



**Minutes of the USRowing Board of Directors Quarterly Meeting
Saturday and Sunday 9/9-10/17
Princeton, NJ**

SATURDAY 9/9

Members Present: Marcia Hooper, Kris Thorsness (via video conference), Sheila Tolle (via video conference), Lisa Stone, Joe Flynn, David Banks (via telephone), Bill Donoho, Charlie Haight, Jamie Redman (via video conference), Jim Dietz, Nick LaCava, Meghan O'Leary (joined via telephone at 10:00), Steve Shure (via video conference), Joe Manion

Members Absent: none

Others present: Patrick McNerny (CEO), Susan Smith (Member Services and former Acting CEO), Andy Lee, Esq. (attorney for the organization), Matt Imes (HPD), Stephen Hess, Esq. (attorney for the organization), Sandy Killen, Tracy Brown (USR staff), Tom Darling (Para HPD), Brian Klausner (CFO, via telephone), Mara Keggi-Ford of the NRF (via telephone)

Convened at 9:09 am

Board Chair Marcia Hooper expressed the Board's thanks to Susan Smith for her steadfast and professional service as Acting CEO during an extremely busy time. Despite various challenges, she has helped the organization stabilize and move forward. Marcia also welcomed new CEO Patrick McNerney.

2017 World Championships Update: (Susan Smith and Mara Keggi-Ford, NRF)

Hurricane Irma is moving up the Gulf coast, which puts the venue in danger of a direct hit. Boats will remain in shipping containers, but concerns exist re infrastructure at the venue. The LOC has adjusted its build out schedule, and a meeting will be held on Monday with FISA to assess the situation. USRowing will provide support as needed. Safety is paramount. Hurricane Jose is following, and will be watched closely to gauge potential impact on the venue.

Event planning: A joint USR/NRF VIP suite will be located at the finish line, for donors, potential sponsors, existing partners. USR staff will support the FISA 125 exhibit and are taking selected display items down there for that purpose.

Youth Regional Regatta: 312 athletes from around the country in four boat classes is being organized by Steve Hargis; 800 athletes have expressed interest, and several top-flight coaches have expressed interest in participating. Racing will be held on Sat/Sun 9/23-24, and the athletes will attend Worlds opening ceremonies.

Mara Keggi-Ford reported about the NRF's USA Crews of Distinction event. Nineteen crews were invited (Olympic and World gold medalists and others with significant anniversaries, etc.). Seven boats will row (six 8+ and a 4x) on Saturday after racing ends for the day.

Also, Mara reported on the NRF's national team reunion plans. The Westin hotel is providing 105 rooms (at discounted rates) and at least 50 additional attendees are expected. The Westin is within the mandatory evacuation region for Hurricane Irma.

CEO Report: (Patrick McNerney and Susan Smith)

Susan Smith presented operational highlights, including the decreasing projected deficit relative to prior forecasts. Legal expenses continue to trend up, in part because of an unresolved trademark dispute and various contract matters. Personnel costs are down, and travel costs are a focus of ongoing efforts.

Club and Masters Nationals: Clubs had record participation, and the college fair was extremely popular (over 500 athletes and 70 colleges). There was a separate information tent for parents to get information about recruiting and college rowing. Masters entries exceeded expectations (1500), and entry fee revenues grew 3%. The new race format was very well received, and the beer garden was very popular (including live music).

Membership: championship memberships are tracking below (the aggressive) budget but are above last year's levels. Some of this may be attributed to a decrease in entries as Master's Nationals as compared to last year. Basic membership has been changed to fix the waiver dis-alignment in the spring, so there will only be one renewal of both membership and renewal at the same time. Organizational memberships are expected to hit the forecast.

Coaching Education: Level 1 training is now online, and several coaching conferences/symposia are scheduled during this year. Level 3 certification will be rolled out in April 2018. The concerns about the coaching certification re-certification announcement are being resolved – Level 2 and 3 certifications will be grandfathered in and will not expire. An announcement will be made this week.

Merchandizing: The Boathouse contract has been signed with a nonexclusive license to sell USR gear online and at Worlds.

