

**USA Cycling Meeting of the Board of Directors
Colorado Springs, CO
December 12, 2016 – Day 1**

12:00 pm mtn – Nancy Belenke, presiding Secretary called the meeting to order followed by a formal roll call

Roll Call:

BA Anderson	ABSENT
Matt Barger	<input checked="" type="checkbox"/> Present
Derek Bouchard-Hall	<input checked="" type="checkbox"/> Present
John Bucksbaum	<input checked="" type="checkbox"/> appearing by phone
Adam Duvendeck	<input checked="" type="checkbox"/> Present
Stephen Ettinger	ABSENT
David Helfrich	<input checked="" type="checkbox"/> Present
Beth Hernandez	<input checked="" type="checkbox"/> Present
Gina Kavesh	<input checked="" type="checkbox"/> Present
Kristin Klein	<input checked="" type="checkbox"/> Present
Nancy Leon	<input checked="" type="checkbox"/> appearing by phone
Dorothy Nichols	<input checked="" type="checkbox"/> Present
Alex Nieroth	<input checked="" type="checkbox"/> Present
Michael Patterson	ABSENT
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	ABSENT
Brook Watts	<input checked="" type="checkbox"/> Present

Board member Gina Kavesh motioned for approval of the September 7-8, 2016 board meeting minutes. Motion was seconded by Vice Chairman Alex Nieroth. All in favor, passed without objection, **September 2016 board meeting minutes approved.**

Bob Stapleton, Board Chairman welcomed new board members Beth Hernandez, Arielle Verhaaren and Stephen Ettinger. Bob reminded the group of the role and responsibilities of board members. Proposed board meeting dates for 2017 – April 4 (1/2 day telephonic), August 10-12 possibly in Breckenridge and December 12, a one day meeting in Colorado Springs.

Committee assignments were announced:

Finance, Audit, Compensation: Matt Barger (chair), David Helfrich, Bob Stapleton, Adam Duvendeck & Nancy Leon

Nominating and Governance – Michael Patterson (chair), Alex Nieroth, Sean Petty, Stephen Ettinger and Gina Kavesh.

USAC Board Meeting December 2016

Executive – Bob Stapleton (chair), Michael Patterson, Alex Nieroth, Alison Tetrick and Matt Barger

The Ad-hoc marketing committee was eliminated. Brief discussion around the women's/diversity committee status and possibilities of evolving. Chairman's update included a progress report stating that good tactical moves along with sweeping changes have been made since the December 2014 board meeting two years ago. Now looking ahead to 2017 with key business challenges.

CEO Derek Bouchard-Hall gave an overview of the Agenda and objectives for the next two meeting days. Derek presented his CEO management update on the progress made in 2016: Membership/Marketing – launching new membership tiered program and a range of other campaigns including Olympic marketing, and Project 2016 Media. Event Sanctioning up 2%, a number of new events sanctioning with us. Our P&L for National Championships has improved. Race Clean expansion. Athletic medals – both Worlds & Olympics – a lot of great accomplishments, along with other achievements to include our new logo rollout; OBRA to recognize USAC categories; NACS not a real threat; the Foundation under the leadership of Steve Blank; Chuck Hodge a great addition to our staff; changes to the PRT calendar; coaching licenses up and the unveiling of the updated organizational chart for USAC showing new faces.

CFO Todd Sowl followed up with an update on the company's financial performance including an explanation of the 2016 forecast, projecting ending the 2016 year in the black, and investments are strong. Major variances – increase in sponsorship revenue, increase in insurance revenue & lower premiums, increase in net membership, net increase national events, lower depreciation expenses, and salaries & benefit savings. Balance sheet looking strong, ending 2016 year way better than expected.

Derek Bouchard-Hall unveiled the proposed new Mission & Vision statement. The key is to broaden the mission. Discussion around the current and proposed statements below.

Mission statement

PREVIOUS:

The mission of USA Cycling is to achieve sustained success in international cycling competition and grow competitive cycling in America while delivering an exceptional customer experience.

REVISED:

The mission of USA Cycling is to develop the sport of cycling in the United States at all levels and to achieve sustained international racing success while fostering a shared commitment to safety, integrity, and the joy of cycling.

Vision statement

PREVIOUS:

The vision of USA Cycling is to make the United States of America the most successful country in the world of competitive cycling.

REVISED:

The vision of USA Cycling is that the sport of cycling in the United States is safe, fun, and locally accessible for a vibrant community of racers, enthusiasts, supporters and events, and is represented by highly successful athletes competing with integrity on the world stage.

Shortened versions:

MISSION:

The mission of USA Cycling is to develop the sport of cycling in the United States and achieve sustained international racing success while promoting safety, integrity, and the joy of cycling.

VISION:

The vision of USA Cycling is that the sport of cycling in the United States is safe, fun, and locally accessible and represented by highly successful athletes competing with integrity on the world stage.

Continuation of CEO's presentation to include 2017 growth plans and strategic objectives, stating we've had much success but challenges remain. Losing VW sponsorship; update on IT project; we are only 17th ranked UCI – men's road – we have much more to do. We will be tweaking our mission & vision statements; our financial position is strong but we lack the resources to accomplish many of our objectives. We are still seeing a membership decline; however, our relationships have improved with OBRA, ATRA and NICA. Core objectives and key things to achieve going forward: reverse the slide in membership and grow again; enhance elite athletics; be the "go to" partner for cycling events; and increase enthusiasm for USAC's mission. Key strategic actions to include: complete IT project; expansion in enthusiasts space; further develop our Ride offer; sanction more gran fondos; increase existing membership; improve member experience (including perception of value and promote our value); merchandise sales; remain transparent; increase focus on off-road community; keep strength in athletics; expand Foundation/USOC contribution; and grow sponsorship revenue. Internally, we are working on a high performance culture. We need to use our current balance sheet to invest in our core objectives. Discussion around advocacy groups, ways to help as they are part of the cycling eco system; does USAC have the resources or someone on staff with the band width to take this on? Ideas around grow race participation – 1. Grow base of participants; 2. Increase race opportunities; 3. Improve the racing experience. Brief discussion about the new waiver. Recap of membership sales year over year. Discussion about partnership with Strava & Zwift. What about our relationship with athletes – both current & retired? IT update – 2nd push runs through Q2 2017; new website launch; and possible new position – hiring off-road development staff person.

