



Member, U.S. Olympic Committee

USA Surfing, Inc.
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April 18, 2019

USA Surfing Board of Directors Meeting
The Outlets at San Clemente - 6:00 PM - 9:00 PM

ATTENDEES:

BOARD: Andrea Swayne, Kevyn Dean, Randy Brecher, Jason Velez, Shayna Marks, Christiaan Bailey

STAFF: Greg Cruse (CEO)

GUESTS: Brian Bourgeois, Chad Faulkner, Henry Ines, John Ruger

ABSENT: Courtney Conlogue, Charlie Setzler, Kevin Schulz

1. ROLL CALL - Swayne
2. READING AND APPROVAL OF MINUTES - Swayne
3. WELCOME/OVERVIEW - Swayne, Cruse

Cruse introduced USOC consultant John Ruger (offered as a consultant via USOC), Jess Hatch offering fundraising help, as well as possible Board member nominees Brian Bourgeois and Chad Faulkner.

Financial / Business Report

4. BUDGET & FINANCIAL REPORT - Cruse shared full year quarterly reports for 2018, and Q1 P&L. He is meeting with the bookkeeper next Wednesday to review/correct any misclassifications. Cruse also shared the USAS Guidestar profile (bronze level) for reference in fundraising efforts.

Cruse reported use of trademarks and marks, since USAS' inception have been well established but that the assistance of a copyright/trademark attorney may be needed in order to make sure USAS marks are secure. Cruse found Winthrop and Weinstein was mentioned as a possible choice to perform the work pro bono, requiring USAS to just pay filing fees.

Plans were made to conference Brecher in on the bookkeeper meeting on Wednesday.

Brecher said he will begin the vetting process of independent audit firms to perform the USAS annual audit, and asked for help with references from other NGBs.

Strategic Planning

5. STRATEGIC PLAN MEETING- Swayne announced setting Strategic Planning meeting for May 6-7 (full day on the 6th and half day on the 7th) and having secured funding via \$10K USOC NGB Services grant.
 - Preparation will include launching of a member survey.
 - Swayne will coordinate a venue and logistics planning.
 - Ruger spoke of USOC's Avery Wilson who will facilitate and referred to her strategic plan meeting style as straightforward and "on task" and followed up with a plan full of actionable items for the NGB.
 - Directors should prepare by starting to think about long-term plans for the NGB, at least through LA 2028.

Games Selection Criteria

6. PAN AM GAMES - USOC approved athlete selection criteria was presented for Board review.



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7. ANOC BEACH GAMES - USOC approved athlete selection criteria was presented for Board review.

Greg gave an update re problems with ISA not running their event previously set as a qualifier in January 2019 as well as a few examples of challenges we have received, illustrating the need to button these criteria up. Cruse reported a tentative plan to hold a trials event May 8 and invite WSL Longboard event contestants and ISA Longboard Worlds.

Ruger noted any selection criteria group/committee must have 20% athletes. USAS does meet this requirement so we are ready to vote.

Bailey commented that WSL seemed to wield a lot of power over the ISA with respect to holding all the athletes' contracts and asked why USAS wasn't involved in the negotiation between WSL and ISA before criteria was decided, a problem among athletes.

Ruger noted this is topic is critically important for the Strategic Planning session discussion and that the USOC's belief is that the NOC and NGB should have control over the selection criteria.

Swayne noted having had a conversation re this topic in Colorado Springs with the USOC Chief of Sport Performance who agrees.

Cruse presented a rundown of how the ISA wanted the best surfers in the Olympics and the WSL holds those athletes under contract. ISA wanted to make sure that WSL wouldn't hold out/bar their athletes from Olympic qualifying and Olympic competition. USAS believes that the top WSL CT athletes may not necessarily be the best for the beach break at Tsurigasaki as there are some phenomenally talented athletes in the QS who are better suited for the location. Michelob Ultra expressed interest in sponsoring our trials but the ISA/WSL deal got in the way. ISA will meet with WSL to iron out schedules so that WSL will not interfere with dates. He also reported having heard from a few top hopefuls on the WSL expressing dissatisfaction with the ISA qualification requirements, most notably the ISA World Surfing Games requirement.

