



## **USA Cycling Meeting of the Board of Directors**

**Via Zoom video/In person Bentonville, ARK**

**October 13, 2021 – 8:00 a.m. mtn time**

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

Matt Barger	<input checked="" type="checkbox"/> Present
Lucia Deng	<input checked="" type="checkbox"/> Present
Stephen Ettinger	<input checked="" type="checkbox"/> Present
Ed Ewing	<input type="checkbox"/> Present - ABSENT
Beth Hernandez	<input checked="" type="checkbox"/> Present
Reggie Miller	<input type="checkbox"/> Present - ABSENT
Bob Stapleton	<input checked="" type="checkbox"/> Present
Alison Tetrick	<input checked="" type="checkbox"/> Present
Arielle Verhaaren	<input checked="" type="checkbox"/> Present
Brendan Quirk	<input checked="" type="checkbox"/> Present

\*Guests: Greg Allen and Julia Violich

The Secretary stated that minutes from the April 7th board meeting were approved by a quorum vote through email and are posted on the company website.

Chairman, Bob Stapleton's opening comments included his insights on where the business is going, stating he's enthusiastic about USAC's mission, and informing the Board that he is resigning as Chairman indicating that his term was already extended by 3 years, serving as Chairman since 2014. He indicated it's time for change both professionally and personally; no drama stepping down from this position. He mentioned that this is the time to throw your name in the hat if you want to run for this open Chairman position, and highly recommended Brendan Quirk to be his successor. Bob gave the board background information on Brendan's long standing cycling career. Bob enlightened the board members with lessons learned during his tenure, and pointed out the historical data since 2010, giving his recommendations and suggestions for the organization in finding a path forward. Bob emphasized that several changes took place in marketing and IT departments throughout the years, as well as reinvesting in the business, and suggested the board pay attention to future spends and make good resource decisions going forward. Bob discussed sustainability of market conditions, investment income, and suggested we focus on the Foundation and more giving; selling the cause; creating matching dollar programs for athletic funding,

targeting new money, grant writing, DEI program had a good response and is successfully raising money. Bob stated the insurance offerings have good value, but longer term membership has more work to do. Go where the money is, gravel is best bet, this is a fundamental change in consumer behavior. Bob thanked the leadership team and Board, with special shout outs to Matt Barger, Nancy Cowan and Jim Miller.

CEO Rob DeMartini followed the Chairman's remarks, thanking Bob Stapleton for his commitment and time, then gave an update on the day's agenda and topics including covering the new membership product; sports performance going into next 7 years – Paris & LA; the latest budget proposal & assumptions; and update on where we are with Gravel.

Todd Sowl, CFO, thanked Bob Stapleton for his leadership. Todd then gave a brief update on the August 2021 forecast YTD snapshot. Todd indicated investment income has helped since stock market has been strong. Todd explained variances indicating we are doing better than budget, except revenue is down, primarily event revenue because of some cancellations, and ODA program had trouble getting into races in Europe mostly due to Covid restrictions. Other variances – successful DEI Grant, expenses under YTD and savings on insurance. Brief discussion around insurance premiums. Forecasting expense revenue to finish right on budget. Expenses better than budget, operating income ahead due to expense cuts, PPP loan and debt forgiveness, investment income and also expecting employee retention credits. There will be GAP adjustments end of year.

Rob DeMartini gave a brief description of the new membership proposition, followed by CMO Matt Heitmann who presented a membership update indicating YTD is on pace to exceed our membership goal. Rider days under, website traffic 2x to 3x times historical trends, searches are at five year highs, SPOT insurance product add-on and 2022 product offerings - *Ride, Race & Race Plus*. Auto renewal November 15<sup>th</sup>. Brief discussion around IT capability and plan around auto renewal. Growth strategic objectives to include targeting 65,000 members excluding free juniors; performance marketing and EComm. Shifting marketing team to focus on acquisition, retention and reactivation of lapsed members, and focus on clubs. Monitoring core KPI's, and a recently hired data analyst.

Jim Miller presented an update on Sport Performance including a Tokyo recap, mentioning in the last five years there has been a lot of turnover with coaching, we brought back some staff in the Spring only 6 months before Olympics. Big takeaway, we have a young team, and that is positive going forward. Jim laid out growth goals and explanation of athletic spending & use of funds, as well as initiatives and sense of urgency on core components - direct athlete support, development programs and tech innovation and implementation. Board discussion around technology and possible partners interested in working with us.

Bouker Pool gave an update on the Foundation and its objectives, with a focus on increasing donation goals, leveraging our board and creating culture of fundraising across the organization and bringing new people in; and other goals to include connecting athletes with donors. New employee recently hired with a strong background of University fundraising, and a skill set for communications plan. Building packages, integrating athlete voices, develop alumni network to help raise money, update communication resources on our website, building robust calendar of events. Looking to add 4 Founders level donors; add 10 Champions Club members; opportunities to move podium club members up a level; real opportunity with donor re-engagement and get them back into the fold, focus on retaining donors. Discussion around connecting athletes directly with donors.

Rob DeMartini walked the board through the proposed 2022 Budget financials and revenue assumptions for the 2022 budget, but explained this is not the final budget, just a preview for the sake of transparency and explanation of risks. Todd Sowl followed by providing a high level overview of the budget timeline and explained the budgeting process and also explained key assumptions in detail. Proposed Budget will be presented to the Finance Committee by end of November, and again at the December board meeting to the entire board for approval. USOPC likely to decrease funding to NGBs, and Todd gave an explanation of expenses build up. Refining numbers to reduce risk before we submit a final proposed Budget to board. Board discussion around employee headcount/hiring.

*In Executive Session*

*– Out of Executive Session*

Shane Garman presented Board governance items to include the plan for the board Chairman transition; as well as elections for Athlete Directors and AAC representatives, those elections already in progress, and currently taking nominations for those positions. Matt Barger, Foundation Representative will serve on the board for one more year; Julia Violich stepped down, and the Foundation is planning on electing Greg Allen to replace Julia's position on the main USAC Board. A search for a Foundation representative in the future will replace Bob Stapleton's position. Two At Large Directors Lucia Deng and Ed Ewing received 1 year terms under our new governance transition plan. The Nominating & Governance Committee has the job of making recommendations and will meet prior to the December board meeting to discuss and make recommendations regarding those two At Large positions and whether Lucia and Ed will continue to serve on the board. Shane indicated this is Bob Stapleton's last meeting as Chairman of the board and that Bob has nominated Brendan Quirk to fill the role of Chairman. It was further stated that the Chairman position is up for other nominations if anyone else on the board is interesting in running. Brendan said a few words and briefly spoke about his vision. Current Chairman Bob Stapleton asked for other nominations, having no others step forward, Bob then motioned for a vote on the election of Brendan Quirk as the new Chairman of the board. All in favor, no one opposed, a new Chairman was approved, to serve through November 30, 2022. Shane indicated a Vice Chairman election will be held at the December meeting.

*In Executive Session*

*– Out of Executive Session*

With no other business, Brendan Quirk motioned for an adjournment, seconded by Julia Violich, all in favor, no one opposed, meeting ended.