

# USA Cycling Meeting of the Board of Directors

## Colorado Springs, CO

### December 7-8, 2017

Day 1, December 7th

Noon mtn

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

BA Anderson	<input type="checkbox"/> Present <i>-phone</i>
Matt Barger	<input checked="" type="checkbox"/> Present
Derek Bouchard-Hall	<input checked="" type="checkbox"/> Present
John Bucksbaum	<input checked="" type="checkbox"/> Present
Stephen Ettinger	<input checked="" type="checkbox"/> Present
Beth Hernandez	<input type="checkbox"/> Present <i>-phone</i>
Gina Kavesh	<input checked="" type="checkbox"/> Present
Kristin Klein	<input checked="" type="checkbox"/> Present
Andy Lakatosh	<input checked="" type="checkbox"/> Present
Nancy Leon	<input checked="" type="checkbox"/> Present
Dorothy Nichols <i>Fuad</i>	<input checked="" type="checkbox"/> Present
Alex Nieroth	<input checked="" type="checkbox"/> Present
Rafi Ortiz	<input checked="" type="checkbox"/> Present
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 Verhaanen	<input checked="" type="checkbox"/> Present
Brook Watts	<input checked="" type="checkbox"/> Present

Board Vice Chairman Alex Nieroth motioned for approval of the August 10-11, 2017 board meeting minutes. Motion was seconded by Board Member Nancy Leon. All in favor, no one opposed, August 2017 meeting minutes approved.

Board Chairman, Bob Stapleton gave opening remarks and an introduction of new board members Andy Lakatosh and Rafi Ortiz. Bob also introduced the new Chief Marketing & Sales Officer Fuad Hamza. Bob gave an update on results of recent UCI Elections and its new President David Lappartient. Bob recognized and congratulated board members and USAC staff appointed to UCI Committees - Sean Petty, Brook Watts, Kristin Klein, BA Anderson and Chuck Hodge. Bob gave a perspective on USA Cycling history from 2014-2017 (changes in leadership, investing in fundamental platforms for progressive change), and gave an overview of the meeting's agenda for Day 1 and 2.

Michael Patterson, Chairman of the Governance Committee held an election for those director terms expiring. A motion was made by Michael to re-elect at-large directors Bob Stapleton and Nancy Leon. Seconded by Alex Nieroth. All in favor, no one opposed, approved. Bob Stapleton and Nancy Leon re-elected to an additional 2 year term through December 2019. Michael updated the board on recent elections held in October by each Sport Committee which included the re-election of Gina Kavesh, Sean Petty and Dean Peterson to 2 year terms on their respective committees, and Andy Lakatosh finishing out Adam Duvendek's term with 1 year left. Michael announced the results of the Foundation election held in November which re-elected Matt Barger to another 2 year term, and Rafi Ortiz to his first 2 year term on the board. The governance Chair declared that the December board meeting will be the official "annual" meeting each year.

Alex Nieroth, Board Vice Chairman announced new committee assignments as follows:

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<b>Executive:</b>
Bob Stapleton (Chair), Michael Patterson, Matt Barger, Alison Tetrick, Alex Nieroth
<b>Finance, Audit &amp; Compensation:</b>
Matt Barger (Chair), Rafi Ortiz, Stephen Ettinger, Bob Stapleton
<b>Nominating &amp; Governance:</b>
Michael Patterson (Chair), Alex Nieroth, Sean Petty, Dean Peterson & Arielle Verhaaren
<b>Marketing Ad Hoc:</b>
Alex Nieroth (Chair), Nancy Leon, Gina Kavesh, Rafi Ortiz, Kristin Klein, Alison Tetrick*
<i>*Alison added on Day 2 of the meeting after it was discovered we need an athlete rep</i>

Alex Nieroth motioned for approval of the proposed new board committee assignments, motion seconded by Michael Patterson. All in favor, no one opposed, committee assignments approved.

CEO, Derek Bouchard-Hall gave an update on 2017 progress. Objectives & how the company plans to meet them. Strategic actions were discussed including infrastructure, core market, business development, profitability (improve economics of nationals) and athletics (focus on women & BMX). An overview of historic revenue and an update of revenue growth for the years 2002-2021. Overview of progress and successes – Big wins! Update on elite athletics funding; enthusiast events 17% increase in non-competitive racer days; podium program 16% of our membership selected the podium upgrade; USAC leadership team changes – Chuck Hodge, VP Operations; Scott Schnitzspahn VP Athletics and Fuad Hamza, CMSO. Some mixed successes – IT project – not as good as we wanted but clear progress with data clean up, mobile app and new website. Slide presentation included USAC’s updated organizational chart, membership report, Ride membership growth and race participation program. Update on auto renewal figures. Ride membership growth is up to 3400 active members. LA relationship – new agreement for 2018. The misses & disappointments – Road down 11%; racer days down 2%; IT Timeline slower than expected; and Sponsorship money down. Indications that progress is still to come. Advocacy efforts – some co-marketing with NICA & IMBA. Also working on safety summit with People For Bikes. New items - BMX Freestyle in Olympics; a new Selection Process; and a National Team being launched.