Swayne moved to officially ratify USOC approved athlete selection criteria for the Pan Am Games. Velez seconded. Approved.

Swayne moved to officially ratify USOC approved athlete selection criteria for the Anoc Beach Games. Dean seconded. Approved.

Committee Updates

8. COMMITTEE SEATS UPDATE - Swayne reported openings remain on standing committee rosters and asked for nominations, with a target completion date of May 6-7 (Strategic Planning meeting dates).
9. NOMINATING & GOVERNANCE COMMITTEE - A full committee has been seated for Nominating and Governance, an immediate necessity as we have a few open Board seats to fill. Dave Boehne has agreed to serve as the athlete and Janice Aragon will serve as the member organization representative.
10. JUDICIAL COMMITTEE - Swayne delivered an update regarding the single disciplinary case in process with the Judicial Committee.
11. FUNDRAISING - Update, vote recommended on nomination of Jess Hatch by Velez
 - The urgent need of funds, major donors, grants, etc. was noted.



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- Velez shared his past three months of conversation with Hatch re potential fundraising targets—non-industry potential sponsors—and setting a baseline “proud sponsor of USA Surfing” program at \$5,000/year, as an example.
 - Cruse expressed he is not a believer in tiered levels because everyone has their own objectives for sponsorship. He also believes we should continue to welcome in-kind sponsorships, such as surf wax, airfare, etc.
 - Velez introduced an idea to partner with an athletics- and performance-focused healthcare company (that as part of their business works with a world champ 200M sprinter) on a study with world-class athletes DNA, genomics, microbiome and diagnostic DNA kit to sell. Velez invited the business owner Ines to join via phone to elaborate.
 - Cruse noted the need to make rules clear and closely monitor the use of the rings and Team USA, allowing only the use our logo/supporter logo.
 - Other ideas discussed with Hatch for further study include a golf tournament, VIP access/experiences to offer for Tokyo 2020 at team house and via team kits, VIP access locally, major donors, etc.
 - Cruse reported agreements (cultural exchange) with Hyuga, Shimoda and Makinohara, the tremendous good will they provide and the possibility of offering exclusive experiences, tours, dining, etc. that can be offered. Team USA House location at the Tokyo American Club possibilities were also discussed (USOC reported that level of access at Olympics is currently at \$350,000). A sponsorship package has been offered in relation to the TAC. He mentioned opportunities for VIP access at Lowers for live music, luau/dining, camping/parking at USA Championships, and VIP access to USA Surfing House at the Olympics, and/or PanAm Games and 2020 ISA World Surf Games.
 - Ruger mentioned how Skiing created a pool for use of marks available for a fee. Pool is not exclusive but those who join get the use of the marks. He also advised on the Olympics credentialing levels and availability of access as an “honorary position” package for a day of full access, dinner with team, etc. and price it at \$60K-\$100K.
 - Chad suggested targeting the whole surf industry to join such a pool and tasked Cruse with providing a list of assets.
12. AUDIT COMMITTEE - Audit scheduling - Brecher
13. NOMINATING AND GOVERNANCE COMMITTEE - Vote to ratify approved Nom/Gov Committee member additions - Swayne
- Currently vetting three BOD candidates
 - Currently one open seat (independent)
 - Nom/Gov Comm process as stated in Bylaws
 - Two-year term directors are terming out and should consider whether they desire to exit or stay for another term
 - Deadline for second term decision April 30 so new member/s can attend as members the May 6-7 Strategic Plan meeting
 - Deadline for Nominating & Governance Committee full vetting is also April 30
 - Consider change to number of directors on the Board via bylaws



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Swayne moved to vote in committee nominees as follows: Fundraising, Jess Hatch; Nominating & Governance members Kurt Page, David Zimmerle, Keith Byland, Dave Boehne (athlete), Janice Aragon (member org NSSA East and West). Bailey seconded. Approved.

SafeSport - Athlete Safety - Codes of Conduct - Athlete Contracts/Agreement

14. SAFE SPORT CODE - Swayne - Discuss USOC updated Code in effect as of 4/15/19
15. CODES OF CONDUCT - Swayne - Should Event Code of Conduct merge with an updated Code of Conduct
 - Event Code of Conduct revisions necessary to clarify the process but adhere to Ted Stevens Act (disciplinary procedure, penalties, decision, etc.) We are working with Ruger on this.
 - Use IOC definition of personal entourage
 - Athlete Contract update
 - Ruger agreed to draft both for review at Strategic Plan meeting.

