Barbara O’Brien calls the meeting to order at 11:03am MST and welcomes Kevin Swiryn to his first board meeting as an International Athlete Board Member.

Julie Lau makes a motion to formally approve Kevin Swiryn as an International Athlete member of the Board:
- Paul Santinelli seconds
- The motion passes

B. O’Brien then calls the meeting into executive sessions

B. O’Brien re-opens the meeting and asks Jon Bobbett to provide an update on his proposed changes to the organization in light of the organization’s financial situation
- Ross Young clarifies that these conversations are meant to assess the current situation and then implement processes to ensure that the organization is not put into this position again
- J. Bobbett provides background regarding the organizations current standing and notes that the biggest issue is structure rather than the people in place
- Suggests a decentralized organizational model that requires governance and bylaw revisions
- The decentralization will separate National teams from the Community game; to put each in a better position for commercial and philanthropic success
- Timing to implement is crucial due to the severity of our financial situation
- R. Young points out that Scotland just went through a similar re-structuring. “We are talking about something that is common as it relates to the separation of responsibilities between the community and HP games.”
- Gus Pichot adds that, “The key to a USA Model is that we have to find the right combination between the amateur game and professional game. As much as we try to get the professional game into the commercial environment, the more strategy will come to the community game.”
• G. Pichot also notes that there are going to be some challenges in doing this with our current bylaws
• J. Bobbett agrees that the bylaws will need to change, relative to Congress especially, and there would need to be some fiscal changes to define boundaries
• J. Bobbett proposes that we form a committee or task force that includes key stakeholders for this re-organization process, having them seated by December 30th, proposing a plan by Jan 30th, and activating the plan by March 31st.
• Mike Crafton proposes that the Community should have oversight of their own finances. “One problem with de-centralizing too much is that everyone feels that their idea needs to be funded and you have out of control expenses. How can we create a structure where there is common sense oversight with respect to colleges or club or youth?”
• G. Pichot notes that when you look at other nations, there is a big controversy between players, community, and the political system of how it is managed from the back office. Pichot feels that we just need to decide on how we properly allocate funding.
• R. Young states that the organization is currently governed under one set of bylaws and that needs to be addressed as we define the reorganization

The Board then moves forward to discussing the budget impact of de-centralizing the National Office.

Eric Gleason starts by providing a high level over-view of the potential 2020 departmental budget.
• E. Gleason then begins to define which services, if decentralized, would potentially no longer be managed by the National Office.
• The Board discusses the impact and feasibility of allowing different services to be managed by the community.
• P. Santinelli reminds the Board that not all of our budgetary burden lies within services rendered. There is a requirement to understand the costs associated with serving the membership in detail with breakouts by functional area. Membership Dues were not ratified this year, and we don’t know what costs have increased or if services are valued by the community.
• J. Bobbett feels that compliance is one of the areas that the national office should manage as well as educating the membership. He also points to the Board to take more responsibility in a “give, get or get out” fundraising system. J. Bobbett also points to World Rugby, stating that maybe this will show them that we need more support financially.
• G. Pichot counters J. Bobbett, stating that in order to receive more support from World Rugby, we first need to show that we are responsible with their funding and can sustain as a viable organization.
• Bob Latham supports Gus’s statement and says that though World Rugby is disappointed in the latest turn of events, that they are vitally interested in this market and in our maturity, and if we come out of this with a solid sustainable plan, then we would have their support.
• P. Santinelli then states “We’ve put ourselves in a really bad position – we are supposed to perform at a Tier 1 level, but are currently funded at a Tier 3 level. One thing that concerns me is our inability to generate commercial and philanthropic revenue.”

• Phaidra Knight states “We’re talking about 2031 and I recognize that the Men’s RWC is a huge opportunity, but what substantial investment do we want to make as an NGB in creating a pathway where we could have a Women’s World Cup?”

• G. Pichot “There is a massive loss in a Women’s World Cup – but World Rugby is and will continue to invest in it”

• Gus and Phaidra continue to discuss the advantages and disadvantages around investing in the womens game right now.

M. Crafton brings the conversation back to the re-organization by asking a few key questions regarding possible tax implications, which J. Bobbett states that the need to involve non-profit attorneys and IRS attorneys is crucial.

• M. Crafton asks if EY addressed any of these topics during their evaluation of USAR’s operating structure and long term planning

• E. Gleason states that EY did address this and that it is shown in their five pillars of focus – the first of which being about a sustainable operating structure and becoming more of a federated structure.

• J. Bobbett emphasizes this stating that EY’s recommendation is a true authenticator

The Board then discusses the structure and planning around USA Rugby events.

• J. Bobbett discusses apparel and feels that there is growth opportunity.

• P. Santinelli points out that there is a lack of diligence in understanding the demographics and using that data to select events sites. There is also a lack planning to drive revenue generated beyond gate receipts (i.e., sponsorship, merchandise, concessions).

B. O’Brien – If reductions are made at the national office, how can we sustain activities as an organization?

• Julie Lau states that we need robust financial projections

• M. Crafton inquires about legal liability

• B. Latham feels that the major concern will be political liability rather than contractual

• M. Crafton then asks how are we going to fund this transition

• R. Young stresses the importance for getting buy-in and setting realistic expectations for the long term benefit of what we’re trying to do

• Mike McKenna states that reductions made now gives us more opportunity for the future.

