

Minutes

Board of Directors Meeting
June 22-23, 2012
Colorado Springs, CO
8:00 am; 10:30 am MDT

A meeting of the Board of Directors (the "Board") of the United States Bobsled and Skeleton Federation ("USBSF") occurred on June 22 and 23, 2012. The Chair called the meeting to order at approximately 8:15 am MDT. The following members of the Board were present at the meeting's commencement: John Rosen, John Donovan, Curt Tomasevicz, Ted Offit, Don Schaaf, Elana Meyers, Dave Nicholls, BJ Hybl, and Pete Piechoski. The above members constitute a quorum of the Board under Bylaws Section 6.17.

Participating in the meeting from the USBSF staff were Darrin Steele and Lisa Carlock. Rebecca Dayton from ORDA was also present.

The minutes were recorded by Lisa Carlock, Corporate Secretary.

1. Call to Order – Day 1

The chairman called the meeting to order at 8:15 am MDT, highlighting the new meeting structure designed around committee reports and encouraging input from all board members on all topics.

2. Management Review

The management review was given by Darrin Steele, CEO.

a. World Championships

Steele began with a recap of World Championship results noting they were the most successful ever for the USBSF. He complimented ORDA for a job well done and Rebecca Dayton commented that they had over 10,000 spectators at the event. Steele also recapped FIBT season-ending rankings.

b. Technology update

Bobsled technology initiative is showing promise following prototype testing conducted in Park City in March. Some design modifications need to be made with additional testing to follow. Wind tunnel testing was also completed this week.

USBSF is four years into the partnership with Protostar and the skeleton national team is using a fleet of X2 sleds. Katie Uhlaender raced an X2 to a World Championship gold medal. Protostar is currently working on a new sled design, the V4, with the intention of having a full fleet of V5 sleds for Sochi.

Steele commented that the USBSF is looking to continue its technology partnership with the USOC by expanding upon the mobile technology infrastructure established for the Vancouver Games. Vivat has also offered to build an app that, if we can connect to Swiss Timing, will provide real time rankings and splits.



c. Push strategy

Steele reviewed Sochi track nuances and noted that it is less technical; therefore, start times will be critical. USBSF needs to build depth in its pool of push athletes and also provide attention to push track projects. Discussion ensued on the viability of the current Lake Placid push track and confirmation was received from the Lake Placid town supervisor that it is still safe for use. A new push track is slated to be built on Lake Placid Olympic Training Center premises but timing for completion is unknown.

USBSF applied to the USOC for award of a \$100,000 donation made by a private individual wishing to contribute to a technology initiative. USBSF proposed the push track project at the Colorado Springs Olympic Training Center where athletes and coaches could work in conjunction with USOC Sports Science and Dr. Ralph Mann. A bobsled simulator was proposed as a secondary initiative.

d. Financial update

2011-12 finances were reviewed by Lisa Carlock. USBSF expects to finish the year with \$50,000 cash on hand and a net income of \$16,000. Shortfalls occurred in new sponsorship generation and Share the Ride and the new membership program revenue. Overages were realized in Trust and FIBT contributions as well as general donations. Additionally, the board exceeded its 2011-12 fundraising goal and established a goal of \$40,000 for 2012-13.

A tentative proposed budget for 2012-13 was presented but USBSF is waiting for confirmation of USOC PPA funds awarded. A flat budget was assured by the USOC but that will leave USBSF short \$104,000 to conduct the same level of programming as 2011-12. Challenges include an actual increase in budget needs of over \$300,000 to enable participation in the Sochi test event, fund a third men's bobsled team on tour, and advance the bobsled technology program.

There are opportunities for securing additional sponsors for 2012-13 with four currently unsold bobsleds.

e. Foundation Board update

Steele provided an update on the creation of the Foundation board. Board positions are a four-year commitment at \$25,000 per year, with a goal to secure eight to ten board members. USBSF needs to set up a 501c3 and write a mission statement and bylaws for the board. Steele's goal for the board is to have it be a source of revenue for USBSF but notes that the Foundation needs to be able to direct funds to areas that appeal to them.

3. FIBT Congress

Steele noted new rules that were proposed at the Congress pertaining to competition on lower circuits; if countries met quotas of sleds on World Cup, they would be allowed to compete at the lower levels. He also confirmed that the FIBT approved rule 50 which will allow manufacturers' logos to appear on sleds at the Games.

