

USA Triathlon Board of Director's Meeting
Thursday - Saturday, November 9 – 11, 2006
USOC Presidential Room
Colorado Springs, CO

Present:

Board of Directors:

Brad Davison, President
Rob Kasper, Vice President
Celeste Callahan, Secretary
Mike Plumb, Treasurer
Jim Donaldson
Fred Phillips
Tom Reilly
Chuck Graziano
Dave Messenheimer, Pro/Elite
Gina Kehr, Pro/Elite

Absent: Joe Umphenour

Staff:

Sharon Carns, Executive Coordinator
Linda Cleveland, Coach Education Coordinator
Charlie Crawford, Officials
Bryan Doerer, Sales Manager
Jeff Dyrek, National Events Director
Skip Gilbert, Executive Director
Jason Halley, Membership Rankings Project Coordinator
Alan Ley, Coach Education Manager
Kathy Matejka, Event Services Director
Angie Murphy, National Events Assistant
Kathy Menck, Controller
Jason Mucher, Communications & Media Relations Manager
Jennifer O'Day, Membership Services Director
Scott Schnitzspahn, Sport Performance Director
Chad Siebert, Membership Services Assistant
Troy Stiles, Creative Services Manager

Committee:

Candy Cheatham, Regional Presidents Committee
Alison DeWall, AAC
Neal Henderson, Winter Triathlon
Jon Beeson, PC Committee
Lee Zohlman, Age Group Committee

Note: Information may be reported according to topic and not necessarily in the chronological order of discussion.

Thursday, November 9, 2006

Presiding: Brad Davison

Call to Order – Brad Davison 2:00 pm

Skip Gilbert, Executive Director, went over the Board agenda for 11/9-11/11 and highlighted several items.

Rankings Presentation

Jason Halley, Membership Rankings Project Coordinator, presented. His handouts are attached to the original of these minutes. Discussion followed regarding recommendations for 07, including future implementation of ranking systems for Youth, Global, Elite, Collegiate, and Regions

Action item: survey membership for youth ranking feedback

Risk Management Presentation

Kathy Matejka, Event Services Director, presented. The complete presentation handout is attached to the original of these minutes. Following the presentation dialogue occurred about the challenges of educating staff, Race Directors, and athletes of insurance/risk management issues.

Recess: 3:30 pm

Reconvene: 3:45 pm

Hearing and Appeals

Skip Gilbert, Executive Director, provided an update on the Hearing and Appeals Committee. The Board was given a 2006 recap on all cases, pending or decided.

Action item: The Board recommends further discussion and advice from legal council prior to the hearing in one particular case.

Commission/Committee

Because many questions have surfaced regarding Commissions and Committees the following items were discussed/confirmed:

- Commissions and Committees will be referred to as Committees
- Non-members may serve on a Committee
- Some Committees have established guidelines as specified in the Bylaws or from Board Resolutions. Others have guidelines within their respective Committees.

- Prior to the first in person National BOD meeting of each year, all Committees should submit a list of members and should recommend their Chair persons
- BOD liaisons for Committees are responsible for:
 - Governance issues, to include making certain Bylaws are being followed
 - Serving as the communication conduit between the Board of Directors and the committee
 - Presenting for vote resolutions created or recommended by the committee
- National office staff can serve on committees created by the Board of Directors or bylaws
- National office staff groups working to support a project or department outside of committees are typically referred to as focus groups or task forces.
- National office has a document in draft form attempting to consolidate the structure, purpose and function of current committees.

Action item: Executive unit will continue working with the BOD to define the structure of each Committee.

Meeting adjourned at 4:30 pm.

Reconvened Friday, November 10, 2006

Meeting called to order at 9:00 am by Brad Davison

Approval of Minutes:

Motion was made by Celeste Callahan, seconded by Fred Phillips to approve the minutes of the July 26-27, 2006 meeting.

Minutes approved unanimously

Business Unit / 2007 Business Plan Presentations

Skip Gilbert, Executive Director, presented. The complete presentation handout is attached to the original of these minutes.

Kathy Matejka, Event Services Director, presented. The complete presentation handout is attached to the original of these minutes.

Tim Yount, Senior Vice President of Marketing and Communications, presented. The complete presentation handout is attached to the original of these minutes.

Recess: 10:45 am

Reconvene: 11:00 am

Jennifer O'Day, Member Services Director, presented. The complete presentation handout is attached to the original of these minutes.

