mr. Vadala noted that in the original budget, the new Officials Director would start in April, but that has been pushed back to September. Mr. Vadala indicated that they are in the final stages of interviewing and may be ready to select a candidate fairly soon, with the fall as the likely start date. Ms. Okimura asked if HR is involved in the hiring process. Mr. Vadala indicated that Bernie MacLean does not sit in on every interview, but she helps formulate questions. Once the committee settles on a candidate, then Ms. MacLean is brought in to help negotiate the hiring and related issues. Mr. Conover indicated that it would be helpful for him to be consulted on the upcoming beach hirings. Ms. MacLean explained that she trains everyone who is involved in an interview.

F. Assembly Reports (written reports provided prior to meeting or given verbally)

1. Beach Assembly Report

Lori Okimura

Ms. Okimura reported that the administrative council is not engaged, as only two of the five council members may still be active. The Beach Development Director position was up for election, but the administrative council did not have a quorum for the second time to conduct business. Ms. Okimura consulted with Mr. Smith on the options for USAV. The general consensus among the beach community is that the mission of the Assembly started off as a voice for the beach discipline, but evolved to five people (the administrative council) with no clear infrastructure under them. Ms. Okimura would like to see intervention by the Board as to the election, but perhaps even for a reorganization of the Assembly. Mr. Conover agreed. Ms. Mailhot asked if the Governance Committee should look at all of the Assemblies. Ms. Okimura noted that election for the Board representative must be completed by June 30th. Mr. Smith noted that Colorado statute provides for a director to continue to serve beyond his or her term until a successor is elected and qualifies. Ms. Okimura asked him to look further into this issue.

2. Junior Assembly Report

Andy Reitingger

Mr. Reitingger reported that he sent out a report, and there was nothing new after that report. The committee did address some issues on the Junior Beach Tour and hopes that some of those issues will be addressed.

3. Officials Assembly Report

Sue Mailhot

Ms. Mailhot reported that the Officials Assembly met on May 26th. The assembly is holding elections for Assembly Chair and the two elected representatives, which will be held online in the

first week of June. The administrative manual has been updated and will be submitted to the Governance Committee. The administrative council is working on identifying appointments.

4. RVA Assembly Report

Ken Cain

Mr. Cain reported that \$20,000 was transferred to the insurance account to hire a consultant and an attorney to provide an opinion. The RVAA also went into executive session to review Mr. Smith's memo - the only motion was to notify the public that it was looking for counsel for legal guidance. Elections were discussed for the various open positions. Nominations were received for the Board representative positions. Jon Lee was elected as the RVAA Chair. The RVAA voted to set up joint committees with the competition committee. The RVAA selected ESIX for its risk management and extended the current background screening contract.

Fred Wendleboe asked if the Board had a reaction to the RVAA looking into legal counsel on an issue addressed by the USAV Board. Ms. Okimura noted that the Board could not address this since it was not there, but asked John Hughes and Ken Cain to discuss this with Fred.

G. Ad Hoc Committee & Working Group Reports

1. Document Review Task Force Report

Andy Reitinger

H. Nominating Committee Report (if any)

Chris Brown

I. Commission Reports (if any)

1. Sitting Commission Report

Brent Rasmussen

J. Administrative Council Report

Margie Mara

No reports were provided for items G-J due to time constraints.

K. Athlete Reports

1. USOC AAC Report

Katie Holloway

Ms. Holloway reported on the AAC's meeting with Travis Tygart from USADA. Mr. Tygart reported on the investigation in Russia's track and field team and WADA's request that the investigation also consider banning the entire Russian delegation from Rio for 2016.

2. USAV Athlete's Council Report

Katie Holloway

The Athletes discussed the Board's motion on forming the AAC, and the AAC asked that there be one in-person meeting funded each year, which would be comprised of seven people. Mr. Gardner added that it has come to the athletes' attention that their AAC representative is no longer serving in that position, and the alternates, Cynthia Barbosa and Kevin Hanson, are no longer eligible. Ms. Holloway proposed that the meetings be held in Southern California for the next two years and then in Oklahoma City for one year.

Mr. Cain noted that there is a draft proposal submitted that is not complete and needs information to be added. He asked Ms. Holloway whether that needs to be passed at this meeting or if it should be delayed until those issues are addressed. Ms. Holloway noted that the open issues have been resolved so the proposed amendment can be updated. Mr. Gardner indicated that an updated motion will be provided to the Board for a vote at this meeting.