Todd Sowl, CFO, presented the 2017 draft budget – gave an overview of the budget process. Explanation of why we are budgeting for a loss in 2017. Budget presented in detail for board approval. Adam Duvendeck motioned for approval of the 2017 Budget as presented, seconded by Sean Petty. All in favor, no one opposed. **USAC 2017 Budget approved.**

Administrative items covered by in house legal counsel Shane Garman. Board supports Bob Stapleton as our nominee for a UCI management committee position. Update on Sport Committee elections and voting – low participation; process needs to be evaluated; discussion about the timing of elections and possible revision of committee composition. Qualification requirements – issues discussed regarding USOC by-laws, and adding to current composition. Shane to discuss subject further with the USOC, then approach our governance committee. USAC-USA BMX Affiliate Agreement presented – disclosed conflict that BA Anderson who is on the USAC is partial owner of USA BMX. Agreement helps provide funding for USAC and is believed to be in USAC's best interest. Adam Duvendeck motioned for approval of the USAC-USA BMX affiliate agreement, seconded by Alison Tetrick, all in favor, no one opposed, **USAC-USA BMX agreement approved.** BA was not part of discussion or vote.

No formal adjournment. Board meeting to continue to day two.

December 13, 2016 – Day 2

8:00 am mtn – Nancy Belenke, presiding Secretary called the meeting to order followed by a formal roll call

BA Anderson	<input checked="" type="checkbox"/> Present
Matt Barger	<input checked="" type="checkbox"/> Present
Derek Bouchard-Hall	<input checked="" type="checkbox"/> Present
John Bucksbaum	<input checked="" type="checkbox"/> appearing by phone
Adam Duvendeck	<input checked="" type="checkbox"/> Present
Stephen Ettinger	ABSENT
David Helfrich	<input checked="" type="checkbox"/> Present
Beth Hernandez	<input checked="" type="checkbox"/> Present
Gina Kavesch	<input checked="" type="checkbox"/> Present
Kristin Klein	<input checked="" type="checkbox"/> Present
Nancy Leon	<input checked="" type="checkbox"/> appearing by phone
Dorothy Nichols	<input checked="" type="checkbox"/> Present
Alex Nieroth	<input checked="" type="checkbox"/> Present
Michael Patterson	ABSENT
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	ABSENT
Brook Watts	<input checked="" type="checkbox"/> Present

Derek Bouchard-Hall spoke on overall athletics program stating Rio was a big success; we have to rebuild as we are losing talent to retirement; and the path to Tokyo 7 medals. Jim Miller, Vice President of Athletics gave his presentation on Elite Athletics Plans for Tokyo 2020 Quad and a recap of 2016 accomplishments. Goals & objectives; Go Fast and Go Young Programs; Women; HPP build out. Seeking to be considered one of the world's best elite athletics program with remarkable expertise in all staff positions, presented organizational chart.

Derek Bouchard-Hall discussed selection procedures; criteria and selection committee process for developing a new approach; and hiring an independant consultant to lead the process. Currently seeking input from multiple sources, and comparing to best practices.

Chuck Hodge, Technical Director, presented 2017 regulation changes, explaining the process and suggested changes (see attached document). Some changes – Cat 5 women; MTB categories; allowance for UCI teams to race in US; radios; track UCI changes and gear limits. Nationals – younger juniors eliminated from championships; tandems in road events eliminated and issues regarding qualification and citizenship requirements. Additional regulations to be finalized, i.e. anti-doping. Dorothy Nichols motioned the board for approval of the 2017 Regulation change document, seconded by Gina Kavesch. All in favor, no opposition. **2017 Suggested Regulation Changes document as presented, approved.**

Legal update Shane Garman – no updates on law suits.

USAC Board Meeting December 2016

Foundation update – Steve Blank – 2016 year in review to include: new Foundation logo, updated giving levels now include tiers – Champion, Podium & Member levels. All current champions club members have renewed. In 2016 we held 6 Foundation events. Looking to 2017 – the USACF board to match a USOC grant. We are focusing efforts in the Bay area and NYC. Changing focus of Foundation events. We had 3 direct mail appeals in 2016. We added a donate button on website – but we need to add a story and description.

List of 2017 events –

February – LA World Cup

March – COS Velodrome & USOTC

May – Amgen Tour of CA

May – Gran Fondo NY

July – Tour de France

September – UCI Road Worlds (Norway)

October – Foundation Mini Camp

November – Bicycles and Bluegrass BBQ

- Motion to move into Executive Session by Brook Watts, seconded by Sean Petty.
- Move out of Executive Session – motion by Sean Petty, seconded by Alex Nieroth.

Discussion regarding Women’s Committee – how do we engage more women? Addressing diversity as a company, not enough resources. No other business to discuss. Reminder of board dates.

Motion made by Gina Kavesh to adjourn, seconded by Sean Petty. All in favor, meeting adjourned.