

**MINUTES OF THE MEETING
Of the
USVBA EXECUTIVE COMMITTEE**

December 10-11, 2006
Colorado Springs, Colorado

PRESENT: Albert Monaco (Presiding), Rebecca Howard, Kevin Twohig, Stewart McDole, Susan True, Ken Cain, Kevin Barnett, Elaina Oden, Tyra Turner, Fred Wendelboe, Doug Beal

GUESTS: Kerry Klostermann, Margie Mara, Eric Parthen and Bob Gambradella, USOC

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

- I. CALL TO ORDER.** The meeting of the Executive Committee of the United States Volleyball Association was called to order by Al Monaco, President, at approximately 8:25 am on Sunday, December 10, 2006.
- II. ANNOUNCEMENTS –.**
- III. APPROVAL OF MINUTES.**

Motion 1: It was **M/S/C (Twohig/Barnett)** to approve the minutes of the October 8-9, 2006 meeting of the Executive Committee with editorial changes.

- IV. APPROVAL OF AGENDA.**

Motion 2: It was **M/S/C (Twohig/Howard)** to approve the agenda as revised and permitting the President to adjust it as the meeting proceeds.

V. OFFICER REPORTS

- A. President.** Mr. Monaco addressed the following items:
1. Article VIII Complaint. Steve Smith, USAV attorney reported briefly on the Article VIII Complaint. In response to a question, he stated that the AVP is not asking the USAV to go to a 12-member Board of Directors; the AVP just wants the beach discipline to have better representation on the Board.
 2. Restructure of USAV Governance. The Executive Committee worked nearly three hours Sunday evening on governance restructure, and another four hours Monday morning. Although the USOC had not responded to the 19-member Board, Mr. Smith indicated he did not think it would be well-received by the USOC. The following are examples of issues discussed:
 - USAV should be even more staff-driven than it is now which is a major part of the USOC guidelines
 - There should be a male and female representative from each Olympic discipline.
 - Any proposal must not disenfranchise the source of 70% of the budget (RVAs and juniors)
 - Decide what core activities USAV should be doing and who to partner with to get it done.
 - Perhaps regions, juniors, beach, etc. are given representation to advisory commissions with a staff member working specifically with regions, juniors, etc.

- The Nominating/Governance Committee recommended by the USOC must be carefully constructed and given criteria for the nomination and selection of each member of the Board of Directors.
- The definition of an “independent” director must be reviewed with the USOC.

On Monday morning, Eric Parthen and Bob Gambradella from the USOC met with the Executive Committee. It became apparent the USOC Guidelines, (Appendix A) while not mandated at this time very well might be in the near future. Mr. Parthen stated that ten National Governing Bodies (NGBs) have already gone through significant reform based on the guidelines, 5-6 are close, 5-6 are in discussion and the other NGBs have always been in compliance with these guidelines. Note: There are a total of thirty-nine (39) NGBs. The USOC wants USAV to be staff-driven and board governed. All divisions, commissions and committees must be accountable to the Board of Directors. In response to a question about the definition of 'independent' director, Mr. Parthen stated that the individual would not have had involvement with USAV in the past two years. He also commented about all directors selected from a constituency should resign any leadership position in that constituency. For example, a representative of grassroots (RVA) could not have a leadership role in any region. However, more deliberation is needed on the definition because everyone agreed that a representative from the NCAA is not going to give up his/her job with the NCAA or one of its institutions to be a member of USAV's Board of Directors. Mr. Parthen emphasized that no group should hold the balance of power as he believes the regions and officers could on the 19-member proposal.

Following the meeting with the USOC representatives, the Executive Committee developed the attached proposals (Appendix B) to work from in developing a final proposal to be taken to the Board of Directors in January. Doug Beal, Kerry Klostermann, Rebecca Howard, Stewart McDole, Kevin Twohig and Tyra Turner will meet December 19-20. The complete proposal will include the following with rationale for each:

- Criteria for each representative on the Board of Directors
- Non-voting officers or a Chair of the Board with other current officer responsibilities provided by a Corporate Secretary, Chair of Finance and Budget Committee, Chair of Arbitration or Ethics and Eligibility Committee, etc.
- Composition and charge of the Nominating/Governance Committee.
- Examples of how partnership will continue with core Member Organizations (Note: The issue of maintaining involvement of Member Organizations will be more thoroughly examined at a later date)
- How the current diversity guidelines and mandates can be worked into any new governance structure.