4. Nominating and Governance Committee

a. Board evaluation feedback



BJ Hybl presented the results of a board self-evaluation. Weaknesses included a lack of orientation process for new board members, committee reporting, and lack of diversity amongst directors. The evaluation gives an overall adequate rating of board performance but the board needs to work collectively to improve scores. John Rosen, John Donovan and Pete Piechoski will create job descriptions for director positions and address the board orientation process.

b. Clarification of board terms

Hybl confirmed that terms for Rosen, Offit and Donovan will expire in June of 2015 and the board could lose as many as eight directors at that time unless the bylaws are amended.

c. Recruiting new board members

The Nominating and Governance Committee is currently comprised of Hybl, Valerie Fleming, Doug Bagley, Eric Parthen and one individual that must be self nominated from the membership and appointed by the board.

The NGC needs to fill the position left vacant by Dr. Jay Hoffman. As well, a motion was duly made and seconded to increase the size of the board to fifteen to include eight independent, three athlete, two constituent and two at-large positions. The motion was unanimously approved. Ted Offit will draft bylaws changes to allow the increase in the size and composition of the board. Hybl will compile a list of board strengths and weaknesses to determine what types of candidates the NGC should pursue. Directors should possess skill sets that will benefit the CEO.

5. ORDA Presentation

Rebecca Dayton provided an update on the ORDA development program. Major expenses include sled repair and coaching. The staff consists of Don Hass as program director, Matt Bailey as program assistant, Becca Sorensen as America's Cup skeleton coach and Mike Dionne as bobsled coach. Seventy athletes are participating in the program; 20 are in their second year and 20 are three or more years into development. They are filling America's Cup, Europa Cup and Intercontinental Cup ranks and accounted for 37 medals this season. The change in OTC funding strategy is going to negatively impact the development program as currently those athletes at an ICC level or below will not have funding. USBSF will resubmit its housing request to the USOC to further classify "open training" programs in an effort to secure funded housing for development programs.

From 12:30 to 1:15 pm the board adjourned for lunch.

6. CEO Compensation and Review

(Staff was excused for a closed session.)

7. Marketing/Web Committee

Don Schaaf presented the board with an assessment of the sponsorship landscape. National Guard was highlighted as USBSF's best relationship; both parties got what they wanted and National Guard activated on their sponsorship. Schaaf noted that it's imperative to be able to measure the impact of a sponsorship. The potential for a technology partner deal was discussed.



Schaaf intends to shift the focus of sponsorship to “your brand” rather than on the US team. Design Works Media will be creating a new 2012-13 season video while the Broadcast Education Association is conducting its student documentary competition on bobsled. USBSF store offerings need to be updated, and target companies should be those with direct materials tie-ins, sports/racing sponsorship experience, US-centric organizations, winter season organizations, and summer organizations looking for brand reminder opportunities.

8. Audit and Legal Affairs Committee

a. Audit engagement

Ted Offit reviewed USBSF’s relationship with Waugh & Goodwin noting it is not best practice to use the same auditor for too long, but the firm provides excellent service for a good price. Offit recommended that the USBSF continue to utilize them. A motion was duly made and seconded to engage Waugh & Goodwin for the audit of the 2011-12 fiscal year. The motion was unanimously approved.

b. Amendment of USBSF Trust

Offit reviewed the current distribution schedule for the USBSF Trust which is 85% of net income with 15% reinvested annually. In order to have any income, fund managers must sell securities with unrealized appreciation to generate a payout. The board would like to amend the Trust to provide for a different distribution scheme but the bylaws cannot be amended. Instead the Trust must be terminated but in order to do so consent of the NY court system must be obtained. Offit recommends petitioning the court to liquidate the Trust and immediately create a unitrust corporation with a 4% distribution of principal value at year-end. A motion is duly made, seconded and unanimously approved.

c. Bodyn litigation

Offit summarized the circumstances surrounding the Bodyn lawsuit and stated that any questions posed to board members should be deferred to him. Currently USBSF is defending against Bodyn’s claim that USBSF violated terms of the agreement by not safeguarding technology. USBSF is countersuing Bodyn for conversion, breach and return of property. The timeline for the lawsuit is unknown.

d. Recommendation for new membership classes

Currently USBSF has a single athlete membership class. The suggestion for a Paralympic membership and a limited time membership for introductory events was proposed. The Paralympic membership idea was discussed and dismissed citing lack of need to differentiate from other athlete members. The proposal for a limited time membership for new athletes wanting to participate in an introductory event has merit. Discussion noted that the \$55 athlete membership fee may be a deterrent to potential new athletes but membership must be purchased in order to receive coverage under the USBSF’s sport accident policy. A motion was duly made and seconded to introduce a new limited time membership category at a lower rate for participation in introductory events. The motion was unanimously approved. USBSF staff will design the new membership category.