Sponsorship/Fundraising: The lifetime membership campaign resulted in funds to support Worlds NTO housing, the shared VIP tent with NRF, and a contribution to FISA 125. Thorne sponsorship has been extended for 2018.

Referees: Positive feedback has been received on changes at various nationals. The travel policy will be refined in order to manage expenses and budget more accurately. Susan Smith's attendance at all championship referee dinners was a first by a USR CEO and was well received.

Personnel: domestic staff is very thin, and some reallocation has been necessary. Allison Mueller has joined on contract for communications, Tracy Brown is on contract for Golden Oars, and Sam ____ was added by contract to help with membership and communications. John Wik has also taken on Safe Sport programming duties.

Pat McNerney reported that he attended Master's Nationals (before his official start date) and has been visiting clubs/events. He has been emphasizing the common ground shared by all rowers, and the

community among rowers. He complimented the staff and their hard work. Some challenges exist in, e.g. accountability and policy, which will be addressed in the coming months. Priorities include financial stability and 2018 budget planning has already begun to ensure that budget has integrity. Another objective is to incorporate coaching education into membership more effectively. Opportunities abound, and the challenge is to leverage the strengths of our sport in outreach to the general public (via media and other avenues). Coordinating with FISA is a key aspect of these efforts, and FISA is very amenable to cooperation in this regard.

Finance Committee Report: (Sheila Tolle and Brian Klausner)

Overall, the financial forecast has improved substantially, with the deficit having been decreased by almost 2/3 (down to \$219k), as a result of increased revenues and strict cost controls. Areas of decrease include sponsorship and membership (resulting from decreased attendance at Master's Nationals). Domestic staff travel expenses are an area of significant improvement, though national team travel and referee costs are a bit above budget for various reasons. Legal expenses are running \$161k above budget, but this is viewed as an investment in the future interests of the organization.

The projected cash flow deficit date has been extended to December, as a result of organizational dues being paid in the fall/winter. A \$125k line of credit is available if needed, as is the option to seek a loan from the Casitas Fund. Action/focus areas include: National team and staff travel (CEO pre-approval required for staff travel), board accommodations, legal, staffing, revenue, membership, and the convention.

2018 Budget process: The process has already begun with staff developing budget plans. The Finance Committee will review the proposed budget in early November. Each line item will be supported by 2012-2016 actual and 2017 forecast data (to capture variations through the Olympic cycle). The final proposed budget will be presented to the Board at the December meeting.

Marketing/Sponsorships: (Susan Smith)

Boathouse: A VIK issue was resolved with a \$60k payment for National Team gear, while the royalty figure was increased. The net result is an increase of revenue to USRowing.

N&D Sports (exclusive licensee for sales of event merchandise): this is a very positive relationship and staff are extremely pleased with their performance.

Sponsorships: Very short staffing has negatively impacted sponsorship efforts. Thorne is on board for 2018, but this results from deferral of its late 2017 pledge. Susan and Patrick met with Chester Wheeler of USOC, who is going to help with introductions to potential sponsors and is very supportive of our efforts. Staff are also working to create a visible presence for rowing in the USOC's NYC marketing office. The priority action item is to define the USRowing brand and make it more attractive to sponsors. Some potential sponsors/connections will be at Worlds, and Patrick will leverage his contacts from his prior professional pursuits. The Sponsorship Committee will work with Patrick as these efforts go forward.

High Performance Report: (Matt Imes, Rob Milam)

Senior Team: On the men's side, the 8+ has progressed well and a positive culture change is well under way. On the women's side, the top 2- elected to race that boat, as did the 1X, and there have been some key injuries, so while the 8+ is expected to be strong at Worlds, the plan is aiming toward Tokyo. Tom Terhaar is looking at broadening his talent pool, so as to provide a big field from which to select his

teams in the years leading up to Tokyo. Several other boats are also expected to be in A finals in Sarasota. Rob Milam reported that he is very pleased with the work of the High Performance Committee. They are working to establish a “one team” approach to ensure that all team staff work smoothly to the benefit of the athletes.

