

## BOARD OF DIRECTORS' MEETING MINUTES

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3rd Floor Entry Conference Room

U.S. Ski & Snowboard Center of Excellence, 1 Victory Lane, Park City, UT

Thursday, March 15, 2018; 1:00-2:45 p.m.; Via Teleconference

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### **U.S. Ski & Snowboard Board of Directors**

Chairman: Dexter Paine, New York, NY

Greg Boester, Rye, NY (Foundation)

Liz Arky, Washington, DC (Foundation)

Rosie Brennan, Anchorage, AK (Cross Country Athlete) absent

Tricia Byrnes, Aspen, CO (Snowboarding Athlete) absent

Bryan Fletcher, Steamboat Springs, CO (Jumping/Nordic Combined Athlete) absent

Cami Thompson Graves, East Thetford, VT (Cross Country)

Lisa Kosglow, Hood River, OR (At-Large) absent

Darryl Landstrom, Minneapolis, MN (Alpine)

Martina Lussi, Lake Placid, NY (Jumping/Combined)

Andy McLane, Weston, MA (Foundation)

Heather McPhie, Salt Lake City, UT (Freestyle Athlete)

Kipp Nelson, Ketchum, ID (Foundation)

Warner Nickerson, Tilton, NH (Alpine Athlete)

Dylan Omlin, Truckee, CA (Snowboarding) absent

Eric Resnick, Vail, CO (Foundation) absent

Chris Seemann, Winter Park, CO (Freestyle)

Tiger Shaw, Park City, UT (CEO)

Steve Strandberg, San Francisco, CA (Foundation)

Tom Wallisch, Park City, UT (Freeskiing Athlete) absent

Andy Wirth, Squaw Valley, CA (At-Large) absent

Tom Yaps, New York, NY (Freeskiing)

### **Ex-Officio**

Kelly Pawlak, Lakewood, CO (National Ski Areas Association)

Holly Brooks, Anchorage, AK (USOC Athletes' Advisory Council)

Bill Marolt, Paradise Valley, AZ (USOC) absent

Nick Sargent, McLean, VA (SnowSports Industries America)

Bill Shiebler, Park City, UT (Audit Chair)

Hank Tauber, Park City, UT (FIS)

Guests: Kevin Arquit, Luke Bodensteiner; Alex Natt; Dan Barnett; Brooke McAfee; Tom Kelly; Calum Clark; Sheryl Barnes; Trisha Worthington; Courtney Harkins; Patty Frechette

### 1. Chairman Calls the Board Meeting to Order: Dexter Paine

The chairman called the meeting to order and stated that it was an unusual board meeting both in terms of the people who are still involved in competition and may not have access and multiple things going. This call is important as there are a number of items taking place at the USOC level, and post-Olympic items.

Rather than focusing today on things like the financials and sales & marketing update, we reduced the agenda to deal with the most important issues that are in the press and that Tiger Shaw and the management team have been working through such as SafeSport and Anti-doping. It's important that Luke Bodensteiner discuss the results at the Olympics and what we will do to improve those results. Those would be the topics of the day. He asked Alex Natt to also cover the administrative items we needed to cover.

Paine welcomed Kelly Pawlak to her first meeting and congratulated Heather McPhie Watanabe as a new mom.

### 2. Roll Call of Board Members & Establishment of Quorum: Alex Natt

Alex Natt discussed the order of the agenda topics and then called the roll and established that a 2/3 rds quorum was present to conduct the meeting and vote on bylaw amendments.

### 3. Olympic Winter Games: Luke Bodensteiner/Tiger Shaw

Luke Bodensteiner stated that the team had achieved 15 medals, 7 of which were gold medals; which meant that we had 15 very successful events and we had frustrations in places where we thought we had a high opportunity to win medals. Despite the fact that we did fall short of our goals, we know this is something that we have to keep focused on and keep pushing programs forward toward that goal, particularly now as we focus on Beijing.

Norway had an overwhelming performance. We still managed to finish second in the overall medal table in skiing and snowboarding by a couple of medals. We won 70% of the medals won by the US in Korea. Part of our challenge there was how to keep how other US teams did from impacting us too much. From the Team USA perspective, we pulled our weight and took the lion's share of the medals won. The USOC will also be going through their post PyeongChang reviews.

