

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

USA Swimming Board of Directors Meeting Minutes

August 26, 2019 / via video conference

CALL TO ORDER

USA Swimming Board Chair, Bob Vincent, called the August 26, 2019 Board of Directors special meeting to order at 9:00 a.m. Mountain Time with the following members in attendance:

PRESENT: Dale Ammon, John Bradley, Chris Brearton, Maya DiRado, Cecil Gordon, Natalie Hall, Tim Hinchey, Lucinda McRoberts, John Roy, Jim Sheehan, Jeannette Skow, Davis Tarwater, Mary Turner, Tom Ugast, Bob Vincent.

NOT PRESENT: Teri McKeever, Jay Thomas.

GUESTS

Bill Charney, Shana Ferguson, Belle McLemore, Lindsay Mintenko, Patrick Murphy, Joel Shinofield, Eric Skufca, Mike Unger.

AGENDA REVIEW

Bob Vincent made opening comments and presented the meeting's agenda (Attachment 1).

Tim Hinchey commended members of the staff regarding their work on Flex Membership.

CONFLICT OF INTEREST

"Is any member aware of any conflict of interest (that is, of a personal interest or direct or indirect pecuniary interest) in any matter being considered by this meeting which should now be reported or disclosed or addressed under the USA Swimming Conflict of Interest Policy?"

If a Board member determines there to be a conflict of interest at any point during the course of the meeting when a specific subject is being discussed and / or action is being taken, a declaration of a conflict of interest should be made at that time.

STAFF REPORTS

FLEX MEMBERSHIP

Joel Shinofield provided background on Flex Membership, including when it was approved, when it was implemented and the original intent for Flex Membership: to target and retain younger swimmers for the growth of the sport. Mr. Shinofield went on to report on the statistical impact Flex Membership has had on membership, as well as the potential financial risk of keeping Flex Membership in its current form after a year of

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

implementation. From those outcomes, Mr. Shinofield recommended future modifications to Flex Membership in order to both keep the integrity of the intent to bring more youth to the sport while also having a financially sustainable membership category for USA Swimming (Attachment 2).

The Board engaged in discussion regarding the appropriate timeframe for making changes to Flex Membership, the financial impact of Flex Membership both short and long term, including the risks to keep it in its current form, and the benefits and nuances of Flex Membership for Clubs and LSCs. While the Board asked for continual updates on the membership data, the Board committed to continue to invest in Flex Membership and continue strategic discussions regarding future changes.

ADJOURN

USA Swimming Board Chair, Bob Vincent, adjourned this meeting at 10:02 a.m. Mountain Time.

Respectfully submitted:



Lucinda McRoberts, CAO & General Counsel



Bob Vincent, Board Chair

DRAFT

DRAFT

DRAFT

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

USA Swimming Board of Directors Minutes Attachments

August 26, 2019 / via video conference

Attachment 1

Page 1 – Agenda

Attachment 2

Page 1 – Memorandum on Flex Membership

DRAFT

AGENDA

**USA Swimming
Board of Directors
Special Meeting
Monday, August 26, 2019, 11:00 am - 12:00 pm
Zoom Meeting**



- A. **Welcome** Bob 11:00
1. Call to Order / Record of Attendance (2.6.2)
 2. Declaration of Conflict of Interest (2.5.4)
 3. Board Chair's Remarks
 4. Flex Membership Joel 11:05
- B. **Adjourn** 12:00

Total Meeting Time: 1h 0m

MEMORANDUM

TO: USA SWIMMING BOARD OF DIRECTORS
FROM: MIKE UNGER, COO
SUBJECT: FLEX MEMBERSHIP CONSIDERATIONS (SEE SUGGESTED BOARD ACTION ON P.2)
DATE: AUGUST 23, 2019
CC: STRATEGY TEAM

(AS WE COMPLETE THE FIRST YEAR OF FLEX MEMBERSHIP, WE NOW RECOGNIZE SOME UTILIZATION TRENDS AND FINANCIAL CONSEQUENCES THAT ARE NOT CONSISTENT WITH ITS ORIGINAL INTENT. I WANT TO THANK JOEL SHINOFIELD, ABBY HOWARD AND PATRICK MURPHY FOR LEADING THIS ANALYSIS AND REVIEW.)

The USA Swimming Flex Membership category was approved in 2017 and implemented in the 2018-2019 Membership Year. USA Swimming was prompted to introduce the Flex Membership after realizing a 7.5% average decline of new members from 2014-2016. Of that decline, USA Swimming witnessed a 9.2% decrease in the number of 10-and-under swimmers participating in year-round swimming.

