



Member, U.S. Olympic Committee

USA Surfing, Inc.  
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**USA Surfing Board of Directors Meeting**  
**Minutes**  
**December 10, 2020**  
**5:00 p.m., via Zoom-Teleconference Meeting**

**I. CALL TO ORDER – 5:10 p.m. - Chair Beal**

**a. Welcome-Beal**

- Surfing officially included in the upcoming Paris Games (2024). Reasonable to believe it will be part of the 2028 LA Games based on three consecutive Olympics.
- Beal advised of the passing of the Rodchenkov Anti-Doping Act.
- Beal advised that there is discussion in the USOPC regarding Rule 50. The IOC's regulation that restricts any kind of overt discussion or behavior regarding what might be construed as political in nature at the games, in any of the venues on the medal stand, etc. Many athlete groups and NOCs that are being sensitive to the social climate and trying to figure out a different interpretation. The USOPC sent out a statement modifying their stance based on athlete discussions.
- Beal advised Board Member Chad Faulkner has tendered his resignation effective January 1, 2021. The Board then expressed their appreciation for his passion, expertise and contribution to the sport of surfing.
- Beal advised that COVID has presented many challenges within NGB's and the USOPC, which affects how we do business and how quickly we can respond to a changing and challenging environment.
- Beal next solicited the Board's feedback on Board Shorts, i.e., publication frequency, perspectives, people and content. He encouraged the Board to provide feedback via text, email, or Slack.

**b. Roll Call- Cruse**

**Directors:** Doug Beal, Chair; Chad Faulkner, Secretary; Randy Brecher, Treasurer; Kevyn Dean, Courtney Conlogue (joined meeting in progress), Kevin Schulz, Jason Velez, Charlie Setzler, Christiaan Bailey, Don Schaaf

**Staff:** Greg Cruse, CEO.

**Guests:** Steve Rosen, Advisor/Counsel); John Ruger, USOPC Advisor; Tom Mistele, USOPC Advisor, Steve Lindecke (Elevation Group), Billy Berger (Elevation Group), Brandon Lowry (Elevation Group), Jeff Egerston (Advisor)

**Absences:** Andrea Swayne, COO, Kim Tilly, Administrative Coordinator

**Declaration of Quorum:** A quorum was declared present.



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## II. BOARD ADMINISTRATION

### a. Approval of Agenda

Motion to Approve Agenda made by Jason Velez, seconded by Christiaan Bailey, all in favor, no opposed. Motion approved.

### b. Approval of 8-20-20 Minutes

Motion to Approve Minutes as presented made by Jason Velez, seconded by Don Schaff, all in favor, no opposed. Motion approved.

## III. MEDIA/PR REPORT-Fleischauer

- a. Continuing to build out content and engagement opportunities leading into and out of the Games.
- b. Having to be creative during COVID utilizing user generated content and submissions.
- c. “Thanks Surfing Campaign” was strong. Had content that ranged from lead Singer of Dirty Heads, to our Olympians Carissa and John John, Kaleigh Gilchrist-Gold Medalist Water Polo, Courtney Conlogue, Greg, former Women’s Longboard World Champion Rachael Tilly, Black Surfing Association Founder, etc. It will be nice to have events to get fresh content and invite media.
- d. NBC media call scheduled for next week regarding update for opportunities and key dates leading up to the Games. Carissa was scheduled to be lead with that but due to WSL conflicts, that will have to be revised. Significant layoffs at NBC (both news, sports and Olympics). Some of the content from Caroline and Carissa was prerecorded during the New York Today Show but may not be used as a result. Trying to get a better sense of timing for possible opportunities for us to use our own content, etc.
- e. Communication with USOPC has been difficult regarding getting media credentials transferred to another source.

## IV. ELEVATION GROUP PRESENTATION

### a. Introduction – Beal/Cruse

Beal advised that he has a history of a good working relationship with Steve Lindecke and Billy Berger through Volleyball and was able to meet and work with Brandon Lowry at the BSR event. They have come together and created a mini-marketing company, and we have reached an agreement for them to assist us in a broad range of areas, sponsorship, marketing, donors, fundraising, and events. They come from different



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sports backgrounds which will assist us in achieving some of our strategic goals. They have expertise in setting up coaching and judging programs and will create technical manuals for USAS.

