

**USA VOLLEYBALL**  
**MINUTES OF THE MEETING**  
**of the**  
**BOARD OF DIRECTORS**



January 23, 2012  
Anaheim, CA

- Presiding:** Adam Rymer, Chair (11:15 AM)
- Directors:** William Barnum (8:15 AM), Ken Cain, Kathy DeBoer, Jon Lee, Ted Leland, Joy McKenzie-Fuerbringer, Sue Mailhot, Andy Reitingger, Sean Scott, Ken Shropshire, Kevin Twohig, Kerri Walsh Jennings (delayed)
- Treasurer:** Stewart McDole
- Staff:** Doug Beal, Kerry Klostermann, Margie Mara, Tim McCune, Stacie Kearns, Gary Mathews, Gary Moy and Dave Williams
- Guests:** Al Monaco, Al Lau, John Bryant, Ann Davenport, Gabe Gardner (AAC), Allison Compton (AAC)
- Absent:** Sarah Sulentor, Reid Priddy, 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 pro tem Kevin Twohig at approximately 8:01 am PST on Monday January 23, 2012. Chair Adam Rymer is delayed for personal reasons.

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 **nine (ten) (eleven)** votes present at various times during the meeting, it will take **five (55.5%) six (60%) or seven (64%)** votes to pass a motion.

**II. Announcements:** Mr. Twohig welcomed the directors and guests. He thanked Gary Moy and Dave Williams and the rest of the local staff for their help organizing the meeting.

**III. Approval of Minutes**

**MOTION #1:** It was **M/S/C (Reitingger/Leland)** to approve the minutes of the October 22, 2011 meeting of the Board as modified.

#### **IV. Approval of Agenda**

The agenda was reviewed and approved.

**MOTION #2: It was M/S/C (Reitinger/Leland) to approve the agenda as revised.**

#### **V. City of Anaheim**

Mr. Twohig introduced Lorri Galloway, Mayor Pro Tem of Anaheim who welcomed the Board to Anaheim. She remarked on the pride the city has in hosting the USAV national teams.

#### **VI. BYLAWS and GOVERNANCE**

- A.** Committees of the Board Overview: a written report was submitted. The process for Board elections was discussed and clarified as unchanged from previous procedures.
- B.** USOC Athletes Advisory Council ("AAC") Mr. Gardner reported on the activities on the AAC since his last report. More NGB's are responding to the directive to involve their athletes in their High Performance planning. USAV needs to continue its leadership position on this issue. As a clarification, the USOC considers "High Performance" planning to be programs that involve international elite athletes not the junior level High Performance programs. The AAC Representative position for USAV is up for re-election after the London Olympics. Mr. Gardner has expressed an interest in running for re-election. He recognized Allison Compton as his alternate and recognized her work in the Paralympic AAC community.

#### **VII. Committee Reports**

- A.** Audit, Finance & Budget Committee: Mr. Twohig is now the Chair. He reported on the Committee's meeting. He asked Stacie Kearns to review key details from the most recent review.
  - 1. 2011 Budget: beginning budget was balanced, in May budget additions indicated a projected \$400K deficit to be funded by prior year surpluses. It now appears that those deficits have been covered and there will be a surplus of approximately \$300K. Contributing factors were increased membership, the finish of the women's team winning the Grand Prix and the events grant from Dallas.
  - 2. 2012 Budget: deficit projected at \$192K plus capital expenses; Mr. Beal remarked that the budget would be balanced by adjusting some budget items and use of 2011 surplus. Stacie Kearns made a point to clarify that "balancing the budget for 2012" did not mean that we were going to fully fund 2012 expenses with 2012 revenues. We will have a deficit budget (mostly due to tenant improvements at Sinton) and the 2012 expenses will be funded with 2012 revenues plus other sources including 2011 surplus and our line of credit. Some deficit areas totaling nearly \$1M are the Olympics (-\$350K), the Congress (-\$181K), NORCECA Men's junior event (-\$158) and the Men's Senior Pan American Cup (-\$367K). There is a chance that these events can be taken over by other countries which will help the bottom line. There are 2012 Beach events with IMG that are budgeted to be covered by IMG. The

