

USA Cycling Meeting of the Board of Directors

Telephonic

April 10, 2018

8:00 a.m. mtn

Nancy Belenke, presiding Secretary called the meeting to order followed by a formal roll call.

USAC staff present: Todd Sowl, Chuck Hodge, Fuad Hamza, Kim Gerra, Joan Hanscom, Shane Garman and Scott Schnitzspahn

BA Anderson		<input checked="" type="checkbox"/> Present
Matt Barger	Absent	<input type="checkbox"/>
Derek Bouchard-Hall		<input checked="" type="checkbox"/> Present
John Bucksbaum		<input checked="" type="checkbox"/> Present
Stephen Ettinger	Absent	<input type="checkbox"/>
Beth Hernandez		<input checked="" type="checkbox"/> Present
Gina Kavesh		<input checked="" type="checkbox"/> Present
Kristin Klein		<input checked="" type="checkbox"/> Present
Andy Lakatos		<input checked="" type="checkbox"/> Present
Nancy Leon	Absent	<input type="checkbox"/>
Alex Nieroth		<input checked="" type="checkbox"/> Present
Rafi Ortiz		<input checked="" type="checkbox"/> Present
Dorothy Pacheco	Absent	<input type="checkbox"/>
Michael Patterson		<input checked="" type="checkbox"/> Present
Dean Peterson		<input checked="" type="checkbox"/> Present
Sean Petty		<input checked="" type="checkbox"/> Present
Bob Stapleton		<input checked="" type="checkbox"/> Present
Alison Tetrick		<input checked="" type="checkbox"/> Present
Arielle Verhaaren		<input checked="" type="checkbox"/> Present
Brook Watts		<input checked="" type="checkbox"/> Present

Board Vice Chairman Alex Nieroth motioned for approval of the December 7-8, 2017 board meeting minutes. Motion was seconded by Board Member Sean Petty. All in favor, no one opposed, December 2017 meeting minutes approved.

Board Chairman, Bob Stapleton gave opening remarks and an overview of the Agenda for the call. Remarks included: IT/Marketing critical for growth; sweeping changes in leadership with the Elite Athletics department, diving deep into developing athletes; engaging & retaining race membership and growth initiatives; and there is momentum behind the scenes at the UCI with fundamental progress and changes in key disciplines.

CEO, Derek Bouchard-Hall noted that today's call is meant for update purposes, with updates on Elite Athletics, Racing Ops/Nationals, the IT transformation and marketing broader efforts. Membership numbers are modestly encouraging. Significant pace of work being done here, focused on revenue.

Elite Athletics update – Scott Schnitzspahn

Since last board meeting – CycloX Worlds: Katie Compton another medal, 3 athletes in top 8; Track Worlds: Chloe Dygert outstanding performance, she demolished World record, twice. Kelly Caitlin pulled off bronze. Jen Valente silver medal in the scratch race. Ashton Lambie rode 4.17 in the men's race placing 7th. Road season: Paris Roubaix – Taylor's notable finish in 8th; National Team criteria will evolve – we're fine tuning it to get the right athletes on the national team, there are some new additions. Staffing – With Jim's departure, coaches are reporting directly to Scott now. Kristin Armstrong is overseeing high performance process. Gary Sutton doing well in his role, the team has rallied around him, with great track result at Worlds, and a recent Talent ID camp. High Performance – tweaking description & approach. Overview of structure for National Team – Gold, Silver, Bronze athletes. Talent

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ID camp – 1st one of 4, we are looking for someone for our endurance program – particularly women's track team pursuit. VeloNews did a story which was really positive about our Talent ID camp. Brief discussion amongst board members about what percentage of money goes into development programs vs. elite athletics. Selection committee – the new committee is very engaged, they've done 3 selections, we're working on principles of athlete selection document, Olympic criteria to be posted a year out. Transparency/Communications – getting better info on the website, and with Talent ID camps there will be more of an open process. Question was asked about the Men's team pursuit and money being spent – it's a long term process – we're calling it a “development” program. We have a National Team at the Tour of California. And big goals for Tokyo – 7 medals!

Update on Membership – Fuad Hamza

Team staffing changes – we're in a transition phase – some of the new staff is new to the cycling industry but have good background experience. For 2018 we are focused on priorities – Focus on race membership; grow Sponsorship & Partnerships; and drive growth with the enthusiast segment. Race 4.3% up vs. budget projections – some positive momentum. Overall finishing up Q1 slightly ahead of last year. Podium & podium plus are trending up (these are premium products). Work in Q1 – more promotional – focused on driving a stronger value proposition. Focused on race renewals “sign up now”, “limited time”. Launched Race Ready Program – targeting 1 day license holders, certified coaches are helping with that program, and we are currently gathering feedback and info for this program to tweak it. We are focused on retention specific programs. Upcoming race initiatives – continued focus on retention promotions i.e. “thanks for your support”. In July & August – Cross – emphasizing messaging; Auto renewal 2019 program; Club program

Events update – Joan Hanscom

We are on track to meet budget on racer days and event permitting. Positive trends – the West is rebounding. Some wins – we won back W. Virginia MTB and New Jersey. In the enthusiast space – new Fondos and fun rides. Retained Sea Otter – with a membership offer registrations are up. The power of partnership and collaboration!