Jeff Dyrek, National Events Director and Shannon Votruba, Multi-Sport Manager, presented. The complete presentation handout is attached to the original of these minutes.

Recess: 12:00 pm
Reconvene: 1:15 pm

Scott Schnitzspahn, Sport Performance Director, presented. The complete presentation handout is attached to the original of these minutes.

2007 Initiatives Presentation

Each Business Unit Director presented their 2007 initiatives. The complete presentation handout is attached to the original of these minutes.

Recess: 2:20 pm
Reconvene: 2:30 pm

2007 Budget

Kathy Menck, Controller, presented the proposed 2007 budget. The budget handout is attached to the original of these minutes.

Committee Reports

Athletes Advisory Council:

Alison DeWall with the Athletes Advisory Council reported (AAC). The complete report is attached to the original of these minutes. In addition to the report the following was discussed.

Elite elections for AAC and BOD spots will be finalized by mid-November; however, all three BOD positions are up for election and the following Elites are running uncontested:

Joe Umphenour – currently on the Board
Mark Fretta
Andy Kelsey

The AAC recommended that USAT work a clause into all future events that will direct races on how to handle prize purse distribution in the event of race cancellation or modification of format.

Action item: Scott Schnitzspahn will create a resolution that presents a 2007 policy regarding the cancellation/modification of a race and how USAT will handle the distribution of prize money.

Alison Dewall presented a resolution for Board Action “Elite Athlete Suspension for Racing after Disqualification”

Subject: Elite Athlete Suspension for Racing after Disqualification

Background: At the 2006 Escape from Alcatraz event, Craig Alexander was disqualified from the race. He admitted that he knew he was DQ'd, but he went on to finish the entire course, possibly compromising the final results of the event. If Craig was an American, USAT would have had the option of holding a disciplinary hearing to determine whether the behavior warranted suspension from USAT membership. However, for foreign athletes (like Craig), USAT membership is irrelevant, so there is ultimately no enforceable penalty for this action.

The purpose of this resolution is to develop a rule for all athletes (US and foreign) that clearly states the penalty for racing after being disqualified.

Recommendation: Being disqualified from an event is a serious matter and should not be taken lightly. We recommend the addition of a USAT rule as follows:

“Any athlete who fails to withdraw from a race and continues on the course after being disqualified shall be suspended from membership in USA Triathlon and barred from participation in any USA Triathlon sanctioned event for a period of one year.”

Financial Impact: None

Relevant & Affected By-Laws and Procedures:

The rule would be added following 3.7A:

USAT Rule 3.7A (b)(b) Time Penalties for Elites. Second Violation. “For a second violation of these rules the athlete shall be disqualified from the event and shall be required to immediately withdraw from the race and vacate the course.

Whereas, Charlie Crawford, Commissioner of Officials, is in full support of this resolution;

Whereas, being disqualified from a race is a serious infraction;

Whereas, racing after being disqualified may compromise the results of a race;

Whereas, there is currently no rule for penalizing athletes who continue to race after being disqualified;

Now therefore be it resolved that, the following be added following 3.7A of USAT's competitive rules:

“Any athlete who fails to withdraw from a race and continues on the course after being disqualified shall be suspended from membership in USA Triathlon and barred from participation in any USA Triathlon sanctioned event for a period of one year.”

That this rule change take place starting January 1, 2007.

Submitted by:

Alison DeWall, Athletes Advisory Council

Joe Umphenour, USAT Board of Directors

Before the BOD voted on this resolution further clarification was provided: This will apply to International or Domestic Elite and all Elite classes that come under the \$5000 prize purse.

Rob Kasper motioned, Brad Davison seconded to accept the ‘Elite Athlete Suspension for Racing after Disqualification’ resolution.

Motion passes unanimously.

Winter Triathlon:

Neal Henderson with Winter Triathlon reported. The complete report is attached to the original of these minutes.

Meeting adjourned at 4:45 pm for Executive Session

Reconvened Saturday, November 11, 2006

Meeting called to order at 8:30 am by Brad Davison

Committee Reports Continued

Age Group Commission:

Lee Zohlman, AGC Chair, reported. The complete report is attached to the original of these minutes. In addition, Lee is asking for USAT to budget funds to update the AGC website.

Winter Triathlon:

Neal Henderson with Winter Triathlon reported (AAC). The complete report is attached to the original of these minutes.

Physically Challenged Committee:

Jon Beeson, Chair for the PC Committee, reported. The complete report is attached to the original of these minutes.