Commercial Team presentation lead by Fuad Hamza. A brief background and description of his new role at USAC. Fuad gave an overview of the department objectives and priorities. Ride membership growing, but at a slow pace. Discussion amongst board members around membership retention. Fuad gave his perspective on the IT project. What’s not working? What’s working? And where are we headed? Situation assessment - The race business is under pressure. Statistics – why the drop? Lack of product? Why few racers? Fewer events? Aging demographic? Trend – people want to do bucket list events. Get kids on bikes. Need stronger value proposition.

IT update presented by Kim Gerra, Director of IT. Progress to date – mobile app launched in September; website migration launched last week; race improvement launched last week; auto renewals launched this week. On the horizon – event registration estimated to launch March 2018; mobile app launching rider lookup next week; currently in testing phase. Android app – December 2017 this month just digital license. Permitting estimated to launch June 2018. Derek Bouchard-Hall commented on IT expenses and capital expenditures. Explanation of the cost of IT transformation. What went wrong – project will take longer than expected – 1 more year. What we did right – we now have the right leadership in place and paid additional staff at CCN.

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Racing Operations update by Chuck Hodge, VP Operations – National Championships will continue to focus on quality nationals; for 2019-20 we have 17 bids/RFPs. For the 2018 Budget – cutting prize money from national championships; calendars for National Series. Chuck discussed upcoming opportunities. Strong mix of UCI registered teams; description of departmental objectives; and update on regulations 2018 procedure & changes. Surveying members this week for feedback on regulations including 2018 Track changes.

Elite Athletics update presented by Scott Schnitzspahn. Athletics department immediate priorities – improve the athlete experience; longer term objectives include creating policy re staff coaching athletes, staff not allowed to be paid or compensated for coaching athletes. Discussion re transparency. Selection process update. The process will now follow a lot of TSE Consulting's recommendations. If an athlete doesn't make it they will be contacted and told why before a press release goes out. Currently looking for new committee members, working on a timeline calendar re selection and reviewing criteria and process for approval. Documents will be posted showing how to qualify, trying to publish asap. Expected new selection process to be in place by 1/31/2018. Apply, interview, we vet, then send to Executive Committee to make final nomination to selection committee. National Team launching next week – all 5 disciplines, marketing them as national athletes. Many benefits to being a National Team Athlete. Term is 1 year, and as athletes qualify they can join national team right away. Scott gave an overview of the ambitious goals for Tokyo 2020; introduction of new staff, and update on programs and recent successes.

Day 2, December 8th

8 a.m. mtn

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

BA Anderson <i>Absent</i>	<input type="checkbox"/> Present
Matt Berger	<input checked="" type="checkbox"/> Present
Derek Bouchard-Hall	<input checked="" type="checkbox"/> Present
John Bucksbaum	<input checked="" type="checkbox"/> Present
Stephen Ettinger	<input checked="" type="checkbox"/> Present
Beth Hernandez	<input checked="" type="checkbox"/> Present - <i>phone</i>
Gina Kavesch	<input checked="" type="checkbox"/> Present
Kristin Klein	<input checked="" type="checkbox"/> Present
Andy Lakatos	<input checked="" type="checkbox"/> Present
Nancy Leon	<input checked="" type="checkbox"/> Present
Dorothy Nichols <i>fluchecc</i>	<input checked="" type="checkbox"/> Present
Alex Nieroth	<input checked="" type="checkbox"/> Present
Ralf Ortiz	<input checked="" type="checkbox"/> Present
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
Allison Tebick	<input checked="" type="checkbox"/> Present
Arielle Verhaaren	<input checked="" type="checkbox"/> Present
Brook Watts	<input checked="" type="checkbox"/> Present

Derek Bouchard-Hall, CEO and Todd Sowl, CFO presented the 2018 Budget and 2019-21 Plan. P & L for 2017 projected to be ahead of budget. Explanation of major operating variances between forecast & plan. IT and Marketing spending will increase. 2018 Budget approach – best guess revenue & expense forecast. Review of 2018 assumptions on revenue and expenses. Estimates for expense growth for years 2017-21. Presentation of 2018-21 budget forecast and plan. Update on company organizational chart. Group discussion around USAC's value proposition and broader marketing. Comments on budget before vote - if we revise budget in a few months it would have to be "extraordinary circumstances". John Bucksbaum moved for a motion to approve the 2018 Budget as presented, seconded by Sean Petty, all in favor, no one opposed, 2018 Budget approved.

Foundation update by Steve Blank, Executive Director – list of upcoming events. 100% renewal of Champions club, minus 1 person; 2 new champions club members; 2 open solicitations; 6 new podium

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club members. USOC matching grant – update on fundraising push. Giving Tuesday – a lot of action on social media – athletes are spreading the word.

Legal update from Shane Garman, USAC legal counsel – 13 active cases in litigation in various stages. Shane working on an exposure spreadsheet. Brief discussion regarding our exposure and UCI liability releases.

Nancy Belenke, Secretary, announced the 2018 Board meeting dates – proposing telephonic end of March for 4 hours; in person meeting to be held in Knoxville around Pro Road Nats – June 22<sup>nd</sup> – Friday night, Saturday meeting, Sunday road race downtown. December – first or second week, Nancy to survey the members for a date, then lock in dates for 2018.

Quick clarification from Alex Nieroth regarding the Marketing Ad hoc committee – we require an athlete on that committee, proposing Ali Tetrick to join. Alex moved for a motion to add Ali Tetrick to the Marketing Committee, seconded by Kristin Klein, all in favor, no one opposed, Ali now on the committee.

Executive Session – Open Forum

No formal adjournment.