

**USA Triathlon Board of Directors
Conference Call MINUTES
July 20, 2004**

16 people were present on the call. Susie announced that the call was being recorded for transcription purposes.

Present:	Presiding:	Ray Plotecia
	Board Members (11):	Dan Empfield Rob Kasper Eric Bean Tim Becker Steve Locke Fred Sommer Kevin Carter Brad Davison Jack Weiss Ray Plotecia Susie Gallucci
	Staff Members (3):	Tim Yount Bill Wengert Libby Burrell
	Legal Counsel (2):	Mike Highfield Markham Leventhal

(Although an Executive Committee has not been in place as of January 1, 2004, Susie tape-recorded this call in order to transcribe the minutes.)

**Agenda Item 1
In-Person Board Meeting Date and Place**

1. All agreed that meeting should be in Colorado Springs. Various issues were discussed, including having a meeting as quickly as possible because of the myriad of urgent issues facing USAT. Jim Scherr made a request to have meeting after August 30, upon his return from the Olympics. USAT staff members that are attending the Olympics would return on August 31. There were too many conflicts on the weekend dates, so the board agreed to have the meeting during the week. Ultimately, a roll call was taken for two dates:

August 24 – 26: 9 out of 11 board members could be present
August 31 – Sept 2: 10 out of 11 board members could be present

1a. The board agreed on August 31 – Sept 2, so that the meeting could occur as expediently as possible, have the most number of board members present (91%), and because the USOC and the USAT staff will have returned from the Olympics. Also, between Markham Leventhal and Mike Highfield, we will have legal counsel covered for the in-person meeting.

**Agenda Item 2
Interim Executive Committee and/or Interim Executive Director**

1. The board agreed that it needed to adhere to the bylaws, waiting until the in-person board meeting to elect an Executive Committee. However, the board agreed that it would need to elect

someone to act as a liaison between the board and the USAT staff and to chair the conference calls in the interim. This person would not be president, but be titled "Board Leader."

1a. Steve nominated Ray to be the interim Board Leader. There were no other nominations, and no objections, so the board concluded that Ray act as interim Board Leader until August 31, when the in-person Board meeting is held in Colorado Springs.

2. Bill and Libby submitted a proposal to the board requesting that Bill be acting Executive Director and Libby be Acting Deputy Director (see attached) until a Permanent Executive Director is hired. A lengthy discussion ensued. Concern was expressed about taking care of race director issues and Timberline Timing. It was suggested to put Steve Locke into the position of Interim Executive Director to address these issues.

2a. Susie made the motion to accept Bill and Libby's proposal.

2b. Fred seconded the motion. More discussion ensued.

2c. The board voted whether to accept Bill and Libby's proposal. A yes vote meant to accept the proposal and a no vote meant to deny the proposal.

The final vote was four (4) yes, five (5) no, and one (1) recusal. One person was temporarily dropped off the call. Bill and Libby's proposal was not accepted.

Dan no
Rob no
Eric did not vote, was dropped from call
Tim yes
Steve recuse
Fred yes
Kevin yes
Brad no
Jack no
Ray no
Susie yes

2d. Because Bill and Libby's proposal was not accepted, USAT was left without an interim Executive Director

3. Dan proposed to hire Steve Locke as interim CEO, as long as Steve were to sign a two-year non-compete clause to anything specific to USAT, not be elected to the Executive Committee (EC) of the USAT Board of Directors, and be a non-voting member of the Board of Directors during his time as Interim CEO. Further, Steve would be hired as a contracted employee of USAT for four months at the rate of his former salary, and could be extended for 30 days for a total of two extensions.

3a. Jack seconded the proposal. More discussion ensued. Steve indicated that he would not run for or be a part of USAT's Board of Directors EC due to his current leadership role in USA Taekwondo. Further, Steve indicated that he would not apply for the Permanent Executive Director position.

3b. Jack called the question. The board voted whether to accept Dan's proposal to hire Steve Locke as Interim Executive Director, with the above conditions. The final vote was four (4) yes, six (6) no and one (1) recusal. The proposal to hire Steve Locke as Interim CEO did not pass.

Dan yes
Rob yes
Eric no
Tim no

Steve recuse
Fred no
Kevin no
Brad no
Jack yes
Ray yes
Susie no

Agenda Item 3

Implications of the possible passing of the Petition submitted in February 2004

1. Mike Highfield addressed the board at length regarding the implications of the Petition regarding elections, should it pass, and the importance of the decision on how to proceed with respect to our constitution: our bylaws. The result of the petition would be announced on August 2, 2004. Mike presented a loose construction approach and a strict construction approach. Lengthy discussion ensued, but no conclusion was drawn (see Agenda Item 4-2.).

2. In accordance with the Blue Ribbon Panel Decision of May 17, 2004, the board acted upon Section V. Conclusion and Order which states in part, "The Panel further directs that within ten days of being seated, the new Board shall appoint a Task Force of at least three individuals to review USAT's election process. Any such Task Force shall have at least 20 percent athlete representation. USAT shall post the names of the Task Force on USAT's website. The Task Force shall review USAT's election rules and procedures and make a report and recommendation to USAT's Board and membership as to how those rules and procedures can be improved. The report and recommendation should be concluded by September 1, 2004."