Committee also created an add-back list based on staff requested programs in that could not be included in the budget. That list is at \$439K currently. The internet/social media item has been funded. Two additional items have been added: \$60K for additional promotion of athletes before, during and after the Olympics, and an opportunity to host the NORCECA Men's Qualifier. It was initially scheduled for Puerto Rico in May, then rescheduled by FIVB to a date that means Puerto Rico can't host, May 8-13. It is an eight team event and could be costly, but it would be a big plus for our men's team. There is some USOC money that would offset some of the expense of the event. The Board recognized the benefits to the team of hosting and supported it if it is financially feasible. Kathy DeBoer emphasized the importance of staying current technologically and commended the staff for their activities and programs in this area.

3. Quad Goals: Mr. McDole discussed the goals presented in Appendix A.
4. New Office Headquarters Financing Summary: Stacie Kearns reviewed the financing of the new office building.

**MOTION #3: It was M/S/C (Audit, Finance & Budget Committee) to approve the 2012 operating budget.** The Board recognizes that there are some significant events that will occur in 2012 that as of the date of this meeting include financial details that are not known at this time. The approval assumes that staff will balance the budget. The approval also covers the modified add-backs list which will be implemented if funding is available.

**MOTION #4: It was M/S/C (Audit, Finance & Budget Committee) to approve the Financial Objectives for the 2013-2016 Quadrennium (Appendix A) as presented.**

- B. Ethics & Eligibility: Mr. Lee referenced his written report and stated that there were no outstanding issues. Mr. Lee is the new Chair. Angelo Iasillo is the new Arbitrator assigner.
- C. Nominating and Governance Committee: Mr. Lau reported on the committee's activities. The main focus is the number of terms that are expiring. This is the end of the term for the NGC. The committee will draft recommendations for the board to approve regarding the transition to a new committee. Because the current committee was a first effort some terms were shorter. The report will address that issue as well as process issues and term limits.
- D. Administrative Council: Mr. Reitingger stated that the Council had not met since the last Board meeting, so there is no report.

#### VIII. CEO Report

- A. Safe Sport Initiative: Mr. Beal stated that the SSI is a significant focus of the USOC and USAV. The USOC is developing a document called the Safe Sport Handbook for the NGBs to use as a resource. It will be a quite extensive document that will recommend policies and procedures for NGC's to follow. It will have many resources listed and sample documents to use. There is concern that once the document is released, it may be considered minimum standards and could hold NGBs to a certain standard that may lead to increased liability risk. There is the possibility that it will lead to the USOC establishing an agency

similar to the drug testing agency (USADA). This agency will handle complaints and reports of abusive behavior of unsafe sport environment, etc. It is a major initiative of the USOC and will impact procedures and policies of all NGB's. There are concerns about costs associated with these programs which could influence membership choices.