In addition, Jon Beeson presented Skip Gilbert with a proclamation from the mayor of New York.

Regional Presidents Committee:

Candy Cheatham reported that in the last Regional Presidents Committee conference call all agreed that better communication is needed as well as a desire to be proactive, staying involved, improve image and work towards strength and unity. Given the 2006 regional election, all agree that the regions need to do a better job of reaching out for more volunteers to serve on regional boards.

Candy voiced the regions particular support in reference to one of the USAT cultural values (#1) as stated in the USAT business plan: "We believe that people working together effectively achieve greater results than the sum of individual effort."

Race Director Committee:

Kathy Matejka, staff liaison, reported on behalf of the Committee. The complete report is attached to the original of these minutes.

Collegiate Committee:

Shannon Votruba, staff liaison, report on behalf of the Committee. The complete report is attached to the original of these minutes.

Women's Committee:

Celeste Callahan, Board liaison for the Women' Committee reported. Celeste provided a summary of the history and purpose of the Committee. The Women's Commission has an annual breakfast once a year at the USAT Nationals; at this breakfast, two awards are presented, one is a scholarship and the other is a spirit award. The Committee is asking USAT to budget for funds to help with its web site.

Discussion Items

Election Emails:

Chuck Graziano presented a discussion item:

1. Candidates for the National Board should be permitted to utilize the membership email distribution list TWICE between the beginning and the end of the election process, under procedures to be established by the nominating committee.
2. The National Office will establish procedures and administer the use of this information to insure not only that the confidentiality of membership information is protected, but that the duty to inform our members is carefully balanced with our obligation to respect their privacy
3. Legal counsel shall review policies established to control content in order to:
 - Establish protection from liability as a result of slanderous or libelous statements made by candidates
 - Ensure compliance with bylaw mandated election procedures
4. Candidates shall ONLY have access to the list of members who reside in each respective candidate's region.
5. The National Office shall calculate the cost of providing this service to interested candidates, and pass this cost along as a user fee.
6. This policy shall only apply to candidates for National Office.

After discussion it was decided that candidates for regional boards would not be covered by this policy at this time. This is for several reasons:

1. Regional boards have not been contested elections.
2. Regions can discuss this issue and recommend any support they need from the National Office to the Board at a future time.
3. In order to gage how widespread its use becomes and how effectively the office can manage these requests, it might be valuable to limit this policy during the first year, and expand it if requested later on,.

The Board discussed the following concerns/ideas:

- USAT's email blast allotment and how to use it

- Video on the website for all candidates
- Examine alternative means of sending such messages in order to avoid having members opt out or block all USAT communications
- While the Board agrees that USAT wants to foster a democratic process for future elections, we must carefully balance our duty to keep members informed with respect of their privacy. We do not want an overload of political communications to cause members to opt out of all communications or relegate other valuable USA Triathlon communications to their Spam filter.

Fred Phillips recommended that a resolution not be written at this point, but have the USAT staff work on a process.

Action item: Jen O'Day will write a process and USAT will coordinate it with legal counsel

Grand Prix Task Force:

The Grand Prix Series Committee, Chuck Graziano, Mike Plumb and Celeste Callahan presented the following recommendations:

1. Disband the Grand Prix Series
2. Change name from Grand Prix to National Race Series
3. Give back to the regions and ask each region to suggest qualifying races
4. Establish a unifying Brand

Candy Cheatham stated that regions support what the Committee is proposing.

The Board and staff discussed the budget for the Regions vs. the budget for the Grand Prix Series. Brad Davison stated that the Committee has worked extremely hard on this and stated that a decision could not be made today on the recommendations and suggested the following action item:

Action item: The Task Force/Committee needs to create a detailed resolution and present to the Board at the next conference call.

Hot List Development:

Based on the previous 2007 Budget presentation the Board discussed budget cuts. Much time was spent examining each business unit looking for additional spending reductions over and above those incorporated in the proposed budget (already in its third draft after two rounds of cost-cutting prior to the meeting of the Board of Directors.) After close scrutiny, it became obvious that in order to maintain a balanced budget, either valuable programs would have to be eliminated or reduced significantly, or more revenue generated from membership fees. The following resolutions were then presented for consideration in conjunction with the Budget discussion.

