

# USA Cycling Meeting of the Board of Directors

## June 23, 2018 – Knoxville, TN

8:30 a.m. mtn (*delay in start time due to technical difficulties with AV equipment*)

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

BA Anderson	<input checked="" type="checkbox"/> Present (phone)
Matt Barger	<input checked="" type="checkbox"/> Present (phone)
Derek Bouchard-Hall	<input checked="" type="checkbox"/> Present
John Bucksbaum	<input type="checkbox"/> Absent
Stephen Ettinger	<input type="checkbox"/> Absent
Beth Hernandez	<input checked="" type="checkbox"/> Present – (phone)
Gina Kavesh	<input checked="" type="checkbox"/> Present
Kristin Klein	<input checked="" type="checkbox"/> Present
Andy Lakatos	<input checked="" type="checkbox"/> Present – (phone)
Nancy Leon	<input checked="" type="checkbox"/> Present
Alex Nieroth	<input checked="" type="checkbox"/> Present
Rafi Ortiz	<input type="checkbox"/> Absent
Dorothy Pacheco	<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 Verhaaren	<input checked="" type="checkbox"/> Present – (phone)
Brook Watts	<input checked="" type="checkbox"/> Present

Board Vice Chairman Alex Nieroth motioned for approval of the April 10, 2018 board (telephonic) minutes. Motion was seconded by Board Member Gina Kavesh. All in favor, no one opposed, meeting minutes approved.

Board Chairman, Bob Stapleton gave opening remarks and an overview of the Agenda. A quick update on the UCI and progress made on initiatives, major economic reform, communications improvements, including a new & improved UCI website coming soon. General comments about the company, Bob stated we should recognize we're here at a National Championship. We've been talking about revenue retention since 2014. I'm anxious to see the path forward. High Performance Tokyo 2020 – timing is important now. We need intense focus on execution in the next 18 months.

Derek gave an overview on 2018 progress. Securing Tim Johnson to lead the Foundation; and update on IT transformation. Highlights included - some of the LA's are now using USAC's website platform. Overall website is getting better, revamping navigation. Race trends – projecting finishing year likely up on race memberships. Auto renewal is a huge part of why we're doing better with numbers. Event activation improvements. Communications – the stories we are writing are more current. More product promotions. In general, a more regular cadence with all of these things. Website has more refreshed content, including National team profiles. Event recruitment – we're still seeing a decline in traditional road racing, but winning over events on the enthusiasts' side. Merchandise – we're seeing great progress. LA communities – we are providing course fencing and they love it. Small races now have our branding. LA grant program – allocated \$20,000 to programs. National Championships – we're seeing definite improvements. And, also improvements with our advocacy involvement. Anti-doping/Race Clean – tip line is proving to be very powerful. Rebranding “anti-doping surcharge”. Safety – padding now on the end of fencing. Racing participation improvement program. Sponsorship is still struggling, we need a key partner. Enthusiasts – evolving with new offers and continued member growth. Recap of sponsorship partners and portfolio. New enthusiast membership coming in August! Tokyo 2020 Plans.

Racing Operations lead by Chuck Hodge. National Championships – congrats to our very own board member Gina Kavesh on her National win! A recap of core objectives – Quality, Finances, Participation and Relevance. Department is now fully staffed! Department is running extremely lean, restructuring RFPs and agreements. We are focused on looking for quality locations. We'd like to create 2-3 showcase events that are sellable and relevant. We are working on a multi-year plan to develop Nationals. Recap of 2018 successes so far, to include Marathon MTB - had to re-open registration due to record demand. Collegiate Road – Grand Junction highly improved. Masters Road – hit budget, this year we included Para and received financial incentive. Pro Road – record numbers, added 2 days with minimal financial impact. Chuck showed comparison charts on entry fees for “other” MTB and Road events. Race Safety core objections to include Prevention, Response, and Data (assess areas of risk). National Calendar core objectives – Coordination, Recognition, Participation and Relevance. With strategic actions to include planning, qualification, and support. A better process through online coordination; Using PRT to qualify for USPRO was a great success, continued importance of ProCX and CX Nationals. And providing basic media support to 3 series in 2018, with increased financial support to MTB series. Collegiate objections – Grow clubs! Working to make changes, putting more emphasis on it. Rebuild member base. We're going to make Collegiate racing fun again! Conference director meeting just held at our offices. Board member discussion around Collegiate and NICA partnership.

Elite Athletics lead by Scott Schnitzspahn – presented an overview of recent results. New elite athletics staff, welcome Jeff Pierce, Director of Elite Athletics for Road & Track; and Clay Worthington, Head Coach, Men's Track. Updated current organizational chart and provided a list of current contractors and USOC support staff. High Performance (Go Fast) Program update. Discussion around Talent ID camps. Should we have a Freestyle-BMX Camp? Athlete Selection & Communication update, including updated selection criteria and principles of selection. Discussion around USOC/Olympic possible joint marketing around LA Olympics?

