



USA Rugby BOD Meeting
February 2 & 3, 2018
Courtyard Marriott, Torrance, CA

Friday, February 2, 2018, 1:00pm

Board Members Present: Will Chang, Dean Barrett, Phaidra Knight, Barbara O'Brien, Chad Keck, Jeremiah Johnson, Rob King, Todd Clever, Bob Kimmitt (via phone)

Staff members and Observers: Dan Payne, Tim Jones, Melissa von Keyserling; (via telephone) David Sternberg, Alex Magleby, Jerry Girkin

Chairman's opening remarks, W. Chang

- Thanked board members for the attention to valuable work at hand this weekend
- Meeting minutes from Dec 22, 2017, unanimously approved electronically

BOD nomination process, B. Kimmitt

- Provided contingent approval of personnel slated to staff the nominating committee for this election cycle only and for the purpose of moving the process forward
 - Conversations between Congress & Board re: bylaw changes will continue
- Board members look forward to continuing positive conversations with Congress re: Nominating committee process

RIM/TRC Report, D. Sternberg/C. Keck

- RIM operating report circulated in pre-reads; open for discussion
- Keck provided a review of timeline and issues facing RIM/TRC
 - Presented a potential funding opportunity for RIM/TRC, noting that the RIM board has given their approval; Now requesting same from USAR board
 - Options and alternatives discussed as they pertain to three entities (Investor, RIM, USAR)
- Dan P raised specific/vocal objection to TRC financing looking at utilizing USAR assets in the composition of the deal and reiterated concern over RIM cash flow being able to support license payment; Rob King concurred
- Rob King continued with his larger concern of risk factors and their effect on cash flow. Topic thoroughly discussed; fully-risked cash flow requested for RIM to provide better clarity in decision making
 - Sponsorships are solid (66% closed)
 - Events have risk (Wales/SA match)
 - TRC (risk)
- As a fiduciary of the union, USAR board affirmed its responsibility to act in the best interest of USAR and preserve assets; Proposal, as presented, was rejected; board suggested that investor be approached about an alternative offer (bifurcation of assets/RIM only) and continue the search for investor capital in RIM/TRC without seeking USAR assets.

Dismissal at 5:35pm

Saturday, February 3, 2018, 8:00am

High Performance Report, A. Magleby

- 2017 High performance results discussed by team
- Budgets and resourcing discussed
 - Grants
 - Philanthropic opportunities, for both men & women, challenging as gifts are restricted
 - Licensing fees-decreasing in 2019; Although not directly tied to HP does impact HP funding in a World Cup year
 - Encouraged proactive approach taken by management to reallocate resources to address shortfall; staffing plan asked to be presented at the next Executive meeting in April with the intent of addressing issue
- Challenges of the Chula Vista training center relationship discussed; desire to develop greater partnership with USOC-both in facility and player remuneration
- Encouraged greater transparency in player remuneration/standardized way of classification; Collaborative dialogue between GM of HP & program as well as HR to classify and pay players in accordance with a set of pre-defined standards
 - Phaidra & Todd reported on status of USRPA and will continue to provide details as formation and refinement of the organization continue.

USAR CEO Report, D. Payne

- 2017 Budget managed to plan, in excess of 200k to balance sheet and additional deposit made in contingency reserve fund
- Massachusetts is the first state to recognize rugby as an official high school sport, thanks in part to Bill Good (Congress member) and other educators/administrators
- Women's HP audit is complete; results sent out in pre-reads; thanks to Rosalind Chou
- Membership issues discussed—seasonality of membership and compliance continue to be issues that management is addressing
 - Expecting to see organic growth with new initiative and the advent of RWC 7's in July
- Concerned with RIM/TRC and the ability to fulfill licensing obligations to the union during Q4 of '18 with combination of results and risk attached to ventures being pursued by RIM

Sanctioning, W. Chang

- Sanctioning protocol discussed; pre-reads reviewed including mandatory protocol for review process
- Rob King moved to adopt sanctioning protocol, Phaidra Knight seconded; Unanimous vote to approve/adopt.

USAR Trust Report, C. Reed & May Harris (Chair of Trust Board)

- Reorganization of Trust, including board impact discussed
- May Harris advocated for the Trust to be more fully integrated into the USAR structure.
 - Already shared resources, ie: finance/accounting
 - 2017 financials discussed
- Four options presented for integration with targeted date of March 31st.
 - Status Quo
 - USAR take fundraising for teams; Trust rebrand for other purposes (functional separation/Trust maintain endowment responsibilities for scholarships/grant distribution)
 - Trust become its own separate entity
 - Complete integration and absorb entirely (no Trust)

MLR Sanctioning, D. Payne

- Major League Rugby (MLR) will begin play in April, 2018; exciting time to support owners and developing league. Great potential impact for growth of the game
- Sanctioning discussion—guardrails and timelines; legal counsel to review after initial terms have been agreed

RWC 7s Report, W. Chang

- Sponsorship is on track but ticket sales slowing, but, approaching 60,000. 500-1,000 per week are being sold currently. Continuing to push towards goal of 100k ticket sales
- USAR Board can help with introductions to potential sponsors as well as increasing ticket sales within their circle
- RWC 7's P&L reviewed with updated cash flow and risks identified

RIM Discussion (cont'd)

- Cash flow projections reviewed for 2018 RIM business plan. Special attention paid to:
 - TRC
 - The Rugby Weekend, Fenway Park
 - Wales v. South Africa
 - W. Chang noted that when approached about this event, in the planning stages and after expressing sincere skepticism of the event he said, "(I) will not be an obstacle to the event occurring if David decides it's in the best interest of RIM."
- USAR Board directed that anything which could potentially be a drag on cash flow, be reconsidered. All assets and events should be reviewed
- RIM asked to report back by March 31st-provide a proposal on how to address risk issues

Congress Report, M. Lambourne

- Congress, headed by new leadership team is seeking to be more participatory and interactive
- USAR departments will be providing reports prior to congress meeting for circulation and question development

T. Pirelli Letter, D. Payne

- In response to the letter received and reviewed from Tom Pirelli, the board will craft a constructive response, Dan P will compile answers and forward to board for approval and deliver to Tom P

Executive session called, 2:00 pm

Board Dismissed, 3:00 pm