Subject: Membership Fees***Resolution:***

To increase membership fees across the board to stay in line with the rising business costs of insurance, postage, shipping, as well as others and to balance the annual budget, the price of each license will increase as follows:

- 1) Bronze annual membership: raise to \$40 (currently \$30)
- 2) Youth annual membership: raise to \$10 (currently \$5)
- 3) Adult one-day license: raise to \$10 (currently \$9)
- 4) Foreign elite license: raise to \$40 (currently \$30)
- 5) Collegiate elite license: raise to \$100 (currently \$90)
- 6) Off-road elite license: raise to \$60 (currently \$50)
- 7) Elite duathlete license: raise to \$90 (currently \$80)
- 8) Elite triathlete license: raise to \$100 (currently \$90)

Background:

Attached is a history of membership fees dating back to 1986. The last basic membership fee increase occurred in 2003, when it went from \$25 to \$30. Since 2003, the cost of insurance has increased 73%, postage by 5% (with another possible \$.03 increase in 2007), and shipping anywhere from 24-56%. These costs are not controllable by USAT, and represent not only the direct increases we are experiencing, but also the indirect increases in the cost of supplies we purchase from other companies. Since the majority of USAT's revenue comes directly from membership fees, these increases are necessary in order to continue implementing and maintaining the variety of programs the organization supports.

Relevant and Affected Bylaws, Rules, and Procedures

Bylaws: Article VI, section 3

Rules: None

Procedures: No procedural changes

Budget Impact: \$943,000 increase

Whereas : Fixed costs including insurance, postage, and shipping have increased significantly over the past four years.

Whereas: The cost of membership must be increased to maintain daily business and the programs USA Triathlon supports.

Therefore let it be resolved: USA Triathlon annual memberships will adopt the following fee schedule for 2007:

- 1) Bronze annual membership: \$39
- 2) Youth annual membership: \$5
- 3) Foreign elite license: \$100
- 4) Collegiate elite license: \$100
- 5) Off-road elite license: \$50 (no change)
- 6) Elite duathlete license: \$80 (no change)
- 7) Elite triathlete license: \$100

Friendly amendment to change budget impact to \$630,000

Friendly amendment to specify effective date of 1/1/2007

Rob Kasper motioned, Fred Phillips seconded to accept the Friendly amendment, budget impact, and 2007 annual membership schedule, effective 1/1/2007.

Motion passes unanimously.

Subject: Regional Rebates and Youth Memberships

BACKGROUND: USA Triathlon rebates regions a portion of annual membership fees on all purchased memberships. This amount is currently as much as \$2.50 for all members, adult and youth.

In order to foster greater youth involvement in the sport, USA Triathlon recently passed a resolution requiring youth participants to be annual members, while slashing the cost of youth membership from \$15 to \$5 per year, an amount close to, but somewhat less than USAT's cost. No adjustment was made to the structure of Regional Rebates at this time.

As a result, youth memberships have increased from 1,297 in 2005 to 16,252 in 2006 (1,253% increase) with USA Triathlon effectively rebating 50% of the youth membership fee to the regions, This results in a significant negative financial impact to the National Office for each youth membership, an unintended consequence.

RESOLUTION:

WHEREAS, youth memberships are required for all youth participants per board resolution

WHEREAS, youth memberships cost \$5

WHEREAS, regional federations receive 50% of the youth membership fee through rebate

NOW THEREFORE BE IT RESOLVED the regional funding proposal add the underlined words below:

March 2006 Resolution

NOW THEREFORE BE IT RESOLVED the regional federations adopt the attached funding structure effective January 1, 2007. Any changes to the allocation of \$2.50 per adult annual member may be affected by a majority vote of the regional president committee.

Relevant and Affected Bylaws, Rules, and Procedures

Bylaws- None

Rules- None

Procedures- Regional Funding Resolution (March 2006)

BUDGETARY IMPACT: Increase of \$37,500 to USAT budget not being rebated to regional federations with a 15,000 youth membership purchase assumption.

Discussion revealed that the resolution as written would result in a negative impact to the regions of approximately \$3,242 (1,297 previous youth members

times \$2.50) more than intended. Suggestion was made to modify the resolution to include a rebate of \$.25 per youth membership, which would rebate to the regions approximately \$3,750 at a youth membership assumption of \$15,000.

Candy Cheatham stated that the regions do not have enough information in order to make a decision on the resolution at this time.

Rob Kasper agreed that more discussion with the regions needs to occur and is not in favor of voting on this today; however, would like to see this taken care of on the next BOD conference call.