Mark Carter has taken another job but will manage the existing contracts until they expire and then turn them over to this group.

**b. Elevation Group – Lindecke/Berger/Lowery**

Lindecke advised they have an overriding objective which is to be an extension of USAS and seamlessly integrate themselves into the organization. He noted a great spirit of cooperation to address the tasks assigned to the group.

**c. Presentation**

**Timing – Pre & Post Olympics**

- Seven months before the Olympic Opening Ceremony, focus on reality-based ideas that can deliver immediate revenue returns.
- Fundraising & Major Donor opportunities:
  - Golf Tournament – Commenced work with idea of using all of our networks of relationships. Issue is timing. Professional golfers finish on the West Coast in February, etc.
  - High Level Experiences – Create high bid items through same network
  - High Performance Center – priority.
    - Studying the various components

**Business Segments** - Major Donor, Fundraising, Sponsorship/Licensing, Membership Expansion, Multi-Media Content

**V. AUDIT/FINANCE COMMITTEE REPORT (Brecher)**

**a. Independent Financial Audit/990 Report**

- i. 2019 Independent Audit Completed
- ii. 2019 990 Tax Returns Completed and filed on-time
- iii. Working through adjustments of Audit and will flow those through to 2020
- iv. Updated Financial Statements by end of December. Will share those with Board quarterly.

**b. Audit Committee**



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- i. Reviewed the Audit communications from Auditor.
- ii. Recommends they be accepted and forwarded to the Board for review and discussion. A few items in the Audit recommendations that pertained to the 2018 Audit have now been addressed and corrected. We had a 'clean' opinion.
- iii. 2020 Independent Audit is ready to commence. Waiting for response from auditor regarding meeting. Recommend USAS engage McMillen again for 2020 audit.

**Motion for Board to:**

- 1. Accept and approve the 2019 Audit Communications, Recommendations and Reports.**
  - 2. Accept and approve the engaging of McMillen to conduct the 2020 Audit.**
  - 3. Accept and approve the past recommendation of engaging McMillen for the 2018 Audit, and approving the 2018 Audit Communications, Recommendations and Report.**
- Motion made by Randy Brecher, seconded by Jason Velez, all in favor, no opposed.  
Motion approved.**

- b. **BOD Faulkner resigning from BOD and Audit/Finance Committee**  
Beal advised that Chad Faulkner has resigned from the Board of Directors and the Audit/Finance Committee due to family obligations and move out of state. Discussion ensued regarding his replacement, nomination process and qualifications.

**VI. Budget Report 2021 (Cruse/Egerston)**

- a. **2021 Budget** – Up on Slack. Power Point Presentation to Board. 2021 Budget took into consideration expenses related to teams, events, and Olympics. Budget detail presented on a quarterly basis.

Assumptions in Budget:

- Events – All planned events will run with same participation
- Fundraising – Hired Elevation Group – budget assumes no \$ from fundraising at this time
- NGB Grants – Expecting \$127,000 in Special Services, \$249,000 HPP Grant and \$32,000 Other
- Major Donor Monies Received - \$250,000 at USOPC

Budget is based on GAAP income so that the expenses in excess of revenue will show in the Budget. Adjusted the bottom line for mission critical financial assumptions (e.g.,



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stress tests in light of Covid 19 restrictions), the changes in deferred income and USOPC grant repayment.

Prepared Projected Financials for Dec. 31, 2020, based on ten months through October and Cruse's estimates regarding events through the end of the year. Cash at YE will be \$100,000 but will have \$280,000 expenses in deferred payment.

Egerston reported that revenue has been presented based on conservative assumptions.

Recommended Audit Committee review the Budget and consider a proposal that the Budget be submitted to Board for approval.

Beal reported that the Audit/Finance Committee received the Budget today due to communication difficulties with USOPC. He noted the Budget has a significant deficit requiring in-depth review by Audit/Finance committee. Their review will likely include recommended modifications to the Budget. USAS is making some progress; however significant challenges remain. Sources of additional revenue need to be identified to make USAS viable and sustainable.

He then recommended and the Board agreed that the approval of the Budget be deferred pending review of the Audit/Finance Committee in the coming weeks.