Notable for us were the areas in which we achieved no medal performance which were freestyle and men's alpine and snowboardcross and the latter had near misses but we ended up empty-handed. We've taken some immediate short-term action. We will be bringing in new leadership into the freestyle team which is an opportunity for us to fix some of the cultural issues with that team and how it relates to the clubs and athletes across that program.

We are also re-evaluating the leadership structure potentially in how we administer that sport relative to some of the other sports, such as freeskiing and snowboarding. We are also managing team changes in alpine right now to sync up the resources and some of the key personnel we have working in the alpine teams to flesh out and support some of the longer-term objectives on the development side. In men's alpine we have a pretty

decent cadre of top-level athletes but we have to focus on longer lead development programs so there will be some changes there in the short-term.

We've just initiated a post-Olympic review which is something we do routinely following the Games, stressing a lot of self-reflection and the leadership throughout the team as well as some of the actions and programs we've initiated over the last four years. Many of the personnel we need to complete that review are still in competition season and not yet available to get in depth on that. We anticipate getting much of that done prior to getting into the planning process in April and having a finished full review in the first of June to allow enough time to digest the entirety of the last quad and use some of the lessons learned in our operational planning this spring and come out with a documentation of the positives and the negatives that can be used later down the road to ramp up the Beijing preparations.

In terms of additional changes, we've started revisiting the long-term planning that we did last July and forecast out where our teams would end up at the Olympics and what we would see afterward in terms of the new athletes coming into the teams or the number of athletes closing their careers and retiring.

We did very extensive budget pre-planning for where we are headed after this spring. We are trying not to be static with budgets in the programs moving forward. We have sectors in each sport that we are reevaluating to reprioritize some resources across different sports to reflect the changes taking place with athlete pools as well as the objectives of those teams, creating an opportunity to re-balance across the teams.

We also want to provide resources into some more fundamental areas that we have to cover for our long-term success that were not prioritized over the past four years as we focused on the elite performance, moving some funding from the top end to reinforce coaches' education, domestic competition, development and shoring up the highest quality development personnel that we can.

He mentioned Project 26 and utilizing resources down at the bottom of the pipeline to address some of the more systemic challenges that we've seen for a while, but did not deploy the resources to begin to address. Those all fit within the resource allocation framework, established eight years ago and reevaluated after Sochi and then again this past summer we did another evaluation and tiering of the sports so we knew coming out of the Olympics where we were going to deploy resources.

We have a substantial road map there and time to have discussions with the programs about where we can re-prioritize and where we can re-focus. Doing this planning prior to the Olympics was to get the teams focused on being flexible and mobile to grapple with the longer-term issues. We ended up with a roadmap for this next operational plan for the coming 12 months. We are coupling that with some actions that we are taking immediately in terms of personnel reprioritization in the programs.

Paine asked Luke about our performance and where we fell short; i.e. preparation, on-site support, not high enough quality programs, etc. We were disappointed with where we ended up. What needs to be done to hit our goals for Beijing?

Bodensteiner replied that there was no one sweeping answer. As we've begun our evaluations, the answers will be much more specific – to athletes and events. There were a lot of near misses, a lot of fourth place finishes, but other nations also had a lot of

fourth place finishes. He cited some specific examples of factors such as schedule changes due to weather which altered prep plans to athletes who could have gone either way and been third or fourth.

Specific to freestyle that he would be focusing on that discipline in terms of staff evaluation and culture. In men's alpine we have a longer-term challenge there. Not to discount the ability of the athletes in that team right now, but we need to go through a period of regeneration where we try to support younger talent over a longer period of time.

One lesson learned through this process is how important focus is. We forecast an overwhelming performance for Norway over time. We can slip into the temptation of what else can we do? How do we redeploy resources to take opportunities that may not have genuinely been there? When you do that, you run the risk of thinning out your resources and thinning out your focus for opportunities that may not work as well as focusing on fundamentals. We'll go through and think about how we set our goals as well and focus on how we can get very specific on the fundamental aspects where we really chase the bonafide places where we can get performances and maintain our focus and standards within the teams.