As rationale, citing the 2014 State of the Swimming Industry Report, 78% of parents who are not currently involved in swimming do not consider enrolling their kids with a swim team after they have taken swim lessons. However, 58% of those same parents said they would consider their kids for a swimming program that meets one or two times per week.

Furthermore, when they asked for kids' opinions, USA Swimming learned that 48% of kids who left USA Swimming did so to participate in other sports. 43% of those children also stated that they quit USA Swimming because it represented too much of a time commitment. According to Tuesday's press release, a poll of the 2016 U.S. Olympic Swim Team showed that 83% of the swimmers stated that they were multi-sport athletes growing up.

Our retention rate among 13 and over athletes is 86%.

After one membership year of offering the Flex Membership we have learned the following:

The good:

1. The Flex campaign is a thoughtful and powerful tool in changing the way outsiders/first-time parents view our sport. It can also be used to influence clubs/coaches to offer part-time swimming opportunities as a way to broaden the sport's appeal in their community and across the country. The campaign is key to changing the "stigma" that participation in swimming means ten practices a week.
2. Flex is a net-positive for clubs that are using the membership for learn-to-swim, pre-competitive, camps, clinics, and first-time families.

The bad:

1. More and more clubs have fewer athletes who compete. Many clubs register the athletes as flex, but continue to collect the full membership fee. Savings are not passed onto new members and thus clubs derive additional revenue if the athlete does not compete in more than two meets. This process has been confirmed by conversations with coaches, as well as with Team Unify who currently processes those payments. (Many clubs registering athletes for Flex, don't even have that reduced fee listed on their site.)

2. Flex memberships pose a significant financial risk to USA Swimming in the current format as more clubs adopt this approach. Flex membership cost \$20.00, with 10.00 to the LSC and \$10 to us, but we cover insurance cost etc. out of that \$10.
3. 38-42% of our total athlete membership does not swim more than 2 meets. If all of those members converted to Flex Membership we would face a \$6,008,840 loss in membership revenue.

The Reality:

1. Flex Membership does not influence clubs offering part-time, or new programming for swimmers. The Flex campaign and Flex membership can be separated. Letting families know that they can swim part-time is good, but the reduced membership isn't the key, changing perception is the key.
2. Flex has allowed USA Swimming and our clubs who use Flex for first time members to attract 18,000 new members. (Although we do not know if these members would've joined at the premium level without a flex option)
3. In many cases, athletes registered for Flex, are participating in practice at the same levels as premium members.
4. We need to offer the learn-to-swim, Camp, and Clinic membership/insurance offering that Flex currently provides.
5. Flex memberships have reduced our seasonal membership numbers.

Suggested Board Action (Two Options):

Option 1: Limit Flex to a 12 and under membership option with the following restrictions:

- a. **First time (entry) membership only, no downgrades from Premium with a fee of \$35.00**
- b. **Limit Flex to a one-time membership option for first-time members ages 9-12**
- c. **Allow one meet only**
- d. **Flex membership will be maintained as a multiple year registration option for age 8 and Under, with no restrictions other than one meet.** (NOTE: This is an accommodation for clubs that use Flex as a means to insure their Learn-to-Swim programs, and for their development of young swimmers. Although at an increased price this becomes less attractive)

These changes reduce our potential membership revenue loss to \$1,298,626 and preserve the intent of Flex. (Revenue loss based upon extrapolating our 2019 membership base profile to 2020)

Option 2: Pause Flex for one year to assess the future of our membership offerings.

Future Considerations:

1. Use Flex to create specific Summer/Rec League, Learn To Swim, Camp, or Clinic membership options
2. Work with Membership Committee and Registration Committee to create changes in the Seasonal memberships more effectively to attract 13 and older athletes to the sport.
3. Continue to evaluate how our clubs and LSCs utilize Flex and adjust as necessary.

ON THE FOLLOWING PAGES: Applicable Rules and Regulations and Corporate Bylaws provisions and the (original) Flex Notice to LSCs.

Applicable Bylaws/Rules and Regulations for consideration
in potentially changing Flex Membership