U23/Juniors: Five World medals was a positive outcome, and there are some very good athletes coming out of the U23 group for future incorporation into the senior team. Identification went better this year, but several athletes who had committed pulled out for various reasons. This made room for some athletes from smaller programs, whose success has given them visibility for consideration for future senior team membership. Recruiting on an ongoing basis is a focus for improvement.

Budget update: The 2017 forecast has been examined and potential areas of cost control are being pursued by Patrick and USR staff. USOC is considering changing its budget cycle from annual to quadrennial, but this has been under discussion for years. This would be helpful for NGB planning through the course of a quadrennium. Still, this leaves significant unknowns for National Team funding, e.g., the NRF, which result in about 50% of each annual budget being unknown.

Recruiting: The Board discussed identification and tracking of athletes, and a perceived lack of depth in certain trials events.

Training table for men’s training group: The NRF asked for donations and has collected \$21k to provide meals at a Princeton University eating club, and it was offered to the men’s and women’s teams. The men opted to participate. There will be further discussions about working out details for any future programs like this.

Para High Performance Report: (Tom Darling)

Tom acknowledged the assistance provided by USR staff in various areas of Para program operations. The PR3 selection camp is completed, with a new addition to the lineup this year. The boat is expected to medal, and the camp went well with CRI’s help/support. The VA grant (\$250k) has been renewed and the program is expanding well. One member of the Rio 2x and a member of the 2017 PR3 2x are grant recipients. The Valor Games are sponsored by the VA, and can be a way to identify athletes for recruiting into the para rowing arena. A US Assoc. of Blind Athletes camp was held at CRI, which identified a new top flight athlete. Para trials went well, and brought some new athletes to the team, who are expected to develop well toward Tokyo. Tom is working to connect with corporations for sponsorship/VIK and equipment development, and on establishing international camps. USOC gives \$135-138k each year to the para rowing program, which is obtained as part of the USRowing application for funding from the USOC.

Events Report: (Susan Smith)

Surveys have been received for Youth and Club Nationals, and Master’s surveys are in process. These regattas broke records in terms of entries/participants. Referees applauded the improvements that have been put into place. These regattas also exceeded 2016 vendor revenue, and the college fair was a new source of venue this year.

Governance Committee Report/Recommendations: (Steve Hess, Andy Lee, Marcia Hooper)

Executive Session: Joe Flynn moved to enter executive session to confer with counsel, and Joe Manion seconded. No further discussion, unanimously approved at 3:11 pm and visitors left the meeting.

Motion to exit executive session made by Joe Flynn and seconded by Meghan O'Leary. No further discussion, unanimously approved at 5:43 pm.

Meeting adjourned at 5:45 pm

SUNDAY 9/10

Members Present: Marcia Hooper, Kris Thorsness (via video conference), Sheila Tolle (via video conference), Lisa Stone, Joe Flynn, David Banks (via telephone), Bill Donoho, Charlie Haight, Jamie Redman (via video conference), Jim Dietz, Nick LaCava, Meghan O'Leary, Steve Shure (via video conference), Joe Manion

Members Absent: none

Others present: Patrick McNerny (CEO), Susan Smith (Member Services and former Acting CEO), Andy Lee, Esq. (attorney for the organization), Matt Imes (HPD), Stephen Hess, Esq. (attorney for the organization), Kyle [REDACTED]

Convened at 9:02 am

Minutes Approval:

Motion by Lisa Stone and seconded by Meghan O'Leary to approve the minutes of the June 24-25, July 19 and August 2, 2017 meetings. No further discussion, approved unanimously.

Board of Directors Meeting Schedule: The December meeting will be held at the annual convention.

Referee Report: (Joe Manion and Kris Thorsness)

After 2017 implementation of travel reimbursement, staffing level, length of work day and hotel accommodation changes, positive impacts include improved recruiting of top level referees for national championships because of appropriate staffing, work day length, and out of pocket cost controls. Overall, referees express significant improvement in USR owned regattas. The working group recommends continuing to implement the 2017 changes, establishing stronger standards via the LOC manual, and establishing stipend standards for USR owned events. They will provide further information at the December Board meeting.