McLane asked about the number of fourth place finishes versus prior Olympics? Luke replied that there were approximately 8 fourth place finishes. He did not know how that stacked up to prior Olympics, but it is a higher number than the past. That is the nature of the beast. Norway also had 8 fourth place finishes. OAR had six. There is an evaluation to be made there since Switzerland finished third on the medal table and they had very few fourth place finishes. Either they were very good at delivering podium potential athletes onto the podium or there are challenges with their depth.

Bodensteiner commented that it was reassuring that we did have depth and the margins between third and fourth are very small. But it is a factor for everyone. We will be turning over a fair number of athletes in the next 12 months and will be reevaluating the depth of the team as we get into subsequent seasons. There is no doubt we had a very capable team and hitting our target was not a stretch. We had the athletes to deliver that. There were different factors that impacted those results negatively.

Arquit asked if the number of events differed from past Olympics. The correlation was only worth something if you compared apples to apples. Bodensteiner affirmed we'd been active in trying to cultivate new sports and get them into the international system and then ultimately into the Olympics. Big Air Snowboarding was the new event that did not happen in Sochi. We are specifically focused on sports where we feel we have capacity to win. From that perspective, we have not focused on more sports.

Arquit queried why we were more impacted by delays than other countries. Every athlete and every country had to deal with that issue. Bodensteiner replied that it impacted an athlete like Mikaela Shiffrin who was planning on skiing a lot of events. The fact that she achieved gold in the GS speaks volumes to her preparation but it was impacted by being back to back with slalom, giving her a negative impact versus much of the field.

Paine said that time would be spent in May on these issues as well as the sport priority and resource allocation for Beijing.

Boester indicated that it would be helpful in May or June to have a deep dive session of the performance and the delivery mechanism with respect to the resource allocation decisions. Having statistics and those things laid out will be really beneficial and help others be productive in supporting the strategy going forward. For the trustees particularly there will be a fair amount of interest in taking the time to find out where there are holes and where there are bright lights and what needs more focus, etc. (The Foundation meeting dates are June 13-15).

Paine agreed that information was what people were keenly interested in, knowing the answer to why we came up short and what we will do to not repeat a similar performance in Beijing. We need to do better in Beijing.

Paine asked Shaw to discuss the USOC and asked our representative, Holly Brooks to add her comments, afterward.

At this time, Paine noted that Steve Strandberg, as head of the Foundation board, would be replacing Greg Boester on the NGB board. Paine expressed that we were all appreciative of Greg's success as the leader of the Foundation; and his replacement, Steve, has been a long-serving, actively involved Foundation board member and would be a terrific addition to the NGB board.

Natt added that joining the call today was Kevin Arquit, a Foundation trustee, who generously agreed to assist the organization in responding to some Congressional inquiries that have come out of the SafeSport situation. He asked Shaw to discuss the changes at the USOC and then let Arquit discuss how these Congressional investigations work and then we may have some issues re: SafeSport that we take into Executive session.

#### 4. USOC Update: Tiger Shaw/Dexter Paine

Shaw reported that he would focus on the leadership changes. He said that Scott Blackmun had resigned from the USOC after the Olympics and he did so stating his health as his reason which would compromise his ability to face the challenges confronting the movement. Susanne Lyons, a seven-year independent director of the USOC, was named as Interim CEO. Her background was with VISA and Schwab and prior to that with Fidelity. She is no stranger to the Olympic movement.

Shaw and Cobb (Shaw as vice chair of the NGB Council which is led by Max Cobb, President and CEO of USA Biathlon) have had meetings with Susanne. He noted that the USOC had retained a communications firm and Susanne has also met with the entire NGB Council to ensure coordinated in developing our messaging.

In addition to the SafeSport issues there has been interest in executive compensation as well as the allocation of funds to athletes. There is a lot of that must be addressed. We must ensure that we adequately communicate on these issues.

The USOC has retained a law firm to investigate the sequence of events relative to gymnastics.

USOC is moving forward by hiring a search firm. The search should take four to six months so that a new CEO would be in place before year end. Meanwhile, Susanne will

spend three to five days weekly in Colorado Springs. We are excited to have her as leader in the interim. That is where things stand currently.