The final plan from this group will be sent to the entire Executive Committee for comment and possible revision. The final proposal (or two) will be discussed again by the Executive Committee and Executive Council in January prior to the Board of Directors meeting.

3. Olympic Qualifications for Beach. Mr. Beal and Mr. Klostermann reviewed the document from the IOC to the FIVB concerning Olympic qualification and uniforms for beach volleyball.

Recessed at 12:00 pm on Monday, December 11, for a Personnel Committee meeting.

Reconvened at 2:15 pm

B. Treasurer. Mr. McDole

1. 2006 Third Quarter Review and Update (through October)
 - a. Predicting close to a \$200,000 surplus. XP Apparel has made all its payments that were overdue plus the penalties. At this point, XP is up to date except for being two months behind on online sales. USAV will continue with XP Apparel with the new

contract revision having built-in penalties for nonpayment and larger front-end payments against the guarantee as previously approved.

- b. The Finance and Budget Committee recommends that the first application of the surplus should be \$50,000 into a restricted account for Player Severance.
2. Audit Committee. The Audit Committee recommends approval of Waugh and Goodwin, LLP to complete the audit (and tax preparation). Scott Fortune will be at the May meeting to present the audit. The Executive Committee was reminded of the policy approved by the Board in May to change auditors (including tax preparation) at least every five years.

Motion 3. It was **M/S/C (Twohig/True)** to approve Waugh & Goodwin, LLP as the 2006 auditors, and to direct the President to sign the engagement letter.

3. Current Financial Status.
 - \$350,000 cash spread between three accounts
 - \$440,000 in money market account with Legacy that is accessible in two days
 - \$1,500,000 in the Investment Account (\$1,300,000 in the reserve account)

Since most of the cash is in the portfolio, staff policy is that Stacie Kearns, Margie Mara and Doug Beal can have money transferred from the operating money account within the portfolio to the USAV account.
4. Investment Portfolio. The performance in 2006 has exceeded expectations with the USAV return exceeding 11% and the USVF return exceeding 10%. The Finance and Budget Committee support the recommendation of Scott Fortune and Matt Shannon that the Board examine alternative investment options of 5-15% of the total portfolio. Mr. Fortune and Mr. Shannon will attend the January meeting of the Board to explain the proposal.
5. Income/Prospects. An extensive report was given to the Finance and Budget Committee by Mr. Klostermann on renewals and sponsorship prospects with the potential of bringing very good news to the Board of Directors in the very near future.
6. 2007 Budget. In October, the proposed 2007 budget was \$287,000 out of balance. The Finance and Budget Committee commissioned the staff to bring a balanced budget to this meeting. The 2007 budget that was brought back to the Executive Committee reflects a \$16,000 surplus. He reviewed the specifics of balancing the budget since October including the following:
 - Quad goals have been met
 - A 3.3% COLA is built into the budget plus a moderate amount for merit and/or bonus purposes (under \$80,000).
 - Addition of two staff positions that will be split into four half time positions for receptionist/events department and membership services (online registration)/CAP/
 - Approximately \$175,000 for Article VIII Complaint resolution and governance restructure.
 - Budget is based on receiving all our USOC funding.
 - NORCECA Men's Championship which USAV must host. The key to the budget is the willingness of the host to absorb most of the cost.
 - World League. USAV is still looking for a host site for one weekend. A television agreement has been signed, but it is not as good as the 2006 agreement from a financial standpoint.
 - Have withdrawn our bid to host the 2007 Pan Am Cup because of a lack of funding. NORCECA will penalize countries in the future for withdrawing from their hosting obligations.

