

Minutes
Special Meeting of the
USA Fencing Board of Directors
April 29, 2020 via Teleconference

Present: Donald Alperstein, Don Anthony, David Arias, Cliff Bayer, Raquel Brown, Sam Cheris, Lorrie Marcil Holmes, Cody Mattern, Jeff Salmon, Adam Watson

Absent: Alan Kidd, Ann Marsh-Senic, Daria Schneider

Guests: Peter Barton, Bob Bodor, Kris Ekeren, Jill Grotzinger, Doug Hayler, Nicole Jomantas, Melissa Jones, Dan Mott, Jim Neale, Kate Reisinger, Christine Simmons

I. General Information and Organizational Items

General Announcements

If there are any questions from participants on the line they can be emailed to BoardQuestions@usafencing.org and we will respond to them at the end of the call.

Remarks – Donald Anthony, President (**Appendix A**)

Conflict of Interest Announcement – No conflicts were announced.

Motion (Ms. Brown): to amend the agenda to add two items to new business: motion to approve line of credit for the organization and to establish a Diversity, Equity and Inclusion Resource Team.

Second Mr. Arias
Motion passed.

II. Consent Agenda Items (Mr. Anthony)

1. To approve the March 23, 2020 and April 14, 2020 meeting minutes.
2. To approve the March 2020 financial reports.

Second Mr. Arias
Motion passed.

III. Executive Director Update (Appendix B)

IV. Member Services Update (Mr. Bodor)

Mr. Bodor provided an update on current individual and club membership trends since early March. The membership numbers were projected to finish ahead of last year; however, we will see a noticeable drop due to the impact of Covid-19. Club memberships were up over previous years.

It is important that we assist clubs with the restart of fencing activities. The national office is reviewing several different options to help including potential insurance credits, installment plans for insurance payments and insurance tiers for clubs who may have different insurance requirements. USA Fencing is pursuing premium relief from our carrier, but we are not optimistic that we will receive a credit.

The expansion of some individual membership benefits and an update on the budget impact of reduced membership numbers was provided. Staff will be working with the budget committee to provide information on the alternatives.

An update on the potential re-sanctioning of in-person activities (excluding competitions) at member clubs in locations where the clubs are permitted to operate or reopen by local and state laws and regulations was also provided.

Q: When will we have best practices guidelines for clubs? Some states are already re-opening.

A: We need to be careful that anything we provide does not conflict with any agencies and will provide links to resources. Q: Please remind me what the difference between an affiliate and member club is. Also confirm if you are asking for approval on some budgetary changes that were mentioned.

A: The difference between the affiliate and member clubs are that the member clubs receive insurance from us and have membership requirements for all of the members of the club. We are not asking for any budget variances at this time. We are sharing the possibilities at this time and will be working with the budget committee on 2020-21 budget options.

V. Events Update (Mr. Mott)

We're giving an update on the status of local and regional events, the postponed events from March and April, what our national events will look like moving forward both in regards to Summer Nationals and the 2020-21 season, and finally a health and safety best practices update for National Events.

To start off, we'd like to talk about the reintroduction of events from the local regional and national standpoint. Similar to the re-opening of clubs we are looking to follow local, state, and national government guidelines in regards to events and group gatherings. This will obviously vary throughout the country, but feel keeping this consistency is the best way to go as events begin again. We don't have a timetable

simply because it will vary by location, but I'm sure many of you have seen the phased re-openings that state and local governments have been unveiling over the last week.

Regional events: We've had quite a few changes in regards to regional events over the last few days and are all represented on the regional calendar on the web site. There is only one remaining regional event in May as of today and that event is May 30-31st in Texas. There are currently 18 regional events scheduled for June and July. Obviously all will be dependent on state and local guidelines. Our events team has been in constant contact with organizers regarding their dates and are encouraging them to stay on top of these guidelines. Finally, we are reviewing the remaining bids for regional events for the 2020 -21 season and will look to announce the full schedule in June.

Moving on to the National Events. We're working towards the best solution to wrapping up the 19-20 season and beginning the 2020 -21 events season. We will start with the National Championships and July Challenge. As everyone knows we've postponed the event from the originally scheduled June and July dates. We're working with the Louisville CVB, convention center, and hotels regarding space and availability in August, but have explored all options to still host the tournament which include, but aren't limited to, a shortened event, splitting the event over two weekends, and new locations. Over the past few days we've continued to gather information as both Kentucky and Louisville have begun announcing their phased re-opening plans. We've been in touch with other NGBs, youth sports organizations, members, clubs and city partners across the nation. We want to make the best possible decision for our members and organization. So we're gathering as many facts as possible, and will choose the best possible option. And with that we need a little bit more time, but feel we'll be able to make a decision on the event in mid-May.