2a. The board agreed to an Election Task Force to adhere to the Blue Ribbon Panel's mandate. Mike Highfield was appointed as chair of this committee. Committee members included Markham, Jack, Tim, and Dan. Dan agreed to step off of this committee if the next agenda item passed. This committee would make a recommendation to the board regarding how to handle elections based on the petition, if it were to pass. (It was strongly suspected by all that the petition would pass).

Agenda Item 4

Search Committee for Executive Director

1. A concern was brought up regarding whether any board member was interested in being considered for Executive Director. If so, it was suggested that any such person(s) should not be a part of the discussion or voting regarding of the process or selection of the Executive Director, even if that candidate was later disqualified from consideration for any reason, so that no candidate had an advantage or perceived advantage over another. It was further suggested that if a board member later declared him/herself a candidate that this person would not be considered for the position. Steve Locke re-asserted that he would not be applying for the Executive Director position. No other board member declared candidacy or non-candidacy.

2. In view of USA Triathlon's need to fill the position of Executive Director, Board members Susie Gallucci and Dan Empfield propose the following: Details of the timetables and processes used in the EXECUTIVE SEARCH, and limitations imposed upon the Search Committee, are contained herein.

2a. A committee shall be formed to execute a search for an executive director to lead USA Triathlon. Gallucci, Empfield and a third person chosen by unanimous consent of both Gallucci and Empfield, who comes from USA Triathlon's race director community, shall comprise the committee. This race director shall be well-regarded, in good standing, and cannot be fired.

2b. The request for resumes will have on it that list of prerequisites and necessary qualifications as the search committee deems fit, including but not limited to those recommendations emanating from this Board.

2c. The request for resumes would include a range of pay and benefits package outlined below, and timetable for responses.

2d. The committee would employ such means as it deems necessary, and cause to spend from USAT's treasury up to the limit outlined elsewhere in this resolution those moneys necessary to execute a proper search.

2e. Resumes would be forwarded to Empfield, Gallucci, and the 3rd committee member, each of whom would evaluate them and choose no fewer than 5 and no more than 12 applicants for further review.

2f. Unsuccessful applicants shall be sent letters thanking them for applying and informing them of their status. Such letters will be written on USAT's letterhead and signed by Empfield, forwarded to USAT's office and mailed by a staff member designated by Bill Wengert.

2g. Those 5 to 12 applicants agreed on by the Search Committee will then be contacted and subjected to further inquiry by one or more of those comprising the Search Committee. This list will be shortened so as to comprise no fewer than 2 and no more than 5 applicants.

2h. The entire USAT Board will then be apprised by private email of these applicants, along with their resumes and additional information. The Search Committee will offer their observations and recommendations. Any question arising from this email discussion about the candidates will be promptly researched and answered by the Search Committee.

2i. As a result of these discussions, the list shall shorten to between 1 and 3 applicants. In the intervening period, background checks shall ensue on at least one and as many as all 3 remaining applicants. Such checks will include credit and criminal investigations, as well as on education, former employers, and such as is deemed necessary and prudent by the search committee.

2j. Between one and two applicants shall be transported to Colorado Springs, such transportation funded by USAT. The Executive Committee (EC) shall have the right to conduct these interviews telephonically or in person, and determine by a majority vote of the EC whether to offer a position to a candidate; however, the EC may only make the offer to a candidate following a vote of all eleven sitting board members with a 2/3 supermajority in favor of the candidate. At least one person from the Search Committee shall be physically present during final interviews. USAT staff members can be present for observation during final interviews.

2k. The offer made to a prospect would include:

- a salary range of \$100,000 to \$130,000 per year
- a severance package of 6 months pay for termination without cause, increasing at a rate of 2 months per completed year of service, to a maximum of one year of severance.
- 401k commensurate with existing USAT policy
- medical insurance benefit commensurate with existing USAT policy and applicable law
- paid vacation commensurate with existing USAT policy
- up to \$2500 moving allowance

The financial impact of the search, beyond the pay package:

- Up to \$5,000 for executive search

- Up to \$5,000 incurred for travel to Colorado Springs for interview

2L. The Search Committee shall further agree that this search shall be conducted with all due speed, and that the utmost effort be made so as to have an executive director both hired and seated at his position within 90 days from todaythe 20th of July, 2004. The timetable for the entire search shall be limited to 90 days, with the proviso that this resolution and its constituent components shall be null and void on the 20th of October, 2004, unless by majority vote of USAT's Board of Directors the timetable for the executive search described herein is amended.

2m. If a suitable candidate is not found in the initial search process, the Search Committee shall inform the Board. At such time, the Board can agree to have the Search Committee start over or resolve to use a search firm.

3. Susie seconded the proposal. Jack called the question whether to approve this Search Committee proposal. The final vote was eleven (11) yes. The proposal was unanimously approved.

Dan yes
Rob yes
Eric yes
Tim yes
Steve yes
Fred yes
Kevin yes
Brad yes
Jack yes
Ray yes
Susie yes

END OF AGENDA ITEMS

Meeting adjourned after 4 hours.