

USA Rugby Board of Directors Budget Review call- 17/16

Present:

Bob Latham

Will Chang

Brian Mcclenahan

Peter Seccia

Jeremiah Johnson

Chad Keck

Rob King

Bob Kimmett

Nigel Melville

Jim Snyder

Jennifer Gray

Regrets: Pam Kosanke

Open with over view from NM that current budget format allows for 100% of membership revenue being invested back in Community Rugby, with National team expenses being covered by sponsorship, license fees, grants and other sources. Fixed expenses and G&A are growing at a pace more rapid than membership revenue therefore continuing to reduce the discretionary component available.

Rob King discusses Audit and Risk committee's review of proposed budget and expressing of audit committees concern that current revenue levels do not allow for contribution of a new surplus to improve the net worth position of the entity. Suggests board needs to contribute to strategic input on if increase in revenue, and/or reduction in programs should be enacted to improve balance sheet of proforma USA Rugby entity.

CK acknowledges that in a long term view the formation of RIM should contribute back more revenue than has previously been available for USA Rugby programs, if RIM provides for that, but in short term while RIM develops and grows to profitability that contribution back to USAR is not possible.

Questions of when last dues increase was enacted – approx. 2009 specifically to cover the addition of the accident insurance premium. Prior to that the \$35 per person dues average rate had not been raised in memory.

Acknowledged that it has been a long time with a stagnant dues rate level.

JJ asks why youth proposed budget is up when college and club are down. JG contributes that is due to the NCS component really belonging to the college and club departments which makes those two larger.

BM asks why M7 and W7 are down from PY, JS explains largely due to increase in USOC Olympic year direct athlete support off setting USAR expense of athlete compensation. Disparate reductions between M7 and W7 are due to differences in the number of mens tournaments and athletes and those for the women.

Motion by Bob Latham to accept the budget as presented for 2016.

Call for disagreement: none

Motion passes unanimously

Board requests management and congress rep to board to create proposal for congress meeting 1/23-24 2016 to review for if dues should be increased.

Not expected that a dues increase will be called for a vote in coming congress meeting, but that the topic can be vetted by congress for potential subsequent electronic vote, so that if dues are increased could happen at sept registration opening.

RK also asks for review of when RIM may be in a long term position to invest back into USAR, board understands this will be tentative and a bit speculative at this time.

JJ asks for in depth picture for congress/membership of relationship between USAR and RIM – Pam Kosanke and Chad Keck are already working on this and will be made available on the website when finished.

Will Chang raises concept of mark to market changes in balance sheet to reflect acknowledged valuation of RIM and RIM assets. Action item is to request feedback from auditor on if this is possible or potentially required as change in USAR balance sheet.

Next board meeting Monday 1/25/16 – 8:30am AT&T park San Francisco

Meeting adjourned