Paine asked if Holly Brooks could offer the athlete perspective. Brooks offered that the AAC was a large, diverse group of each Olympic sport and reps from the Paralympic sports as well. There were varied opinions. Overall, the AAC is into supporting the athletes and the overwhelming thought is that the USOC is spending a lot more time on brand management than crisis management. The AAC has posed a series of questions to the USOC board. She stated that she would have more information to share with the board after the April 6-8 AAC meeting.

#### 5. SafeSport: Alex Natt/Tiger Shaw

Paine asked Kevin Arquit to speak to SafeSport and how that has impacted us and discuss what we have done to prepare ourselves should something come out related to skiing and snowboarding.

Natt said that he would provide historic background. All of the NGBs have received interest from the press over the last two years as these issues have come up. The entire Olympic movement is being examined. The USOC in its communications reported that it is double funding for SafeSport. They are conducting their own internal investigation. They are reviewing the USOC & NGB governance structure. They are reviewing the SafeSport procedures in total. There is also a victim support process which will be bolstered.

In terms of Washington, there is a new federal law which was put in effect amending the Amateur Sports Act. There are possible federal criminal penalties for mandatory reporters for failing to report suspected sexual abuse allegations within 24 hours.

As part of the fallout of the Nasser scandal, every NGB received a letter from the Senate just prior to the Games and we have since submitted an initial response to the Senate.

This was followed by a letter from the House of Representatives on March 8 from a separate subcommittee asking for anything having to do with SafeSport since 2005 from our organization. The response will be completed by March 21. Natt said he was working on that response with Kevin Arquit's partners. It is a significant undertaking. He was grateful for the support from Kevin's firm and all the staff internally who were collating information from our files.

Natt asked Arquit to explain to the board the process to be undertaken and how these things usually go. Mr. Arquit did.

Paine thanked Kevin and Alex. He said that Alex had been very diligent on this topic on our behalf for a long time. Nina Kempel, who was formerly on our board, is the one who put together the SafeSport program at the USOC. We will go through the response and are thankful for Kevin working with us on this issue. If people have additional recommendations, they should speak with Alex and Kevin.

Natt said this is a very delicate time with the Congressional investigation pending. He would encourage discussion of these matters with his and/or Kevin's participation. The goal is to reply in a fulsome way. We are optimistic that the federal oversight of this

process will hopefully result in some funding for this area. This is a critical issue for our organization and we will keep moving this forward.

Natt said there would be an executive session at the end so if there were questions to address them then when the non-board members have left the call.

Shaw noted that they were holding a series of Foundation trustee calls informational in nature to make sure everyone was aware of the changes at the USOC leadership, the search, as well as the nature of the Congressional inquiries. Some of you overlap the boards so you will see an invitation to that. We just want to be sure to communicate with the trustee group as well.

## 6. Anti-Doping: Tiger Shaw

Paine noted that Shaw had been actively involved at the USADA and WADA levels, the IOC and FIS levels. He was not certain there were a lot of positives to report at this time. We've all discussed this and it's terribly important to our organization and our athletes. He asked for Shaw's thoughts on where we head next.

Shaw reminded everyone that there were two IOC Commissions formed to investigate the overall corruption and doping collaboration within Russia and the suspension of the Olympic Committee in Russia. The other was to consider the individual cases. Bach and the IOC suspended the Russian Olympic Committee. They allowed Russian athletes to go to the Olympics under the Olympic Athletes of Russia banner if they passed an application process that was a lower standard of proof than you would have for a suspension due to a doping incident. 169 athletes were allowed into the Olympics.

42 athletes were suspended by the IOC prior to the Games and in early December they all appealed to the Court of Arbitration for Sport in Switzerland. CAS overturned 32 of 42 cases. The 32 were overturned because of the nature of the circumstantial evidence i.e. proof that their urine had been switched or proof that their bottles had been opened was not conclusive enough in CAS's estimation to prove an adverse analytical finding or true violation of the rules. Those athletes then went into the application process and as the IOC is the host and owner of the Olympic Games they can invite whom they'd like. Those 32 athletes were denied by the application process. They did not participate in PyeongChang but if they medaled in Sochi those medals were not pulled from them.