Discussion on membership dues also arose as USBSF’s sport accident insurance premium increased considerably this year. USBSF increased the deductible from \$500 to \$2,500 for World Cup athletes and still faced a doubling of the premium. A motion was duly made and seconded for USBSF to subsidize the \$2,000 premium increase for World Cup athletes. The motion was unanimously approved. USBSF will also inquire about the policy premium if the deductible were increased to



\$5,000. The board additionally felt it was appropriate that membership fees cover the costs of insurance and accordingly, membership dues could be increased as determined by the CEO.

This led to additional discussion on the sport accident insurance policy and the requirement that events be USBSF-sanctioned in order for the policy to respond in the event of an injury. The USBSF needs to determine a process for sanctioning events and can consider a blanket sanction to clubs for bobsled and skeleton events.

- e. Proposed change to Club Membership election procedures

Dave Nicholls informed the board that the clubs have voted and approved a change to the election procedures for the Club Director. If clubs cannot reach a conclusion after two rounds of voting, decision-making is handed over to the board.

- d. Other

A motion was duly made and seconded to allow the Director of Finance and Operations to set up a foreign exchange account with Wells Fargo Bank. The motion was unanimously approved.

9. Fundraising Committee

John Donovan provided an update on fundraising committee activities. He feels that something needs to be done every month to ask for money or grow the membership program. He would like to see on-site activation for passenger riders improved, possibly thru the use of a QR code. He would also like an event held with donors and/or prospective donors in Lake Placid or Park City, possibly in conjunction with the next board meeting.

Athlete representatives who have joined the committee are Aron McGuire and Brock Kreitzburg.

10. Schedule for 2012-13 Board Meetings

November 16-17, 2012 in Park City, UT
March 1-2, 2013 in Chicago, IL
June 28-29, 2013 in Colorado Springs, CO

11. Adjournment

The meeting was adjourned at 5:02 pm MDT.



1. Call to Order – Day 2

The chairman called the meeting to order at 10:30 am MDT.

2. Structure of Foundation Board

The board discussed the most appropriate and beneficial way for the Foundation board to be structured. There was consensus around the idea that the Foundation should be an independent 501c3 with the USBSF as the sole member. This would allow the USBSF a level of protection and control and voting rights to determine Foundation board members. The board would like to see the USBSF CEO and a director, ideally a retired athlete, serve on the Foundation board.

The board agreed that there should be limited expectations for the Foundation board. Two meetings per year in conjunction with a USBSF event would be appropriate and the board's sole goal should be fundraising. The Foundation board needs to get emotionally invested in the team and should be empowered to allocate funds as they chose, however under guidance of the CEO.

3. Role of Clubs

Dave Nicholls summarized current club committee activities, which include monthly conference calls to address topics such as recruiting, fundraising, ice time, venue concerns, etc. The Whitehall Bobsled Club is the newest to join the USBSF, created by Al Basque with kids recruited from Whitehall High School.

Nicholls led a discussion on what roles clubs can serve for the USBSF and cited the following: Clubs should promote interest and provide exposure to the sports. They can lead to donor and officials recruitment. They should function as a pipeline to ensure the sustainability of the sports and add depth to the athlete pool. Clubs could also sponsor events. Worth consideration is whether clubs should be fan clubs rather than sliding participant clubs.

Obstacles to club growth include membership requirements, which should be countered by creation of the new limited time membership category to allow participation in introductory events at a reduced rate. Lack of coaching and limited track availability are additional problems clubs face.

4. Meeting Evaluation

The board reviewed its impression of the meetings and cited both positive aspects and areas for further improvement. Meeting content was good and discussions continued to advance organizational objectives. Meetings have shifted from trying to find things to do to exploring tactics for getting things done. Discussions can be further condensed and directors leading reports should have clear recommendations for necessary actions or should state that the report is informational only. The board would like to see more action items generated and committee information provided further in advance. Also, the board needs to steer clear of management and operational issues.

5. Action Items

Action items for the meeting were reviewed for all participants.





United States Bobsled and Skeleton Federation

National Governing Body for the sports of Bobsled and Skeleton

6. Adjournment

The meeting was adjourned 12:10 pm MDT.

This document constitutes a true and correct copy of the minutes of the meeting of the Board of Directors of the United States Bobsled and Skeleton Federation.

Lisa Carlock

Lisa Carlock
Corporate Secretary

August 2, 2012
Date



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