- B.** AAU Update: The USOC has extraordinary influence on NGB's but that does not extend to affiliated organizations such as the AAU. The USOC board is meeting with the AAU and a number of NGB executives including CEO Beal to discuss the player safety issue and how it relates to these organizations.
- C.** Trademark Infringement Manhattan Beach: there was a lawsuit filed against USAV, IMG, the sponsor and the city of Manhattan Beach after the Manhattan Beach Open re use of the name. There are two components. First is the allegation (in USAV's opinion unfounded) that the city of Manhattan Beach did not have the rights to the name for the tournament and secondly that the logo figure used in promoting the event was trademarked and inappropriately used. Our legal team considers these to be frivolous lawsuits but there is an impact on our relationship with IMG and potential sponsors. There will be some costs associated with the defense but our insurance does cover us.
- D.** FIVB Congress Update: the dates in Anaheim at the Disney Resort are September 19, 20 and 21. The 18<sup>th</sup> will be an FIVB seminar and some smaller meetings before and after. There will be a site visit by the FIVB executive group on February 17-18 which will finalize most of the details. It is a large event with 300 plus delegates/staff.
- E.** National (Indoor) Team Staff Update: Mr. Beal is in process of securing a replacement for Mr. McCutcheon who is leaving after the London Games and determining the men's position as well.
- F.** Women's Team Tryout Update: this is an annual event and is oversubscribed. Kathy DeBoer suggested that an educational session on professional opportunities and how to go about the process of turning professional. The number of both athletes and countries where they are playing professionally continues to rise.
- G.** HP Clinic Review: just finished this year's clinic. There were 125 attendees in Colorado Springs at the Olympic Training Center.
- H.** Sponsor Update: Mizuno negotiations are in process for both indoor and beach.. Individual athletes are not required to use Mizuno competitive footwear per USOC regulations. Orowheat, a USOC partner, is interested in a relationship. PR Bar is signed an official supplier licensing agreement.
- I.** Membership Update: membership is ahead of last year, looking very positive.
- J.** Domestic Events Update: Girls in Columbus, Boys in Dallas, Adults in Salt Lake City. THS and the Stay To Play policy are a continuing issue and a document describing the benefits is being produced to share with the Regions. USAV is exploring the benefits of establishing a fixed rotation of events with a small number of attractive venues and cities. There are some increased opportunities for USAV owned events in the next Quad.
- K.** National Teams Update: on the Beach side two teams per gender are now guaranteed; the women's side is essentially decided. On the men's side, one team is determined; the other is an exciting competition which will be decided by April. The indoor women are qualified, the men need to qualify and will have two more opportunities. The women's sitting team is qualified. Men's sitting team has one more opportunity to qualify, in Egypt in early March.

- L. PVL Update: two objectives are to solidify the Women's Open Division at Nationals and to offer Regions an opportunity to stimulate adult membership. USAV is committing prize money and hotel support. It is for women only in 2012, men will be added in 2013. We have had discussions with Puerto Rico about some of these teams potentially competing in their pro league.
- M. Building Update: still looking at 17-19 March as move in date.
- N. Olympic Activation/New Website/Social Media: the USOC will have a website update activating soon. USAV will have a new design as well in March and much different from our current site. We will be significantly increasing our social media presence with a Facebook redesign and increased functionality. The USOC is renegotiating the content licensing agreement. It has been a good deal for us this Quad, but we are unsure whether the currently proposed terms justify re-signing although we do want to continue the relationship. The proposed new agreement is based entirely on the digital platform and corresponding web traffic and the broadcast component is virtually eliminated. Support for on-air programming is a significant issue for us.

#### **IX. USAV Foundation:**

Mr. Leland presented a report on Foundation activities. The fund sits at \$3,400,000 currently. The Board was very supportive of the building purchase. Mr. McCune described some new technology that makes it easy to get credit card donations immediately on a smart phone. He gave an update on the current fundraising efforts. He stressed that the lead time for developing relationships that result in donations is quite long. A focus will be the Qualifier Challenge associated with the Anaheim Men's Olympic qualifier. He also has a donor that is arranging a fundraiser associated with an Anaheim Ducks hockey game. Gabe Gardner and Kerri Walsh-Jennings volunteered to assist and encouraged him to seek out other athletes to assist with the fundraising efforts in the Anaheim and nearby areas.