Motion 4. It was **M/C (Finance and Budget Committee)** that given the need to allow the corporation to continue operation subsequent to January 1, 2007 and pursuant to previous Board of Director permissive action,

to give preliminary approval to the 2007 Budget as presented pending final Board action at the January, 2007 meetings. Mr. Cain abstained.

C. Past President. Ms Howard discussed the following items:

1. Board Orientation. Ms Howard will conduct a Board Orientation in conjunction with the budget review from 7:00-8:30pm, Friday, January 12, 2007. Board “buddies” should be urging the new directors to attend.

D. Executive Vice President. Mr. Twohig discussed the following items:

1. Arbitrators Program Update. Mr. Twohig is currently filling arbitrator positions for the 2007 season. The boys’ events are covered, there are only four positions to fill for the girls’ event and one or two for the national championships. There will many experienced arbitrators and only a few rookies.

Mr. Twohig announced that Lea Wagner will receive the 2007 Joseph B. Sharpless Arbitrator Award at the May Board of Directors meeting.

2. Policy and Procedure Manual. Mr. Twohig asked that everyone review the action items from the 2006 meetings of the Board of Directors and email him any policies or procedures approved by the Board that need to be included in the Policy and Procedures Manual. The revised Manual is always taken to the Board of Directors for approval at its Winter Meeting. Mr. Twohig plans to reorganize the Manual before the end of the quadrennium.
3. Executive Council Agenda. The main agenda item will be a discussion of the governance restructure proposal including, perhaps, how to organize the commissions and divisions under a new structure.
4. Championship Events Commission. There is no new report since October except to reiterate that the Commission is functioning exactly as it was envisioned.
5. Men’s World Championships. Mr. Twohig traveled with the team as Head of Delegation. He gave a brief summary of the trip and the Championships with the USA Men taking 10th place.

E. Secretary. Ms True discussed the following issues:

1. Player & Multi-Sport Organization Nominations. We have received a nomination, volleyball vitae and nominee statement from AAU for Gino Grajeda and NAGWS is going to nominate Barbara Viera, but we have not received the information. Sinjin Smith intends to run again for Player Director and we have not received any other nominations. To date, no nominations have been received for the open Player Director positions. Ali Wood and Tyra Turner tried to get a male beach player nominated for the non-voting beach position on the Executive Committee but were unsuccessful. Following a meeting this month with the beach players, Sean Scott was nominated and has indicated a willingness to serve as the male beach player representative on the Executive Committee. Ali Wood will prepare a ballot and send it out immediately.
2. Officers Nominating. Ms True reminded Ms Howard that if there will be officers after restructure, she or her designee must name the Officers’ Nominating Committee in May, 2007, and there should be money in the budget for a face-to-face meeting of this Committee.
3. Funding for Officer Candidates to attend the Winter 2008 Board of Directors Meeting. Ms True thought this discussion should be postponed until the governance restructure issue is determined by the Board of Directors.
4. Timing of Quad Review and Member Organizations Requesting a Change in their Membership Status. Due to the governance restructure issue, Ms True and Dick Jones, Chair of the Membership Review Committee believe this should all be postponed until USA Volleyball’s governance structure is finalized for the next quadrennium.
5. Article XI Revision. The consensus was that the revisions in Article XI had been reviewed by the appropriate individuals and revisions made. Ms True is to notify Karen Johnson, Chair of the Structure and Function Committee to mail the information to the Board of

Directors immediately.

6. Board “Buddies”. The following people were assigned to contact new directors, introduce them around during breaks in the meetings and urge them to attend the Board Orientation and budget review on Friday, January 12, 2007. Kathy DeBoer-Ms Howard, Carl Henkel-Mr. McDole, Mr. Twohig-Becky Oakes, Ms True-Angela Rock and Mr. Monaco-Elaine Youngs .

VI. ADDITIONAL REPORTS

A Board Representative to the Executive Committee. Mr. Cain received five responses to his inquiry for issues to be brought before the Executive Committee. None of the issues required action by this Committee.