Ms. Okimura congratulated Ms. Holloway on her gold in China and thanked her for her extensive service on many committees. Mr. Gardner noted that Ms. Holloway is also active on the AAC side and is serving as USAV's representative and asked whether we need to formally elect someone to attend the next two meetings left in this Quad. Mr. Vadala indicated this would be complicated and that elections should be focused on the next Quad. Ms. Holloway also noted that the number of paralympic representatives to the AAC will be increased to 13, and noted that paralympic athletes could run for the Olympic position, but would have to declare whether he/she was running for the Olympic or Paralympic spot. Mr. Vadala clarified that the AAC leadership election will be held in January, 2017.

Mr. Beal discussed the investigation into Russia and its possible impact on USAV. Ms. Okimura asked about whether FIVB made a decision on its position with respect to the Russian men's athlete who tested positive, and Mr. Beal reported that the FIVB Board took no action at its last meeting.

Mr. Klostermann asked whether Ms. Barboza is no longer eligible to serve on the AAC. Mr. Gardner noted that she just missed her third meeting and is no longer eligible, and she had emailed Mr. Gardner about relinquishing her seat. Mr. Klostermann asked how that position would be filled. Mr. Gardner indicated that Kevin Hanson would be the new AAC representative, as he is the elected alternate.

3. Beach Athlete Update

Todd Rogers

Mr. Rogers gave kudos to the Beach Department for upgrading the hotel in Rio to the JW Marriott. Mr. Rogers then discussed the battle to represent the U.S. at Rio on both the men's and women's sides. He reported that the AVP has put on two events so far this year in New Orleans and Huntington Beach. Mr. Conover recounted the results of the FIVB event in Cincinnati that was also promoted by the AVP. Mr. Klostermann stated that it is his understanding that the top four ranked teams will receive preferential seeding at the Olympics.

4. Indoor Athlete Update

Gardner/Haneef-Park

Ms. Haneef-Park reported that she met with the female athletes on Tuesday. She commended the staff for facilitating improvements in social media. She mentioned two other important issues for the women include air travel and the locker room. Mr. Gardner reported that the feedback overall was positive when he met with the male athletes on Wednesday. There was a call for more transparency and communication on prize money distribution. The players generally would like to get more of a piece of the "prize money pie." Mr. Gardner reported that there is a strong affinity by the indoor athletes for the current CEO, Doug Beal, so there is some anxiety about who the next CEO will be and the direction of the organization, which places great importance on the process of hiring a new CEO.

5. Sitting Athlete Update

Brent Rasmussen

Mr. Rasmussen reported that he will be meeting with the women's team this week. The women won their first three games in Orlando against Russia. The athletes are interested in the progress on the UCO contract. On the men's side, the team is going through a new coaching transition. Both the men and women are working hard to get ready for Rio. Ms. Okimura recognized the great attitude of the athletes. She also noted that there is no budget for the men's program to travel to events overseas and asked that AFB look at this issue. Ms. Reynaud noted that, from a budgeting standpoint, there was a sense that the women were more likely to medal so funds were allocated accordingly. Ms. Reynaud also noted that sometimes it takes a while for match tickets to be purchased from the date they are requested. Ms. Kearns discussed the system in place and the process for obtaining match tickets.

L. Coaching Update

Reynaud / Conover

Ms. Reynaud reported that there was a coaching meeting this weekend. Mr. Conover reported that there was also a recent beach coaches meeting and many of the same issues were discussed.

M. NCAA Update

Kristin Fasbender

A written report was emailed to the members in Ms. Fasbender's absence.

XII. NEW BUSINESS

Lori Okimura

Mr. Klostermann raised the issue of an individual who wanted to transfer to Italy to play for Italy. FIVB asked if he was ever registered in the US, which he was. To change federations, there is a lot of paperwork and a \$25,000 transfer fee. Mr. Beal and Mr. Klostermann argued that this rule should not apply to him since he never represented the U.S. but was only a member. FIVB ruled that he is subject to the transfer fee. Mr. Klostermann developed language to put in the membership application describing this situation and warning those registering as a member of USAV that this fee could apply if someone wants to transfer to another country. Ms. Barnum asked if USAV wanted to agree for players to transfer; Mr. Klostermann said that USAV has never denied a request. Mr. Beal indicated that he thought this could be challenged on human rights grounds and would likely prevail against the system. Steve Bishop of the Florida Region explained that this happens in Florida with players from Puerto Rico, so the Florida Region has been advocating for this language. Mr. Cain and Mr. Smith suggested that Mr. Klostermann delete the use of the reference to "member" or "members." Mr. Klostermann will revise the language and will send out electronically for approval.

Ms. Okimura recognized Mr. Cain as one of the most active and involved Board members and thanked him for his many years of service as his current term on the Board comes to an end. He was presented with a gift from the Board.

XIII. ADJOURNMENT

Lori Okimura

Motion #13 to adjourn, made by Cain, seconded by Reitingner, approved unanimously.