#### **X. Board Presentations**

- A. Region Growth Initiative Concept: Mr. Rymer raised the issue of membership growth and how to do it. He feels the Board may need to take a more active role in driving growth. How can USAV work with individual Regions through the use of some of the information and resources at our disposal? John Bryant discussed the concept of measuring penetration of the marketplace by comparing region membership against potential membership with population data. He mentioned that in the state of Washington, Washington Youth Soccer is now teaching soccer in the Seattle school system. They have replaced PE teachers, saving the school system from either eliminating PE or paying PE teachers in a tight budget environment. Mr. Bryant also raised the issue of the variety of different types and cost of membership in different Regions. Mr. Rymer's goal is to have a plan in place before the Olympics. Kathy DeBoer mentioned the need to include beach growth in all planning. Mr. Leland mentioned that the Safe Sport Initiative could have a profound impact on any future programs.
- B. USAV Goals in Bylaws: it has been recommended that the Board review the Goals and Vision for the organization. Mr. Rymer asked Board members to review them and pass along any recommendations or comments before the next meeting.

- C. So Cal Region Presentation: Ann Davenport gave a short presentation on the Southern California Region and their relationship with the American Sports Center where they have their offices. There are 34 courts in the ASC.
- D. Beach Plan 2012 & Strategic Plan: Dave Williams discussed the current "State of the Game" on the beach. The Beach Assembly is a bit of a foreign concept for most beach groups and individuals. It has been a difficult process, but there has been progress. Six groups have been identified and a start on an Administrative Manual has been made. He is confident that by May the beach Board positions will be filled. The national event organizers that were identified were the NVL, the Cuervo series, the Wide Open series, the "new" AVP and there is an entity, the NCVBA, which is going to service the college market not serviced by the NCAA. Their first step in working together is the schedule. Between the first three tours there were three conflicts and it may only be one. The question of how these will interact with USAV and whether they will require USAV registration appears to be meeting little resistance. The NCVBA (National Collegiate Beach Association) is going to operate 30 events this year. They are individual athlete events, not school versus school. The junior beach tour is another tool.

**XI. Executive Session:** the Board met in Executive Session to discuss the performance appraisal of CEO Doug Beal.

**XII. Next Meetings of the Board of Directors:** The Board will meet in Salt Lake City, UT on Friday, May 25. The October meeting is tentatively scheduled for Monday, October 7-8 in Colorado Springs.

**XIII. Adjournment**

No further business being offered, Mr. Rymer declared the meeting adjourned at approximately 2:06 pm.

Respectfully submitted,

Fred N. Wendelboe  
Recording Secretary

## Appendix A

### Financial Objectives for the 2013– 2016 Quadrennium

#### Conceptual Goals - It will be our corporate intention to:

- Operate true to budget (break even or create a surplus including capital investments) each year.
- Develop an adequate financial base to support corporate Olympic and Paralympic expense.
- Add and enhance competitive events.
- Increase revenue and reduce reliance on USOC budget contributions.
- Grow membership.

#### Quadrennial Objectives:

- Pay off \$500k line of credit
- Develop a Facilities Maintenance Fund of \$200k
- Achieve a cumulative financial surplus of **\$1,700,000** against budget which will in turn be available to advance corporate objectives and programs.\*
- Maintain or increase USOC total budget support dollars while at the same time reducing the ratio of contribution against total budget to 10% or less.

#### Annualized Objectives

##### Olympic Preparation:

Amounts for an Olympic Account will be included in the annual budget at the following minimums until such time as the account is fully funded.

1. 2013 \$75,000 dedicated budget surplus
2. 2014 \$75,000 dedicated budget surplus + interest earned min. \$3,000
3. 2015 \$75,000 dedicated budget surplus + interest earned min. \$5,000
4. 2016 \$75,000 dedicated budget with a total of \$300,000 accessible for Olympic expenses.

#### \*Accumulated Surplus:

- |                                     |               |                  |
|-------------------------------------|---------------|------------------|
| • 1. Olympic Resource               | Total:        | \$300,000        |
| • 2. Capital purchases from surplus | Total:        | \$700,000        |
| • 3. Event Enhancement              | Total:        | \$200,000        |
| • 4. <b>Line of Credit</b>          | <b>Total:</b> | <b>\$500,000</b> |

**Aggregate Surplus Total                      \$1,700,000**

Adopted by AFB December 11, 2011