B Player Representatives

1. National Team Player Representative. Mr. Barnett reported that after a discussion with the Men’s National Team about his resigning from the position as National Team Player Representative to the Executive Committee, the team convinced him to stay and took steps to make that possible. He further reported that the Men’s Team needs further clarification on contracts, when they will be negotiated, explanation of health insurance and other benefits, what is a minimum contract, etc. Mr. Barnett will visit with the team again this month, and then share the information with Mr. Beal and Mr. Klostermann. Mr. Beal reported that an on-sight administrator is still in the plans. There just aren’t enough funds for it now so Carla Hall remains the off-sight administrator. Mr. Beal will try to cover the gap with interns.
2. Beach Player Representative. Ms Turner reported that there is a plan to compose a better document concerning health insurance for the beach national team in 2007. Eligible players receive the USOC coverage plus \$150/month from USAV to reimburse some or all of their own purchase of secondary health coverage. Ms Turner reported that the players plan to compose a handbook, especially for new beach players about issues such as what a player needs to know about international travel, health insurance, etc. Ms Turner and Ali Wood have been meeting with the players and the attendance doubled at their December meeting with twelve players attending. One of the questions from three of the players was where does the money for medals go. (Note. Ms Turner asked Mr. Parthen directly about this issue and was told that all Olympic Gold money and money for medals goes directly to the athletes. The USAV does not receive money for medals directly.
3. International Team Representative. Elaina Oden voiced her concern that the indoor teams not be forgotten in the governance restructure and the increased representation for the beach discipline. She said she favored four athletes, each with a vote, on any newly organized Board of Directors.

C. Special Advisor to the Executive Committee.

1. USAVF. Fred Wendelboe, Chairman of the USAVF Board asked Mr. Klostermann to report on the work of the development consultant. Steve Ducoff went to Anaheim with Mr. Klostermann in October. Mr. Ducoff met with people in the Mayor’s office and the Sports Center. A draft of a major donor document was circulated. Mr. Ducoff plans to visit with Danny Patterson (former National Team member) to obtain leads/referrals. Mr. Wendelboe has the mailing list from the 60s reunion group of players. Linda Murphy is to contact them to see what level of contact they would be comfortable with as we move forward on the major donor project.
2. YJOVD Update. Mr. Wendelboe reported that the issues brought forward by the Qualifier Directors will be handled by staff. There is a definite need to involve them before the final Qualifier Manual is issued.

VII STAFF REPORTS**A. Chief Executive Officer**

1. New Junior Club Organization. Mr. Beal reported on a movement initiated by volleyball clubs in the Chicago area to form an organization of junior club directors. There are issues of governance, structure of Qualifiers, etc. They want to see qualifiers within regional events rather than a national qualifier. They do not seem to realize that Regional Championships are qualifiers for the National Qualifiers. They have had an organizational meeting and currently have 30-50 club members. There are over 4,000 junior volleyball clubs in the United States so they have work to do to be a real force in the governance of junior club programs. They have received a proposal from AVCA to become members under the umbrella of AVCA. Mr. Wendelboe commented that this organization appeals to the very top-end competitive clubs.
2. Staff Retreat. A three-day staff retreat was conducted in October with some lay people involved (Kevin Twohig, Dave Gentile and Jon Lee). Mr. Beal plans to have the revised Strategic Plan ready for the January meeting of the Executive Committee.
3. FIVB Congress. Misters Beal and Monaco attended the FIVB Congress. Mr. Beal reported the following points of interest:
 - a. There is significant involvement of the USA in the FIVB. Bobby Clark's level of responsibility with the FIVB is significant; he is doing a good job and communicates well with USAV.
 - b. The USA was fairly successful getting people on the commissions we wanted them on. Pat Powers is on the Rules of the Game Commission, Carl McGowan on the Coaches Commission, Dr. Bill Briner is on the Medical Commissions, Peter Diamond is Chair of the Mass Media Commission, Tom Blue is secretary of the Referees' Commission, Doug is on the Board of Administration and Mr. Monaco is official judge of the International Volleyball Tribunal.
 - c. Sinjin Smith remains as President of the Beach Council.
4. Staff Hires. Mr. Beal reviewed the new staff hires and their responsibilities.