The TC has met and finalized the qualification paths. These will be announced when we make a decision on Summer Nationals.

We've also begun looking towards the 2020 – 21 season and building contingency plans based on the information we currently know. We're lucky that we have some really great city partners who are willing to work with us in most cases and have been in contact with them regarding any changes or contingency plans should there be another wave in the winter.

We've also looked at National Events budget impacts at a 50-60-75% attendance rate. At 75% attendance the revenue drop is significant and unfortunately the expense drop isn't always 1 to 1 with revenue dropping which cuts down on net revenue. Currently in through our discussions with experts in the sports industry the expectation is 60-70% attendance upon return to sports. Our current expectation is for attendance to increase back to hopefully more normal levels by Summer Nationals in Philadelphia, but are aware of possibilities of dips in the winter due to a potential second wave.

The March NAC, Anaheim SJCC, and DivI/Para National have been officially canceled. A release will be posted on our web site immediately following this meeting. Updates on points will be included in that release. Kate from Sports Performance will give updates on veteran and senior teams.

We're addressing other challenges in starting back up National events as well which include event staffing, spectator guidelines, flight availability, difference in local and state guidelines, international athletes, and health and safety national event protocols. We're working on all of these issues amongst many others, but felt it was important to point these out as well.

The last topic is health and safety best practices at our national events. First and foremost we'll follow local, state, and national guidelines. We'll also follow very closely WHO and USOPC guidelines. Finally, we've begun meetings with the Referees' Commission, Semi Commission, Sports Med, and other staff to address how best ensure a safe environment at each of their areas involved in a competition. Our goal is to compile all this information into one document for National Events.

VI. Tokyo Update (Ms. Reisinger)

Point Standings

- USA Fencing Senior National Team Point Standings are frozen as of March 11, 2020.
- Points earned at the 2019 Division I National Championships will remain on the Senior, Junior, Cadet and Y14 National Rolling Point Standings until the conclusion of the 2020 National Championships and July Challenge.
- Points earned at the 2019 Parafencing National Championships will remain on the Parafencing National Rolling Point Standings until the conclusion of the 2020 National Championships and July Challenge.
- Points earned at the 2019 April North American Cup will remain on the Veteran National Rolling Point Standings until the conclusion of the 2020 National Championships.
- The 2020 Division I event at the July Challenge will count for team points for cadet and junior fencers and rolling points only for senior fencers.
 - The strength factor for the 2020 Division I event at the July Challenge will be calculated using the regular formula as designated in section 3.4.1 of the current Athlete Handbook.
- The 2020 junior and cadet events at the July Challenge will count for team points across all weapons.

On March 30, 2020, the International Olympic Committee [announced](#) the 2020 Olympic Games in Tokyo will be celebrated from July 23 through August 8, 2021. On April 20, 2020, the International Fencing Federation (FIE) provided [information to its member federations](#) concerning how the FIE will handle qualification to the Olympic Games to be held in 2021.

According to the FIE, senior international competitions scheduled in April, May and June of 2020 have been cancelled and FIE rankings are frozen until the final Olympic qualifying events can be held. Those events are:

- Men's Épée World Cup (originally scheduled for March 20-22, 2020)

- Men's and Women's Foil Grand Prix (originally scheduled March 13-15, 2020)
- Men's Saber World Cup (originally scheduled for March 20-22, 2020)
- Women's Épée World Cup (originally scheduled for March 20-22, 2020)
- Women's Saber World Cup (originally scheduled for March 20-22, 2020)

Per the FIE, the events scheduled in March and the four zonal qualifying events, including the 2020 Senior Pan American Championships, will be held when:

- The global health situation will be safe.
- Fair and adequate training and preparation of athletes can take place.
- No federations will be prevented from participation.
- International competitions, including several "preparatory" World Cup/Grand Prix competitions, have taken place beforehand.

At this time, without a confirmed domestic and international competition schedule, it is impossible for USA Fencing to fully amend its selection criteria for the Olympic Games. However, the following principles will guide USA Fencing in its decision making:

- Athlete well-being, both physical and mental, will guide all decision making.
- Olympic hopefuls will be consulted and have the opportunity to discuss questions and concerns prior to the finalization of any selection criteria.
- Decisions will be made with the guiding principle of fairness to all athletes.
- Decisions will be communicated quickly and clearly to all athletes and the USA Fencing membership at large.

