



USA Climbing: Board of Directors Meeting – 12/15/2021

Board Members in Attendance:

Bruce Mitchell, President	Dustin Skinner
Avery Cook, Vice President	Trace Harris
Matt Roberts, Treasurer	Joel Litvin
Kate Felsen Di Pietro	Jason Pill
Kyra Condie, Athlete	Jesse Grupper, Athlete
John Brosler, Athlete	

USA Climbing Staff and Others in Attendance:

Marc Norman, Chief Executive Officer
John Muse, VP of Sport
Caitlin Curry, Finance and Administration Director
Kelly Feilke, VP of Marketing, Communication, & Development
Sharlee Strebels, Membership Services & SafeSport Manager
Rachel Owens, Paraclimbing & Collegiate Coordinator
Rebecca Ingraham, Education Manager
Meg Coyne, National Team Manager
Zackary DiCristino, Medical Manager/Physical Therapist
Joanne Carilli-Stevenson, Nominating and Governance Committee Chair
Patti Rube, USA Climbing Foundation President

The meeting commenced at 5:03PM MST. Ms. Curry acted as Secretary at the meeting. Mr. Mitchell presided.

I. Call To Order and President's Remarks

- a) On motions duly made and seconded, the Board accepted the meeting minutes from the October 14, 2021 Board meeting.
- b) Mr. Mitchell turned it over to Mr. Norman, Ms. Curry and Mr. Roberts to discuss the FY21 audit. Ms. Curry explained that the Audit Committee approved the Audited Financials with the addition of accruing the Employee Retention Credit (ERC) which was just filed in December 2021. On motions duly made and seconded, the Board approved the revised Audited Financials that included the ERC accrual.
- c) Mr. Norman explained a new requirement from the USOPC involving language in USA Climbing policy preventing covered individuals from assisting a known Safesport violator in obtaining a new job. On motions duly made and seconded, the Board agreed to the required new language to be implemented into USA Climbing policy.

- d) Mr. Norman provided an update on the new background check review process and how to decide if an individual can become a member.
- e) On motions duly made and seconded, the Board approved all NGC recommendations for committee nominations as presented in the pre-reads:
 - a. Collegiate – Jeff Cass, Gabriel Linderman
 - b. Rules – Karalyn Aropen, Ruchir Sehra
 - c. Judges – Tami Pellicane, Shannon Lucia
 - d. DEI – Shaalin Sehre, Eliana Wallack
- f) Mr. Norman reinforced the importance of encouraging athletes to apply for open committee positions.
- g) Mr. Norman provided an update on the USOPC Athletes' Advisory Committee (AAC) election. Currently only one athlete (Kyra Condie) is running for the position which poses challenges, as Ms. Condie is also on the Board of Directors. The USOPC recommended that Ms. Condie fill the AAC position and vacates the Board of Directors position, leaving that position open for an election.
- h) Mr. Norman mentioned that there are yellow cards from Nationals outlined in the pre-reads. Per USA Climbing process, all yellow and red cards are to be brought to the Board's attention.

II. CEO Update

- a) Mr. Norman highlighted the major news that the IOC recently confirmed sport climbing for the LA Games, which translates to sport climbing being on the Olympic core program rather than being labeled an "additional sport". This is extremely beneficial for the IFSC, as being on the core program translates to a significant revenue share from the Olympic Games.
- b) Mr. Norman updated the Board that the staff is in process of interviewing candidates for the open Marketing and Communications position and expects to have an offer out very soon.
- c) Mr. Norman handed the discussion over to Ms. Curry to discuss preliminary YTD November Financials. YTD November net income is tracking close to plan. Ms. Curry and Mr. Norman also provided an in-depth analysis on membership numbers, showcasing that USA Climbing membership is on a strong trajectory for FY22.

III. Executive/Closed Session

- a) The board discussed the Foundation contractor position (see the Addendum to these meeting minutes for more details), a House of Representatives letter that was sent to all NGB's reminding them of the importance of adhering to SafeSport compliance, and SafeSport issues.

IV. Sport Update

- a) Mr. Muse provided an update on the Youth QE series. There has been an uptick in demand for these events and USA Climbing has faced challenges in being able to meet this demand. Mr. Roberts expressed some concerns that the new QE series format puts increased burden on the Regional Coordinators and the increased cost of the comps.
- b) Mr. Muse provided a recap of the National Championship event and commented that it was a successful event.
- c) Mr. Muse provided an update on the USOPC High Performance Funding allocation. The commitment from the USOPC at this time is \$465k – which is not sufficient to reach USA

Climbing's Olympic goals with the addition of a speed team. Mr. Muse showed the Board various scenarios of what USA Climbing can expect to achieve with different funding levels. USA Climbing is attempting to work with the USOPC to potentially increase the funding allocation to \$600k.