- B. Secretary General.** Mr. Klostermann updated the Committee on an incorrect interpretation of the licensing fees for Qualifiers. The Qualifiers Manual specifically states a licensing fee/participant even if a Qualifier Director adds a Division for teams not trying to qualify for a spot in the National Championship.

VIII. NEXT MEETINGS. The next meetings of the Executive Committee will be January 11, 12, and 14, 2007 in Colorado Springs with the first meeting starting at 5:00 pm, Thursday, January 11th.

IX. ADJOURNMENT

Motion 5. It was M/S/C (Howard/McDole) to adjourn the meeting at 5:40 pm, December 11, 2007.

USOC Preliminary NGB Governance Guidelines

Process

The review of NGB governance and compliance will be a cross-functional staff managed review process, using the resources of the following USOC divisions: Audit, Sports Resources, Legal, and others on a case-by-case basis. Management's cross-functional working group will fully review each NGB at least once during a quadrennium, and will address any more urgent issues as they arise. Receipt of USOC resources will require satisfaction of appropriate standards of fiscal and managerial competence, as determined by management and the Board. Most NGBs will be audited once every two years by the USOC's internal auditors to determine the appropriate and effective use of USOC funds, and financial and managerial competence.

Basic Standards and Governance Guidelines

The USOC Board has approved the following:

- NGBs should be governed by a board which shall have sole responsibility for governance;
- NGB boards should generally be between 7 and 12 in membership;
- NGB boards should have at least 20% independent directors as well as at least 20% athlete directors;
- NGB boards should have staggered term limits;
- NGBs must have at least the following 3 standing committees: Audit (which shall also have responsibility for ethics matters unless ethics issues are addressed by another committee), Compensation, and Nominating & Governance;
- NGB committees should be of the minimum number and size possible to permit both conduct of the sport and appropriate board governance;
- The role of management and the role of governance should be defined clearly, with each NGB being staff managed and board governed;
- NGBs must be financially and operationally transparent and accountable to its members and the USOC;
- NGBs must adopt best practices for not for profit organizations; and
- NGBs must comply with all of the requirements for membership as defined in the Ted Stevens Olympic and Amateur Sports Act, USOC Bylaws, and any USOC Board policies.

USAV Governance Restructure Proposals

10-Vote Board

- 2 athlete votes (4 athletes) - 20%
- 3 independent
- 1 AVP/National Beach Tour
- 1 beach HP
- 1 indoor HP
- 1 grassroots
- 1 AVCA
- Chair that votes in case of a tie

14-Vote Board

- 3 athlete votes (4 athletes) - 21%
- 3 independent
- 1 National Beach Tour
- 1 Indoor HP/NCAA
- 3 Indoor Grassroots (juniors, adults, regions, etc.)
- 1 Beach Grassroots
- 1 Coach (AVCA)
- 1 Official (PAVO/Officials Division)
- Chair, no vote except to break a tie

13-Vote Board

- 3 athlete votes (4) – 23%
- 3 independent
- 1 National Beach Tour
- 1 Indoor HP/NCAA
- 3 Indoor Grassroots
- 1 Beach Grassroots
- 1 Coach (AVCA)
- Chair, no vote except to break ties

15-Vote Board

- 4 athlete votes – 27%
- 2 independent
- 1 National Beach Tour
- 1 Indoor HP/NCAA
- 4 Indoor Grassroots (RVAs)
- 1 Beach Grassroots
- 1 Coach
- 1 Official

	10-vote Board	13-vote Board	14-Vote Board	15-Vote Board
Athletes	4/2	4/3	4/3	4/4
Independent	3	3	3	2
Nat'l Beach Tour/AVP	1	1	1	1
Indoor HP/NCAA	1	1	1	1
Beach HP	1			
Indoor Grassroots		3	3	
Grassroots/RVAs				4
Beach Grassroots		1	1	1
Grassroots				
Coaches	1	1	1	1
Officials			1	1
Chair, no vote except to break a tie	1	1	1	1