2021 Tokyo Olympic Games Selection Criteria

While it is premature to amend the selection criteria, athletes are advised of the following:

- USA Fencing Senior National Team Point Standings are frozen as of March 11, 2020.
- Men's épée, men's foil, women's épée and women's foil each had one remaining international competition remaining for qualification prior to the shutdown of international events.
 - Therefore, once the FIE announces its rescheduled international calendar, one more international event will be designated as the final international competition remaining for qualification. It is USA Fencing's intention to not designate the first international competition available, but to allow athletes an appropriate training period prior to the designated event.
 - Revised online registration deadlines will be announced once the event schedule is known. Selections for the designated international event will be made using the National Team Point Standings as of March 11, 2020, regardless of the date of competition for the designated event. If necessary, the Junior and Cadet National Rolling Point Standings as of the date of selection will be used.
- Men's and women's saber had two remaining international competitions remaining for qualification prior to the shutdown.

- Therefore, once the FIE announces its rescheduled international calendar, two more international events will be designated as the final international competitions remaining for qualification. It is USA Fencing's intention to not designate the first international competition available, but to allow athletes an appropriate training period prior to the designated event.
- Revised online registration deadlines will be announced once the event schedule is known. Selections for the designated international event will be made using the National Team Point Standings as of March 11, 2020, regardless of the date of competition for the designated event. If necessary, the Junior and Cadet National Rolling Point Standings as of the date of selection will be used.
- All weapons had one remaining domestic competition remaining for qualification prior to the shutdown.
 - Therefore, once the FIE announces its rescheduled international calendar, the final domestic event for qualification will be designated.
 - The 2020 Division I July Challenge will only count for rolling points only for senior fencers and will not be the final designated domestic event for Olympic qualification.
- The selection date for the next Senior Zonal Pan American Championships will be announced once the FIE publishes its rescheduled international calendar.

Please Note: All Olympic selection criteria must be approved by the U.S. Olympic and Paralympic Committee. Updated selection criteria will be posted at www.usafencing.org once it has been approved.

2020 Veterans World Championships Selection Criteria

In consultation with the Veterans Committee and the Sports Performance Resource Team, the 2020 Veterans World Championship selection criteria has been amended as follows:

- Given the cancellation of the April NAC, points earned at the 2019 December NAC and the 2020 National Championships will be combined to create the Veteran Team Point Standings. The top four athletes on the Veteran Team Point Standings following both events will be selected to represent the United States at the 2020 Veteran World Championships. All remaining athletes will be alternates to the Veteran World Championship Team.
- Should the 2020 National Veteran Championships (or equivalent event) not be contested, points earned at the 2019 December NAC will be used to create the Veteran Team Point Standings. The top four athletes on the Veteran Team Point Standings will be selected to represent the United States at the 2020 Veteran World Championships. All remaining athletes will be alternates to the Veteran World Championship Team.

2020 Paralympic Games Selection Criteria

At this time, no further details about qualification to the Paralympic Games has been communicated by the International Wheelchair and Amputee Sports Federation

(IWAS).

VII. Finance Update (Mr. Hayler)

Membership Services had \$29K in revenues for the month of March. We had \$25K in membership renewals or purchases.

Due to the impact of the COVID-19 virus, we do not expect to see any new memberships for the remainder of the fiscal year. We have adjusted the working budget based on this expectation.

National Events had to cancel the Anaheim SJCC, March NAC and April NAC due to the COVID-19 virus. All events that USA Fencing hosts are a significant source of operating cash flow for the organization. The cancellation of these events has had a significant impact on the organizations cash flow and budget.

We did reach out to the March and April NAC participants and asked if they would be interested in donating their registration fees or transferring them to a future event. We have received \$20K in donations and \$110K has been transferred to future events. That is \$130K that we will not need to pay out in refunds. We need to issue over \$700K in refunds due to the cancellation of these events. We will begin to issue refunds for these events in May 2020.

The cancellation of the Foil Grand Prix created a \$161K loss for the event. There was significant work performed in setting up this event before it was cancelled so there were expenses incurred with little to no revenue to offset these expenses. We are working with vendors to maximize our refunds.

The COVID-19 virus impact started in March and has affected all departments and programs. We have reduced all budgeted revenue and expenses for the remainder of the year.

Our YTD net income is \$356K versus a budgeted number of \$370K giving us a negative variance of \$14K. Our Cash + Receivables exceed our Payables by approximately \$2,244K.

The cash on hand includes \$152K in a money market account, \$1,175K held in the US Olympic Endowment account, and \$653K in an insured cash sweep (ICS) account, as of 3/31/2020.

As we issue refunds for the March and April NAC's in May, it will create a significant cash out flow.

We did receive approval and funding from Paycheck Protection Program (PPP). 70% of these funds are to be used for payroll. The remaining portion can be used for rent and utilities.

