



## USA Cycling Meeting of the Board of Directors

In person, Chicago

December 13, 2021

Nancy Cowan, presiding Secretary called the meeting to order followed by a formal roll call:

Greg Allen	<input checked="" type="checkbox"/> Present
Matt Barger	<input checked="" type="checkbox"/> Present – on zoom
Lucia Deng	<input checked="" type="checkbox"/> Present
Ed Ewing	<input checked="" type="checkbox"/> Present – on zoom
Maddie Godby	<input checked="" type="checkbox"/> Present
Cari Higgins	<input checked="" type="checkbox"/> Present
Meredith Miller	<input checked="" type="checkbox"/> Present
Reggie Miller	<input type="checkbox"/> Present – Absent
Brendan Quirk	<input checked="" type="checkbox"/> Present
Bob Stapleton	<input checked="" type="checkbox"/> Present – on zoom
Alison Tetrick	<input checked="" type="checkbox"/> Present

Chairman Brendan Quirk's opening comments included his reflection on the business; the day's agenda including the 2022 proposed budget; and KPI's around four areas: membership & sanction growth, elite athletics, building our brand and engagement with the American cycling community. Recap of 2020-21 through Covid, the company's performance against P & L, and leadership's excellent budget management. Rob has identified our target customer for the future, the non-racer. We need a constant relentless effort to find out who our customers are. We need to develop our relationship with event promoters and a better proposition. Other revenue including Foundation Giving needs to be more inspiring, and a lot of work to be done with Sponsorship. We need to invest more money in our High Performance programs.

CEO Todd Sowl presented the 2021 year end financials, stating overall ahead YTD, and an explanation of major variances, including PPP loan status and employee retention credits. Update on cash investments.

CEO Rob DeMartini laid out the 2022 proposed Budget and a summary of department investments, USOPC and Foundation contributions and sponsorship revenue. Todd presented the revenue financial breakdown by department covering membership proposition numbers vs. dollars, event revenue, and sponsorship, followed by a walk-through on expense line items including athletics programs and national championships. Discussion around IT investment in prior years, followed by discussion on the topic of membership license auto renewal process. Explanation on forecasted percentage return historically regarding investment income.

Rob introduced new CMO Erika Lehman, her second day on the job, and he then presented the membership department update describing the Ride and Race products, and difference in consumers. Conversation around SPOT insurance product. Also the need to focus on member retention.

Jim Miller, Chief of Sport Performance updated the board on elite athletics indicating some of the difficulties in Tokyo, looking to the future of medals, and laid out his growth initiatives road map. Discussion around USOPC funding, and the concept of more money for medals. Jim described his wish list for improved direct athlete support, better compensation, job programs, and the opportunity to give athletes longevity in the sport. Need improvements in technical innovation, and in our general core principles in moving forward towards Paris and LA.

Chuck Hodge, Chief of Racing & Events gave a brief history on events, racer days, rider days, statistics from 2018 forward, the year of Covid 2020, and indicated 2021 had significant claw back about 82% compared to budget. Explanation of insurance and how it was re-worked since 2020 and event cancellations. Rebuilding staff to bring in event sales. Targeting mountain bike, gravel, gran fondos, providing a better value proposition to event organizers including discounts, insurance products and marketing assistance. Improving tool for results & rankings is super important. We have a plan to pull in a new staff member to build an organizer tool kit. Investing resources on customer service side. Discussion around setting up booths at events and selling merchandise. Brief discussion around categories.

Brendan Quirk, Chairman touched on the diversity opportunity as it relates to grassroots and the talent funnel into elites, and a potential Let's Ride project coming up to help Sprint Track, a holistic pipeline providing kids bikes, helmets, engaging with advocacy boots on the ground and creating awareness, in the process of raising funding for these types of programs. Diversity will be a huge impact to our growth wheel. Launched first ever tribal college program, and HBCU program. Recommendation by board member to include more of this type of information in future board meetings so they can see the progress in diversity efforts.

Rob introduced Chris Patterson, IT consultant, recently brought in to stabilize IT. Chris talked through issues and fixes, focus on auto renewal, and progress made as well as strategy going forward regarding tracking, Braintree, Shopify. Clubs, teams, results & rankings put in budget. Internally working on duplicate tools and how to condense those and save the company money. We also need to come up with "digital experiences". Brief discussion around voluntary opt-in to pay credit card fee, and Foundation donation with auto renewals.

After the board had a chance to review strategic financial investments and the proposed budget, Board member Greg Allen motioned for the approval of the 2022 proposed Budget, seconded by Brendan Quirk, all in favor, no one opposed, motion to approve 2022 Budget passed.

*Executive Session.*

*Out of Executive Session.*

The Board made the decision after discussion in Executive Session that for the sake of continuity and stability of the organization they would like to appoint Brendan Quirk as conditional CEO, with current CEO Rob DeMartini stepping down effective December 20, 2021. The CEO job position will be posted internally for a period of 48 hours pursuant to Colorado law.

Board member Greg Allen nominated Matt Barger, as the new Chairman, seconded by Cari Higgins, no other nominations, all in favor, no one opposed, one abstention.

Term expiring for board member Ed Ewing, motion made by Cari Higgins to nominate Ed to serve a second term, seconded by Ali Tetrick, all in favor, no one opposed, Ed Ewing to serve an additional term for a period of two years.

Term expiring for board member Lucia Deng, motion by Cari Higgins to nominate Lucia Deng to serve a second term, seconded by Ali Tetrick, all in favor, no one opposed, Lucia Deng to serve an additional term for a period of two years.

Brendan Quirk presented committee assignment proposals and an explanation of athlete representation. Shane Garman, General Counsel made the recommendation that assignments be done by email vote at a future date after the board has had further discussion.

Rob DeMartini thanked the board and staff for the privilege to work for them.

No other business. Greg Allen motioned for an adjournment, seconded by Cari Higgins, all in favor, no one opposed, meeting ended.