Cruse advised that USAS has very limited unrestricted operating funds. This needs to improve. He noted USOPC wants to see the Budget by year end. We have been working on the Budget since August. He expressed it was important to be as close to actuals as possible, including incorporating last minute variables based on the Covid 19 environment.

**Motion to Preliminarily Approve 2021 Budget as currently presented pending Audit/Finance Committee review and submission to BOD for ratification made by Randy Brecher, seconded by Jason Velez, all in favor, no opposed. Motion approved.**

## VII. CEO REPORT- Cruse

- a. **Olympic updates** – Developing team protocol and evolving almost daily. New training protocol will allow us in Japan without 14-day quarantine if we go to host hotel or our Third Pension Place. Omori is working on making that an official host place for us to stay without the quarantine. It is looking like early May. On our way to get that organized. We have our generic athlete agreement we will send out to agents and have them review. Athletes are aware of NBC media requirements if they win. Opportunity to train



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at BSR and Japan prior to Olympics and Olympic Athletes are required to go to ISA World Surfing Games.

- b. **Events** - The event calendar is constantly being revised. It looks like we are being allowed to run at Steamer Lane in January and had to offer cash prizes for 1-2-3 place. We have to wait for various State Governors lift on Youth Sports events, so we can only run 'pro' events until then. Huntington Beach will not let us run event pending State approval/guidance.
- c. **Sponsorships:** Signed Oakley in March and commitment paid. Toyota – Focus went from events to SM – Becky took charge and doing great job. Toyota will extend contract through 2021 at reduced rate of \$140k plus 4 vehicles, they will pay that in January.
- d. **HPP Repayment Plan** – Awaiting USOPC guidance.
- e. **Donor Fund** – submitted plan to use \$167k for HPP. Awaiting USOPC guidance

#### VIII. COO REPORT – Cruse

- a. Andrea unable to give report due to illness.
- b. Audit recommendation responses up on Slack
- c. Sport80 transition commenced. Working out a few glitches.

#### IX. USOPC AAC Athlete Rep. (Conlogue)

a. USOPC and IOC now allowing athletes to speak about social and racial injustice at Olympic events under guidelines to be established (Rule 50). USOPC recently created a new athlete mental health portal. The portal includes a registry of available mental health professionals. If their insurance doesn't cover it, they can ask the USOPC to reimburse them. They also have access to a mental health hotline. Mandated vaccinations for athletes for Tokyo under discussion.

#### b. Para Athlete Rep. (Bailey)

ISA recently launched a para surfing instructor course. Turnout was fantastic. It was a very encouraging development.

#### c. AAC Athlete Rep. Alt. (Schulz)

American Wave Machines is opening a wave in our host city and they want our surfers to come out and host some of our top surfers for an exhibition event. (not for CT surfers)



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Before Prime event in San Clemente and Oceanside we are hosting a QS event and will be a major step prior to the Challenger series in Huntington Beach and qualify for CP. North American tour athletes at lower level that do not have money or support, will not have to travel around world to qualify. This will promote greater qualification access.

#### **X. Committee Reports**

**a. Ethics Committee** - Has received the DSC/Kevyn Dean equipment usage contract back from legal and is in the process of reviewing the revisions. A report will follow shortly. (Written Report)

**c. Nominating & Governance Committee** – Committee has received a few new interest letters/bios from prospective Board Members. Vetting has begun. (Written Report)

**d. Judicial Committee** – Ruger (1) Complaint response and resolution training presented to staff, Board, and Committee volunteers on November 19, 2020 by Ruger; (2) No formal complaints at this time; and (3) Jordy Collins has resigned from the Committee. Two open seats currently.

#### **XI. BOARD CHAIR REPORT & DISCUSSION – Beal**

He then recommended that an Ad Hoc Governance Committee be formed to initially meet in January to address a variety of Board governance issues including membership representation and tenure. Please contact him if you would like to be a part of that committee.

#### **XII. NEW BUSINESS**

None.

#### **X. ADJOURNMENT – Beal**

**Motion by Randy Brecher to adjourn the meeting, seconded by Charlie Setzler. All in Favor, none opposed. Motion approved and passed. Adjourned 7:15pm**



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