• J. Lau asks that if our structure is more streamlined, will it will allow donors to be more focused on supporting one program rather than spreading their philanthropy to multiple areas

• P. Knight agrees that if people are more assured of where their money is going to; then they will be more willing to give
M. McKenna asks how we see the decentralization process working:

- M. Crafton – for current funding on things like youth development; you remove the expenses and let the local member organizations decide if they are going to invest in those programs.
- Kevin Swiryn says that if we decentralize, we need to ensure it is not done too quickly and that we set the community up to be successful in this transition.
- M. Crafton states that a document had been started on what a potential decentralization looks like, but that the general plan would allow the member organizations to be responsible for setting their dues at a level where they can run the programs they feel have value.
- The Board then discussed concerns regarding both World Rugby and USOPC compliance in the context of a potential re-organization. This was noted as a top priority in order to move forward with any proposals.
- J. Lau asks if we need more time than 90 days to create a successful transition plan for all of these stakeholders.
- J. Bobbett feels that the 90 day deadline is needed in terms of financial viability.
- E. Gleason states that 90 days would be the target to get community and stakeholder buy-in, and the transition would not occur until the next membership cycle.
- R. Young stresses that we will have to do this in stages regardless of a timeline.
- M. Crafton suggests that, from a financial perspective and operational perspective, the transitional should happen before the end of July in time for the new membership cycle.

J. Lau asks for clarity on how the Organization is going to stay funded past 12.31.19.

- E. Gleason states that it will be a very tight Q1 2020, but that the next membership season will start in for the Spring and there is also quarterly funding from both the USOPC and World Rugby that will come in as well.

B. O’Brien suggests that we take a vote to approve this process of creating a re-organizational committee and the general timeline to seat a committee to define the current and future state of the organization.

- M. McKenna states that we also need to focus on how we communicate this internally, focusing on successfully giving them a heads up without causing panic.

B. O’Brien calls for a break at 1:50pm MST

At 2:08 pm B. O’Brien calls for the board to reopen the meeting

B. O’Brien Moves that we will naming a reorganization committee by December 31 and a timeline for the restructuring of USA Rugby; being 60 days to create a plan and within 90 days a plan for stakeholders and sustainability

- J. Brown Seconds

The Motion Passes

B. O’Brien announces a change to the remainder of the agenda, allowing more time to discuss the reorganization committee that is going to be seated.

- R. Young states that there is a need to focus on who is going to create the committee and what the structure should be. In order to be as effective as possible, the working group
needs to be manageable, in terms of size, so we should have a core working party and an advisory/stakeholder input beneath it.

- P. Santinelli suggests that one group is created for simplicity. He stresses the importance to have the right stakeholders around the table including: IAs, Youth & HS, Club, and Men’s and Women’s College Representatives.
- J. Bobbett also suggests that you have a financial and legal representative
- B. O’Brien asks for suggestions on the best strategic thinkers in the rugby community

The Board then discusses potential advisors for the committee, with an emphasis on finding representation from different groups

- M. Crafton is charged with identifying 3 individuals from the youth, high school and college game; while K. Swiryn and P. Knight are charged with selecting those with a High Performance background.

The Board agrees on the following people to start the Working Group:

Working Group:
1. J Bobbett
2. R Young
3. E Gleason + Finance support
4. J Brown
5. Legal support
6. Admin

Advisory Working Group:
1. HP
2. Youth
3. Club
4. College
5. IA

B. O’Brien then moved the meeting towards a commercial discussion:

Commercial discussion: Mark Griffin starts with a high level overview of 2019 activity.
- The commercial team has had a positive impact on the organization as a whole and have seem growth on VIK and cash. They have been very focused on partner activation.
- Brought on new enriched partnerships in 2019 and are working on 2020 planning
- Presents a 2019 actual vs projected financials
- M. Griffin then presents the board with the VIK metrics
- J. Lau asks M. Griffin to describe the impact of VIK as money saved from our bottom line expenses
- M. Griffin explains that Canterbury, Gatorade and Gilbert reduce expenses and that one of the primary VIK areas of focus for 2020 will be on travel costs.

M. Griffin then discusses the plan for 2020 with a focus on commercial pipeline and events.
M. Griffin and the Board discuss the needs that we have for an events schedule from a commercial standpoint and some of the challenges that we face with WR setting the schedule.

B. Latham asks M. Griffin to describe the collegiate events if there is decentralization, and Griffin expresses that we would possibly provide services that make sense.

**Legal Update Discussion**

- An update on both legal cases is provided by J. Bobbett and the D+O insurance is discussed by the Board

**The Board starts day two by discussing the communication plan around the reorganization efforts.**

The Board started identifying the various constituent groups that need to be addressed and incorporated in the process.

**Rugby World Cup 2027/2031 Bidding Process:**

- J. Brown provided some background information around the criteria that has to be met in order to place a bid
- USA Rugby must submit the bid and lead the bidding process, but that funding and risk will not be placed on the organization
- P. Santinelli stated that we need to do financial due diligence to ensure they are aware of the costs associated with this process.

There is a general conversation regarding the potential challenges in being awarded a bid; including the size of the country, logistics and stadium availability.

J. Brown provides further background regarding what was learned from the Japan RWC through the observer program and several meetings in Tokyo.

J Brown discussed a phased plan to commence with a feasibility and foundational study ASAP.

B. O’Brien asks that the Board discuss the potential of a bidding process more in depth at the Q1 2020 meeting after we attend to the immediate issues of the organization.

**P. Santinelli asked for subsequent board discussion on the following topics: 2019 performance of commercial, philanthropy and financial organizations.**

- J. Lau and P. Knight agree that this should be a priority to discuss.

2:51 pm P. Santinelli makes a motion to adjourn / J. Lau seconds

The Motion passes and the meeting adjourns