Action item: Candy Cheatham to connect with the regions and pull together feedback

Subject: Mandatory Youth Participants

16 and 17 year olds will utilize the Adult membership/one day sign up process, and will require Guardians approval. USA Triathlon membership to be mandatory for all youth participants from Age 15 and below for a \$5 annual fee. One-day licenses will not be available for sale to youth 15 years old and younger.

Background:

The current annual youth membership is age 17 and under.

Our Youth National Championship, and our stated information regarding the age of youth competition, is 7-15 years old.

Those age 16 and 17 are no longer eligible to participate in Youth Category Races.

As has been explained in previous presentations by athlete development (Scott Schnitzspahn), in order to build a strong pipeline of elite caliber athletes, the number of youth participants should ideally be greater than adult participants. Growing the youth base will also strengthen the sport as a whole, as many youth will go on to compete in the adult age group ranks. Please see the attached diagram for a visual explanation of this.

Note: the Age Bracket Change being proposed aligns with the Youth Development program ages.

The purpose of this resolution is two-fold. One, requiring membership will allow USAT to know their youth participants, which will help with attrition rates as USAT can be in constant contact with these members and follow up with those who leave the sport.

Financial Impact:**Revenue:**

We have 1275 current members between the ages of 16 and 17 in the database. If we moved them to "adult" status, and we raise our annual membership fee to \$35. The increase in revenue if all transferred to adult memberships would be \$38,250.

Note: it is not expected that a 100% transfer will occur, However if only 50% transfer that is still an increase in revenue of \$19,125.

Expenses:

Updating of Adult membership from required. Already a planned expenses and budgeted for.

Relevant and Affected Bylaws, Rules, and Procedures

Affected/Applicable Bylaws, Rules, and Procedures:

Bylaws

Article VI Membership, Section 3

Article VII Board of Directors, Section 2 (a)

Rules

None

Procedures

November 2005 Resolution: Youth Membership Rate Change:

Therefore be it resolved that annual membership is mandatory for all youth participants who take part in USAT sanctioned events, effective January 1, 2006.

Therefore be it further resolved that the annual membership fee for youth will be dropped to \$5, and the one-day youth license is eliminated, effective January 1, 2006.

Whereas youth annual membership is currently 17 year old and below

Whereas 16 and 17 year olds are not eligible to compete in "Youth: events

Whereas 16 and 17 year olds are eligible to compete in Adult events only.

Therefore be it resolved that annual youth membership is mandatory for all youth participants who take part in USAT sanctioned "Youth" events. .

Therefore be it further resolved that the annual membership fee for youth, 15 years old and below will be \$5, effective January 1, 2007.

Therefore be it further resolved Adult membership, either Annual or one day, will be available for all those not eligible to compete in USAT Sanctioned "Youth" event events, effective January 1, 2007.

Submitted by: Fred Phillips

Fred Phillips motioned, Jim Donaldson seconded.

After discussion Fred Phillips withdrew the motion.

Budget Overview

The Board went over the final budget expenses / revenue and proposed cuts for each business unit.

Rob Kasper motioned, Fred Phillips seconded to accept the 2007 budget as amended.

Motion passes unanimously.

Recess: 12:00 pm

Reconvene: 1:00 pm

Emerging Sport Development Committee

The Board addressed the National Events proposal (presented during the 2007 Business Unit 2007 Initiatives Presentation) to form a single committee in order to give voice to emerging sports and representation to USA Triathlon's governance. The complexity and budget impact for many small committees was deemed unfeasible for the participation levels of these sports at this time.

The Committee will include: Winter Triathlon, Aquathlon, Off-Road Duathlon/Triathlon and Aqua Bike. Note: the Duathlon Committee will remain a stand alone.

Fred Phillips motioned, Jim Donaldson seconded to form an Emerging Sports Development Committee.

The record for those in favor of the 'Emerging Sport Development Committee':

Rob Kasper
Celeste Callahan
Jim Donaldson
Fred Phillips
Gina Kehr
Dave Messenheimer

The record for those not in favor of "Emerging Sport Development Committee":

Tom Reilly
Mike Plumb
Chuck Graziano

Action item: Shannon Votruba to receive names of Committee members and population to occur by 12/15/06.

Because two Board members missed the Rankings presentation. Jen O'Day, Membership Director, presented to the Board. The presentation is attached to the original of these minutes.

Adjournment: The meeting was adjourned at 1:45 pm