The IOC is considering appealing to a Swiss federal court going over CAS. They are waiting for the 'reasoned decisions'. When they get those, they will consider appealing based upon Bach's leniency toward the Russian Olympic Committee, being willing to reinstate them as an Olympic Committee prior to the closing ceremonies. The membership of the IOC was leaning in that direction until there were two positive Russian doping cases during the Olympics. Finally, public sentiment put enough pressure on them that they did not reinstate the Russian Olympic Committee for the closing ceremonies. Directly after the Games, Bach and the IOC reinstated the Russian Olympic Committee and considered the case closed.

Part of our focus moving forward and in step with Kikkan Randall, our new IOC Athletes' Commission athlete representative for the next eight years, is meaningful change moving forward so this doesn't happen again. This was a colossal mess and dominated the headlines. Moving forward there are goals including removing the conflict of interest among the various organizations such as WADA, IOC, and CAS, etc.

Strandberg noted that Kikkan would also become a USOC board member. He asked Paine for the FIS perspective on this.

Paine explained that FIS had been a follower. They will follow whatever happens with the IOC around the CAS rulings. There is discussion about this new independent testing authority which would take over testing and adjudication. FIS has been supportive of that. They would just like to see the entire anti-doping discussion outsourced.

## 7. Questions from the Board

Paine asked if there were any questions around the four topics discussed. None of these is terribly positive but they are the issues that we as a board need to focus on and where our leadership is going to be important, particularly on improving athletic performance, SafeSport, and making sure we continue to be leaders in this area. We will continue to have issues, like all organizations. He cited the Austrians who had a coach accused of molesting athletes in the past. Given the nature of our sport of adults and kids together, we need to be vigilant in making sure that we don't allow harassment, bullying, violations of people to occur. Finally, the doping issue will continue to be an issue. We need to continue to be a leader here. As long as athletes can gain an advantage and don't think they'll be caught, doping will continue to be an issue.

## 8. Ratification of Board Items: Alex Natt

Paine asked Natt to do the resolutions. Natt noted that Arquit needed to drop off the call. We will have the executive session but there are a number of things that we need to accomplish at this meeting.

Natt asked for a motion to approve the meeting minutes from the last board meeting.

### November 2017 Board Meeting Minutes' Ratification

- Motion to approve the meeting minutes as presented.

M/S/C A Wirth/D Landstrom

The Foundation passed a number of bylaw amendments which were circulated and he asked for a motion to approve these modifications as they required NGB board approval. He briefly outlined what those changes were.

### U.S. Ski & Snowboard Foundation Bylaw Amendments

- Motion to ratify the Foundation bylaws as amended and ratified by the Foundation Board of Trustees, December 2017.

M/S/C A Wirth/D Paine

Eric Resnick and Lisa Kosglow could not be with us today. We've talked historically about chairmanship succession and the Nomination and Governance Committee met and recommended an extension of the chairman's term through 2019 and he requested a motion.

Paine was asked to address this; he noted that he was happy to continue for one more year as there were a number of items to work on at FIS and to bring the Olympic Winter Games back to the US. It's helpful and he appreciated the nomination.



Natt asked Warner Nickerson and Cami Thompson Graves, who were on the Nomination and Governance Committee, if they had any comments to add. Nickerson said that it had been discussed quite a bit and it made sense to go until next May. He said that Paine had stipulated that if there was someone just right, he'd be happy to move on. We came to the idea of doing two more years. Natt said that, as a point of clarification, the term extension was for one more year until May of 2019.

Wirth said with great interest and support he would place the motion.

Chairman's term extension through May 2019

- Motion to ratify the term extension from 2018 to 2019

M/S/C A Wirth/ K Nelson

Natt noted that Steve Strandberg, as president of the Foundation, replaces Greg Boester on the Board. The Nominating and Governance Committee of the Foundation has also recommended that this board also welcome Kenneth Graham to the board of directors. Natt spoke briefly to his qualifications. Graham was affiliated with Burke Mountain Academy and is well known to Tiger and a number of board members. After these two ratifications, there remains one nomination to come from Foundation.

Natt requested a motion for the new Foundation Board of Trustee members to be seated in May 2018 onto the U.S. Ski & Snowboard Board of Directors.

- Motion to ratify the Foundation members: Steve Strandberg and Kenneth Graham to the U.S. Ski & Snowboard Board of Directors

M/S/C K Nelson/D Paine

Natt explained that the list of FIS representatives needed to be submitted before the FIS Congress. The list proposed of this organization's representation to FIS was in the meeting materials. He asked if there were any discussion. If not, he requested a motion.