NGB Best Practices Conference Report: (Susan Smith) USOC hosted a best practices conference in August, which provided valuable information on a variety of subjects including, e.g., developing collegiate partnerships, digital media development, Safe Sport compliance, crisis management, sponsorship/donor attraction.

Membership and Programs Update: (Jules Zane) (see also, Susan Smith's report above).

NRF donations through the membership renewal process have resulted in over \$10k revenue for the NRF since June. As noted above, the waiver/renewal disconnect has been cured and the World Championships NTO fundraiser exceeded expectations. New on-site registration rules were implemented at Master's Nationals, which essentially eliminated the lines and dramatically streamlined the process. The registered regatta program is doing well, and is on track to meet expectations at year end. Membership staff now have access to better information to encourage renewal/compliance, will be working at the Head of the Charles to facilitate renewals/membership, and Regatta Central will be sending compliance notices to teams prior to regattas. When the decrease in Master's Nationals attendance is taken into account, membership renewals are on track to meet budget numbers of about a 3% growth in Championship memberships. Insurance for clubs to cover rentals, D&O, etc. has been streamlined into the membership renewal process via an options menu.

Executive Session:

Motion to enter executive session to confer with counsel made by Joe Flynn and seconded by Lisa Stone. No further discussion, approved unanimously at 10:51 am, and visitors left the meeting.

Motion to exit executive session by Meghan O’Leary and seconded by Joe Flynn. No further discussion, approved unanimously at 11:25 am.

Motion by Bill Donoho and seconded by Steve Shure to direct the membership department to develop/offer the regatta package add-on to basic membership, subject to pricing approval by the CEO in consultation with the Board. No further discussion, approved unanimously.

Motion to enter executive session to confer with counsel by Joe Flynn and seconded by Bill Donoho. No further discussion, approved unanimously at 11:28 am.

Motion to exit executive session by Meghan O’Leary and seconded by Jim Dietz. No further discussion, approved unanimously at 11:29 am.

Motion by Bill Donoho and seconded by Joe Flynn to direct staff and counsel to prepare necessary documents to present proposed by-law amendments to effectuate reorganization of the Board of Directors and Nominating Committee, and changing the process for nomination for regionally elected seats as follows:

Reconstitution of Board of Directors:

CEO of US Rowing

3 athlete members

2 unrestricted At Large members appointed by the Board after consultation with the Nominating Committee

2 Independent At Large members appointed by the Board after consultation with the Nominating Committee

C4 regionally elected members, nominated through the Nominating committee and elected by the organizational members of USRowing

3 members nominated by the NRF (subject to acceptance by the Nominating Committee, which approval shall not be unreasonably withheld)

Reconstitution of the Nominating Committee (to be drawn from then-existing USRowing Board members):

1 Athlete

1 NRF

1 Unrestricted At Large

1 Independent At Large

1 Regionally Elected

Nomination process for regionally elected seats: all candidates must apply through the nominating committee for inclusions on the ballot.

Transition: to be accomplished by the Board as necessary to effectuate orderly transition.

Further discussion was held regarding whether the NRF should have two or three Board seats, and regarding the nomination process for At Large nominations.

Motion to amend the pending motion to include 2 NRF seats and 5 At Large seats made by Kris Thorsness, no second.

Motion to amend the pending original motion to provide for a candidate's inclusion on the ballot for regionally elected Board seats via petition if the candidate provides written evidence of support by 20 organizations in the candidate's region by Joe Flynn and seconded by Joe Manion.

Roll call vote:

Marcia Hooper Y

Sheila Tolle N

Meghan O'Leary Y

Joe Flynn Y

Jamie Redman Y

Steve Shure Y

Joe Manion Y

Nick LaCava Y (with strong request that USR CEO and Board Chair sit on NRF Exec. Comm.)

David Banks Y

Lisa Stone Y

Bill Donoho Y

Charlie Haight Y

Jim Dietz Y

Kris Thorsness N

Motion carried by majority approval.

The Board discussed the procedure for presenting the proposed ByLaw amendments to membership, and prior circulation of the language to the Board for review.

Motion adjourned at 1:33 pm