Sponsorship – Fuad Hamza

On track to deliver 2018 budget. In advanced discussions with partners – key prospects. Working with elite athletics – coming up with easier process & templates for his staff to work on sponsorship. New initiative to communicate member benefits to members. We have a clear focus on what we need to do for revenue. Engagement – keeping membership base engaged.

Racing Ops – Chuck

Nationals in Reno for CycloCross – We are proud of the web stream, it was well done. For 2019-20 years we are working on finishing up the site visit process. Update on locations and announcements are coming shortly. Intern working on a study regarding entry fees – comparisons to other sporting events. Restructuring sponsor agreements; creating better tool kit for LOCs to be able to sell locally. National Series – Pro Road Tour, MTB Cross Country and Pro Gravity in full swing. Safety – working closely with our safety committee on concussion protocol. Staffing for department – Tom Mahoney moved to our Communications department; replaced with Kyle Knott who comes from Rock Hill Velodrome. Internal staff member Matt Waak moving over to take Tech position. Moved Collegiate racing under Race Operations. Justin Evans now handling and he has a great background in Collegiate. Race officials – implementing new programs – with an online training program that is more robust.

IT – Kim Gerra

We made the decision to launch online permitting & registration together, progress slower than forecasted. CCN is a small company with a lack of resources for such a large project. We have extensive requirements. Addressing problems and providing funding for 4 additional staff at CCN, and internally

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reducing the scope & complexity of project – simplifying – taking components off CCN’s plate. Development timeline – released online waiver and android mobile app. Focus for Q2 – Additional improvements to website, completing features for online registration and permitting. Implementation of business intelligence tool, ability to do analysis/reporting. Final set of features for mobile apps. Q3 – testing and deploying soft launch of registration & permitting. Robust club management product. Q4 – October timeline – launch online registration & permitting as well as new club features. 2019 – Results & Rankings (right now they are still on legacy system), Tech memberships and membership staff & tools. Delivery risks – how confident are we in CCN? Missing sales season would be worst aspect of any delay. Focused on revenue generating products. Results & ranking feature – it will be better before July – with a user interface on website (from legacy system). Research indicates the top 3 pages viewed on website are Event Search, Results and Account page. Explanation of increase in budget 2018 – more CCN resources needed, internal resources, and Quality Assurance team – for a better level of testing.

Marketing & Communications update – Fuad Hamza

Big focus on digital. We need a strong reach. Revamping approach – more story telling. Key initiatives launched – Cross Nats coverage, National Team marketing plan, building stories around national team and also grassroots story telling. Other initiatives – engaging with endemic media; revamping marketing approach for National Championships, finalizing national team fan pack – hoping to launch next month; hiring new agency – we have narrowed down list, hope to sign with agency in June. Grass roots racing – full speed ahead with ongoing cadence of communication. Events – enthusiast engagement – building brand awareness, identify events with large enthusiast participation; engage existing customers & potentially new customers, offers & collaboration with Sea Otter (we will be there in person at Sea Otter hustling new membership sales and doing surveys). Hincapie Gran Fondo – offering discounts to members (we will be onsite with new enthusiast membership offer). Regional managers committed to amplify at other events in their regions. Booth at Tour of California? Ride membership – decline of 6% since December 2017. Do we continue to invest money to grow it? We are brainstorming different models & ideas for retention messaging. Merchandise – updating products.

Finance & Budget – Todd Sowl

Update on 2017 Wrap Up. YE results –ending year better than forecasted. Investment income up. Management bonuses less. 2018 Forecast & summary presented. Potential to be \$480K over budget in 2018 before investments primarily due to increased IT costs and incremental staff costs. We will spend money on our key priorities within reason to get the job done while trying to claw back as much of the overage as possible.

Governance - Michael Patterson, Governance Committee Chairman

Bylaws currently provide that all Directors are limited to 4 terms. We are proposing change in our Bylaws to include extending term limits in individual cases for the group coming due. We will be sending out recommendations in May (30 days before the June board meeting) and then we will hold a vote on Bylaw changes at the June board meeting. Per our Bylaws – the Chairman/Vice Chairman are elected at the 1st meeting in an even year. Because this is our first meeting of the year, we need to have an election of Chairman and Vice Chairman. A vote was held – Motion by Michael Patterson to re-elect Bob Stapleton and Alex Nieroth for 2 year terms as Chairman and Vice Chairman of the Board. Motion seconded by Board member Kristin Klein. All in favor, no one opposed, Chairman and Vice Chairman are re-elected for another 2 year term. It was noted that proposal to move chair elections to annual meeting in December under consideration and election may be repeated in December 2018.

Legal – Shane Garman

Safesport update – Data requests from Congress. The board should be involved in our athlete protection. Proposing the Board participate in SafeSport training – it’s a 1-2 hour course online.

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A contract for Arielle Verhaaren needs board approval to accept any conflicts for BMX coaching services. After review from the board, Bob Stapleton motioned to approve this contract for coaching services, seconded by BA Anderson, all in favor, no one opposed, contract approved.

Miscellaneous items: Foundation update – the search is still underway for a new Director. Question was asked by board about the new tax reform changes – will they affect donor charitable donations? Todd gave an explanation.

No other business to conduct. Motion to adjourn by Bob Stapleton, seconded by Michael Patterson. All in favor, no one opposed, meeting adjourned.