V. Marketing Update

- a) Mr. Feilke provided an update on new partnerships and potential apparel category prospects.
- b) Mr. Feilke recapped the communications reach from the Yeti National Championship. Overall, the results did not match those of the Team Trials. Mr. Feilke hypothesized various possible contributors including certain personalities not competing in finals, time of year, and conditioning the audience to the timing of Nationals.

Mr. Mitchell adjourned the meeting at 7:25pm.

Addendum

Foundation Appointment of Cat Raney-Norman

[Present for the discussion were board members Bruce Mitchell, Avery Cook, Matt Roberts, Kate Felsen Di Pietro, Jesse Grupper, Trace Harris, Joel Litvin, Jason Pill, Brett Rogers, and Dustin Skinner. Also present were Patti Rube, chair of the USA Climbing Foundation, and [Caitlin Curry, USA Climbing Finance and Administration Director].

Bruce advised the board that the USA Climbing Foundation (“USACF”) proposes to enter into a consulting agreement with Catherine Raney-Norman (“CRN”) to become the USA Climbing Foundation’s Senior Director of Development. (The proposed agreement, job description, CRN’s resume, minutes of Ethics Committee meetings on November 11 and December 14, and a memo to the Ethics Committee and the board from Patti Rube and Matt Roberts, were all distributed to the board prior to the meeting.) CRN is the wife of USAC CEO Marc Norman and, accordingly, her hire would create a “private interest” for Marc under Article II, Section 2(b)(i)(b) of the USA Climbing Code of Ethics/Conflict of Interest Policy (“...a person has a private interest if the person has, directly or indirectly, through...family, a compensation arrangement with USA Climbing...”) (the “Policy”).

Joel, who is chair of the Ethics Committee, said that the Ethics Committee had determined that, because this matter involves the CEO of USA Climbing, the board of directors is the body that should address this matter, with the assistance of the Ethics Committee.

Under Art. II, Section 3(b) of the Policy, the board was first asked to decide whether a conflict of interest exists in this case, where the wife of the CEO of USA Climbing would be hired to a position with the USACF. Joel said that the Policy doesn’t define “conflict of interest” and that the board should apply a common sense meaning to the term, such as “a situation where an individual’s personal interests could compromise their business judgment.” The board then voted unanimously that a conflict of interest does exist in this situation.

Once a conflict of interest is determined to exist in the proposed hire of CRN, Art. II, Section 3(c)(i) of the Policy provides that the board chair “shall, if appropriate, appoint a disinterested person or body to investigate alternatives to the proposed transaction or arrangement.” The purpose of this investigation is to see if “USA Climbing can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict.” Art. II, Section 3(c)(ii). Joel said Bruce had previously asked the Ethics Committee to conduct the investigation called for under Section 3(c)(i) in anticipation of the board finding that a conflict of interest exists.

Joel described the steps taken in connection with this investigation, including (i) reviewing CRN’s resume and her credentials for the position; (ii) reviewing the compensation terms for people holding similar positions, including at other NGBs, and comparing them to the proposed compensation to be paid to CRN; (iii) hearing a report from Patti Rube, on her positive dealings with CRN; and (iv) reviewing the results of the postings for this position on the USAC web site, Indeed.com, ZipRecruiter, LinkedIn, and Team USA (the USOPC’s online job board).

With respect to the postings, Joel said that Patti and Matt Roberts, the Treasurer of the USACF, had received interest from ten candidates (in addition to CRN), reviewed the credentials of such candidates, invited four of the candidates for interviews, and actually interviewed two of the candidates. (One candidate found another job and one didn't appear for their interview.) Patti and Matt had provided a memo to the Ethics Committee and the board concerning the search and interview process, which concluded that "we do not feel that USACF can find 'a more advantageous transaction or arrangement' than we are offered by Ms. Raney-Norman." Patti then addressed the board and spoke of her positive dealings with, and high regard for, CRN.

Based on the result of the Ethics Committee's investigation, the board was asked to vote on whether USA Climbing can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict. Art. II, Section 3(c)(ii). The board unanimously voted that a more advantageous transaction or arrangement could not be obtained.

The board then unanimously voted in the affirmative on the following three questions (Section 3(c)(iii)):

- The proposed agreement with CRN is in USA Climbing's best interests and for its own benefit;
- The proposed agreement with CRN is fair and reasonable to USA Climbing; and
- USA Climbing should enter into the proposed agreement with CRN.