Fuad Hamza updated the board on marketing/membership. We are now called the “Sport Development Team” – a rebranding of our department team name. We are in the process of rebuilding our team. For 2018 priorities we are focused on race membership and current members as our top priority. Domestic vs. last year – up 2.8%. Seeing good momentum – overall 1.4% total race. Key initiatives include auto renewal, retention programs. One day license – there is a real opportunity for us. We're finding that there is a 2 month delay/lag to receive paperwork from events. With live race day tools, this will help avoid delays. Targeting Race Ready Program. We're committed to driving growth within the enthusiast segment.

Event numbers update from Joan Hanscom – we've stopped the bleeding. Competitive road racing days are down. Gravel/Enthusiast space – winning in that space. There is some optimism – we are winning some events back. Only down 7,000 racer days vs. 20,000 last year. Discussion around Gran Fondos – we need digital engagement & compelling offerings. By next Board meeting in December, we should know how we did with the IT transformation and revamping of membership. Clubs reboot program, revamping Club of the Year. And a market survey to help with targeting. Other 2018 priorities include growing sponsorship & partnership, developing a stronger value proposition with better rights offerings and athlete connection.

Marketing – more storytelling! More onsite engagement at events. Intern working on newsletter. Sponsorship update – some small partners signed up, Just Bare and Normatec. Looking to bring in agency to help with sales process. Enthusiast engagement on the ground at events. Online Registration – a real marketing opportunity. Lagging in Gran Fondos and recreational space. We want our registration to be the go to market place. Short video shown on Driveway series. This video shows why you should partner with us. Merchandise and E-Commerce, we are revamping our approach, new artwork for

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merchandise well received. Activation at 6 events. New enthusiast membership model, objectives to include driving incremental recurring revenue and profit, grow membership rapidly, bringing more people into the organization to improve scale and influence of USAC. Membership eco-system and structure – Levels 1, 2 and 3, working on finalizing tiers and pricing. We need a new approach with a new enthusiast product becoming an acquisition engine for us. Statistics on enthusiast market presented. Launching new enthusiast product Aug 1<sup>st</sup>. Race memberships – launching promotions/products in advance of auto renewal in November.

Governance – presented by Michael Patterson, Committee Chair. More than 30 days prior to the meeting the Nominating and Governance Committee proposed several changes to the bylaws. Those changes included removing the requirement that board meetings be public, permitted the Board to extend term limits, inviting non-director participation, granting oversight of the SafeSport program to the Nominating and Governance Committee, and modifying the terms for the Chair and Vice Chair. Those proposed changes were discussed. Alex Nieroth moved for a Motion to approve the proposed By Law Amendments, seconded by Nancy Leon, all in favor, no one opposed, By Law Amendments approved. Discussion followed regarding Sport Committees and term limits, which have not yet been addressed.

Shane Garman, legal counsel, SafeSport update. There is a material increase in athlete protection demands. Policy III changes – implementing appeal process for background checks. Creating an appeal process. A reminder to Board members to take the online SafeSport test as it is now required of board members. Our website is also more clear now on how to report. We also added a feature to our new app making it easier to click and report a claim.

[Executive Session – In and out]

Foundation update from Derek Bouchard-Hall. We're full speed ahead with Tim Johnson joining us. We received a Sprint track gift from a donor. And we have 1 new Champions Club donor. Tour de France Foundation event had the largest attendance ever by donors/participants.

IT update from Kim Gerra – A board working group has been created. Q2 advancements – web, mobile, online registration & permitting. Website – hired third party for analytics. 2.0 release for mobile app. Online registration – CCN on track July 1<sup>st</sup> to provide full functioning product. Legacy issues – down to 55 issues to resolve, from 573. Kim presented a timeline for remainder of year on launches, and completions. We have been sending USAC staff to Vancouver to oversee CCN onsite. We have a disaster recovery plan – partnering with Amazon and Navakai, and back up in the cloud.

Financial update from Todd Sowl – We received a clean opinion from our auditors. The USOC audit occurs once every 4 years – they look at grants, how we spend the money, governance and safesport. Auditor is happy with our internal controls. There were some recommendations around SafeSport and grievance procedures which we are addressing. Financials - 2018 forecast – we are projected to be over budget.

Open discussion around a variety of topics.

No other business to conduct. Motion to adjourn by Gina Kavesh, seconded by Dean Peterson. All in favor, no one opposed, meeting adjourned.