1. Proposal for Flex Membership class was approved by the Board of Directors at the April 22, 2017, meeting.
2. Rule proposals were submitted to the Rules and Regulations Committee in May 2017 and submitted to the membership for vote at September 2017 HOD.
3. HOD approved Proposal R-15 (To create a new category of Individual Membership called “Flex”) at its September 16, 2017, meeting.
4. Flex membership category became effective September 1, 2018.
5. 2018 Rules affected or created
 - a. 302.2 (athlete registration membership categories);
 - b. 502.4 (corporate bylaws five categories of athlete membership); and
 - c. 502.7 (fees).
6. Applicable 2019 Rules and Corporate Bylaws
 - a. Rules and Regulations
 - i. None.
 1. 302.2 does not specify flex membership as a category of athlete membership.
 2. What was previously Article 5 (Corporate Bylaws) of the Rules and Regulations was removed from the Rules and Regulations.
 - b. Corporate Bylaws
 - i. 2.4.2 lists the five categories of athlete membership
 - ii. 2.4.3 limits flex membership to participation in two sanctioned competitions per registration year and only below the LSC championship level.
 - iii. 2.4.4 when a flex athlete member transitions to a premium athlete member, the athlete is credited the amount of the flex membership cost and only pays the difference between the premium membership cost and the flex membership cost.
 - iv. 2.7.1 changes to fees for the Individual categories of premium, seasonal, outreach and single meet open water must be approved by HOD. [Note: A change in fee to flex category does not require approval by HOD].
7. Board Authority: The Board may amend the Corporate Bylaws as permitted under 10.1.1, but is not permitted to amend any section of the Rules and Regulations except as provided (emergency powers).
 - a. 10.1.1: Corporate Bylaws may be altered, amended or repealed by the Board of Directors by a 2/3 majority vote.
 - b. Except for: The number of Board members, their terms, number of which are elected by HOD, composition of HOD and membership fees for membership classes in existence as of the 2017 registration year. **[Note: Flex membership class was first in existence as of the 2018 registration year].**
8. A change to the definition of the flex category of athlete membership is a change to the Corporate Bylaws and not to the Rules and Regulations. The Board of Directors has the authority to alter, amend or repeal the Corporate Bylaws by a 2/3 majority vote. Articles 2.4.2, 2.4.3 and 2.4.4 are not included in the HOD’s authority for changes requiring HOD approval. A change to the fee for the flex category of individual membership can be made by the Board of Directors and does not require approval by HOD.



LSC Flex Membership Facts

(AS ORIGINALLY PRESENTED WHEN FLEX WAS INTRODUCED)

Background

- The Flex membership is \$20 (\$10 to the LSC; \$10 to USA Swimming) with USA Swimming covering the cost of the insurance and benefits such as a welcome edition of *Splash* magazine
- Flex, like the year-round athlete membership, is for a calendar year period. Also, like the year-round membership, individuals applying for Flex membership on or after September 1 of the current year will receive membership through December 31 of the following year.
- Depending on the program(s) a team offers, Flex members could progress from swim lessons to pre-team and then transition to year-round swimming all within the same year.
- The Flex membership is available to individuals age 18 and under (however, the expectation is that these programs will primarily serve 12 & under swimmers). This category could fill the current void between swim lessons and swim team for 5-7 year-old swimmers. Other youth sports provide participation options for this age range.
- Swimmers who move to the year-round athlete membership category within the same membership year will be able to credit the cost of the Flex membership toward the cost of their year-round membership.
- Swimmers may participate in two (2) USA Swimming sanctioned meets per membership year for meets below the LSC Championship level.
- In order for a club to offer the Flex to its member, the LSC must allow the membership in that LSC, which may require a vote of the LSC House of Delegates.

Technology

The USA Swimming IT department has been working with our software consulting company, Statera, to implement the changes to SWIMS to be ready for the 2018-19 membership year starting Sept. 1, 2018. Key features include the following:

- Allow for creating a Flex membership as either a New membership or a Renewal.
- Allow for upgrading a Flex membership to a year-round membership. The new 'Upgrade' action is only available on Flex Memberships.
- Upgrades can only occur for a Flex membership being upgraded to a year-round membership.
- The system will not allow a year-round membership to be created for a registration year if a Flex membership is already in place for an athlete. In this case, the Flex has to be upgraded to Year-Round.
- An additional process is being added to Meet Recon to limit participation in two (2) USA Swimming sanctioned meets per membership year.
- Upon times being loaded into SWIMS, an additional check will be run to determine if a Flex member has already competed in two sanctioned meets. If they have, those times will not be loaded into SWIMS.
- Functionality to allow the Flex membership fee to be credited toward the cost of their year-round membership.

Marketing

The USA Swimming Commercial division is working on a creative campaign that highlights kids and National Team athletes enjoying other activities while they continue to swim. It has a similar "look" of the SwimToday campaign with some new fun twists.

- SwimBiz will feature a Flex Workshop on April 8 and a "sneak peek" of the campaign
- Webinars and video assets will be available to LSCs and clubs
- Materials will be provided to teams and LSCs to answer questions and help implement (April-June)
- A consumer-targeted campaign will roll out in July with a focus on attracting parents and kids
- A fun, new TV commercial will launch on the NBC broadcast of the Phillips 66 National Championships in July and be able to be used by clubs online
- Digital, public relations & social media support will be part of the campaign