Membership / Members

16. MEMBER ORGANIZATION AGREEMENT - Update - Cruse
 - Online vote was taken and Membership Org Agreement was passed.
 - Need to define “member” for Codes of Conduct and Safe Sport/Grievance process in bylaws

High Performance Plan

17. HIGH PERFORMANCE PLAN - Update - Dean/Cruse
 - Dean - Mamba Sports Academy athlete evaluation event went well. Kobe Bryant was amazing. Mamba is 100,000 square feet of “Candyland” for any performance athlete. Because the selection criteria is such that the athletes don’t have to engage with USAS and there’s no mandate to engage, we need other big draws like this to offer them moving forward. Many have expressed a desire to return to Mamba for retesting. The first testing date was rescheduled three times due to athlete’s WSL schedules, so we know their schedules are going to cause some difficulty.
 - Greg - The HPP for 2019 was approved at just over \$250,000 in October. We’ve received January and April payments (including VK from United Airlines). USAS receives quarterly payments of \$56,000. At the beginning of the year cash flow is a struggle but then picks up later in the year and we must be very careful to apply these payments to HPP specified uses. I have asked for guidelines on what will be covered in 2020 as an Olympic year and what will be covered by USOC and their Games budget. As soon as this direction is received, creation of the HPP for 2020 will be started. It is due August 1. The USOC usually makes decisions by October but plans to expedite the decision this time in order for NGBs to know quickly what they’re working with.

Adaptive / Para Surfing - Bailey

18. Activation of VMAA for Emerging Athletes in Para-Surfing (VA’s monthly assistance allowance for disabled veterans in Paralympic and Olympic Sports)
 - Bailey worked with Dana Cummings (vet Marine, para surfer in WSA and on USA Team) and Mike Welsh, Head of the VA sports program (they sponsor para athletes from 27 other Paralympic sports), to update the requirements for surfing. Approved by Swayne then forwarded to Welsh for VA approval and addition of new VA grant requirements. Program should be ready to go within the next four to six weeks.
 - Any athlete eligible through the VA will be eligible to take part in competition, obtain funds for coaching, travel, etc. For an athlete with dependents the benefit can be as much as \$1,200/month.



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- Two categories: veteran members of a U.S. national team and emerging athletes. We will need to send letters of confirmation for these.
- We can also apply for other grants up to \$75,000 for events for veterans.

Director Compensation

19. Discuss bylaws change to allow director to work as event staff, draft language - Brecher

- Cruse - Expressed a need for help as a one-employee NGB. All work currently falls on the CEO (14 events, six teams, sponsorship, marketing, training, admin, all aspects of running the NGB). Help is needed. It is so overwhelming he doesn't have time to train someone to know what to do. Swayne has been working alongside Cruse volunteering for these surf organizations, starting Prime, getting the USOC NGB status, doing handling SafeSport cases, spending a ton of time and needs to be compensated. But she's a great board chair and we don't want to lose her in that capacity. Can we find a way to compensate whether as a contractor or consultant? The critical need is between now and the Olympics.
- Brecher - That's why I was pushing so hard with the funding. Fundraising must be stepped up. We've got Swayne and Dean doing a bunch of work without compensation, also a lot of things that need to be done but are not getting done. They need help but also need to be compensated. We can't build this out to 2024 and 2028 with Cruse as the only paid employee, Dean and Swayne doing it for free and no support staff of any kind, other than our PR person who we got through a USOC grant. As a Board we should be taking steps, as one of our top priorities, to figure out how to move toward funding and support for long-term viability.
- Further discussion needed toward funding action plan.
- Discussion tabled for next meeting.

Swayne moved to approve minutes from the last meeting. Velez seconded. Approved.

Schedule for Next Meeting - Adjournment

Adjourned at 9:10 p.m.

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Rev1

4/19.19 Marks announced her intention not to forego a second term on the Board and accepted her two-year term out. No other Directors responded by the April 30 deadline to resign from the Board.