Ratification of the FIS Representatives List for 2018-2020

- Motion to ratify the FIS list to be submitted at the FIS Congress

M/S/C D Landstrom/M Lussi

Natt commented that we have the revised corporate resolution and officer authority and those of you who have been on the board for a while know that we do this annually. The resolutions are in the packet. He asked for a motion to essentially empower Tiger Shaw and CFO, Brooke McAfee to bind the corporation. If there were no questions, he requested a motion.

USSA d/b/a U.S. Ski & Snowboard Corporate Resolution & Officer Authority

- Motion to ratify the revised Corporate Resolution and Officer Authority.

M/S/C C Graves/T Yaps

Natt then mentioned that because Greg Boester has been retired, and he thanked him for his service, we need to reconstitute the USST, Inc. board which is one of our for-profit entities. If there were no questions, he requested a motion.

USST, Inc. Board of Directors

- Motion to ratify the composition of USST, Inc. as follows: President: Dexter Paine; Vice President: Steve Strandberg; Secretary-Treasurer: Brooke McAfee; Additional Member: Tiger Shaw

M/S/C D Landstrom/A Wirth

Natt went on to explain that for a number of years we've examined the corporate structure of the umbrella of companies that we manage. It was determined in concert with the Finance and Executive Committees of this board that USSA Ent., which was the for-profit that we managed for a number of years was duplicative of the efforts of USST, Inc. which could function in that space. Also the U.S. Skiing Foundation, the entity which held the funds of the Los Angeles Olympic Games surplus, and been managed in concert with our other endowment funds, it was determined that there was no reason to keep that corporation open, so it was voted upon to dissolve and this board's Executive Committee recommended accepting that resolution of dissolution. If there were no questions, he requested a motion to ratify these actions.

Natt thanked Bill Slattery and the other members of the U.S. Skiing Foundation board of trustees for their service in preserving those funds and we were deeply grateful for their stewardship.

Arky asked what that leaves for the for-profit entity and this board's responsibility. Natt responded that other corporate entities such as USST, Inc. (independent and chaired by Mr. Paine et al) essentially the function of those entities is if there are for-profit funds received which would impact our ability to manage the U.S. Ski & Snowboard as a not-for-profit, those funds flowed through USST, Inc. or USSA, Ent. We had two such entities and only one was necessary. They are independently managed by those other boards but are within our corporate umbrella.

Paine added that we save \$10-15K in audit fees by essentially merging these.

McAfee replied that the for-profit which was being closed was running our sport education programs through it and those are really non-profit in nature. USST, Inc. runs our TV revenue and we also have expenses in that entity that offset revenue. Overall, we are audited on all of these on a consolidated basis and we work with our audit and tax firm to prepare individual tax returns for all of our entities so we will see savings of \$10-15K annually. Boester said they were in the consolidated statements and audited annually.

Arky said she was surprised that this board voted on bylaw amendments for the Foundation and she was just trying to get clarity. Natt answered that the U.S. Ski & Snowboard bylaws require that if the Foundation, which is a related entity to this organization, made bylaw changes, you as a board are required to approve them.

There being no further questions or comments, Natt asked for a motion to close the two entities named at the end of the fiscal year.

Ratification of the actions of the Executive Committee

- Motion to ratify the closing, at the end of the fiscal year, of USSA Enterprises, Inc. and U.S. Skiing Foundation, whose individual boards and the U.S. Ski & Snowboard Executive Committee have approved.

M/S/C H McPhie /D Paine

Natt said that we would be closing the meeting into executive session in a moment but asked that the board members complete and return their conflict of interest disclosure forms as well as complete the SafeSport training. With that, he asked non-board members to leave the room and drop off the call for a short executive session to discuss potential litigation matters.

9. Executive Session: Alex Natt

The staff and non-board members excused, the remaining board members went into executive session.

10. Closing Comments & Motion to Adjourn: Dexter Paine

Having no further business, the board emerged from executive session and the meeting adjourned at 2:45 pm.

Suzette 3/20/18

Legal review, Alex Natt, 4/6/18