The finance team is working hard to update the budget and will be working with the

budget committee and providing updates to the Board of Directors.

VIII. Legal Update (Mr. Neale)

The legal work has consisted of insurance review with regard to sanctioning club activities, CARES Act, disciplinary panels and the black card review group. We don't have events occurring where issues can arise right now. From a legal perspective we are in good shape. We don't have claims or potential claims against the organization.

IX. New Business

Motion (Mr. Arias): To authorize and approve obtaining a line of credit from Great Western Bank in the amount of approximately \$600,000 and to pledge as collateral all of the assets in USA Fencing's investment account at United States Olympic Endowment; To authorize and approve a pledged asset account agreement to effectuate the pledge of assets in USA Fencing's investment account as collateral for the line of credit from Great Western Bank; To authorize the Chief Executive Officer and/or the Director of Finance to execute any and all documents with respect to the implementation of the line of credit from Great Western Bank and a pledged asset account agreement.

Rationale: In an effort to avoid liquidating the United States Olympic Endowment (USOE) account during the current market climate, USA Fencing has secured a verbal commitment from its bank to secure a line of credit for \$600,000. Liquidation of the USOE investments will require us to take substantial losses on our investments, which most financial analysts feel will recover lost ground in a 1-3-year time frame. The line of credit would be used primarily to pay the registration refunds to members due to the cancellation of the March and April NACs. The loan would be made by the bank with no fees and require interest only payments for the first year. USA Fencing's goal will be to pay off this loan as soon as it is financially feasible.

Second Mr. Alperstein.

Q: What is the timeframe for drawing on the line? Will it be as needed?

A: Yes, drawing down on the line of credit will be done as funds are needed. The critical cash need is repayment of event entry fees from the cancelled events.

Q: Will the line of credit be open ended or does it have an end date?

A: We are looking at roughly three (3) years to draw on the line and three (3) to repay the loan. We will have the final terms once we get with the banker. The intent is to secure the line of credit now and draw on it when needed. It is not meant to be a continuous line with no end date.

Q: Where is the \$600K amount derived from?

A: That amount is based on half of the current value of the investments held with the USOE. It's approximate because the final amount will be based on that balance of the investments at that time the line of credit is approved.

Q: During the normal course of business and a loan of this amount, would we be able to make the payments and payoff the loan?

A: We've been able to continually produce a net profit annually so we expect that through normal operations that we will be able to produce enough net income to pay off whatever amounts we need to draw from that line of credit.

Motion passed.

Motion (Mr. Anthony): To approve the creation of Diversity, Equity and Inclusion Resource Team with a final charter to be reviewed by the Board of Directors within 60 days.

Rationale: USA Fencing is dedicated to refocusing our efforts on diversity, equity and inclusion to create a safe and positive environment for everyone in the fencing community. The resource team will include athletes, members, volunteers and staff members to assist with the organization's efforts.

Second Ms. Brown

Motion (Mr. Alperstein): to amend the motion to include a referee on the list of members on the resource team.

Second Mr. Watson.
Motion to amend passed.

Amended Motion passed.

Q: Who will be the staff lead for this Resource Team?

A: The staff lead will be Bob Bodor, our designated Diversity & Inclusion representative in the office for the USOPC. Bob and Brandon Dyett will be working together.

X. Good and Welfare

Mr. Alperstein: I wanted to provide a heads up to the board. About a year ago Mr. Anthony asked Mr. Cheris, Mr. Neale and myself to begin review of the bylaws so that we can provide any needed updates. We will very soon will have proposed bylaws, with a goal to adopt the new bylaws at the summer meeting. We want this to occur after the election so that there is no question of interference to the election, but want them to be in place before start of the new fiscal year. You will see a motion and lengthy bylaws with the proposed edits soon.

Mr. Anthony: We lost a member of FIE Veterans' committee, Tony Melo. We send our condolences to the Venezuelan Federation.

Thank you to everyone who responded to the message from the President. The input was very valuable. I would also like to thank the members who encouraged me to communicate with the members of USA Fencing.

I would like to recognize Cody for the shout out he received on the USOPC call today for his valuable assistance with the athlete town hall held last night with Sarah Hirshland.

We did not receive any questions by email that need to be answered.

XI. Recess to Executive Session

Motion (Mr. Watson) to recess to executive session.

Second Mr. Arias
Motion passed.

XII. Executive Session

Present: Donald Alperstein, Don Anthony, David Arias, Cliff Bayer, Raquel Brown, Sam Chervis, Lorrie Marcil Holmes, Cody Mattern, Jeff Salmon, Adam Watson

Absent: Alan Kidd, Ann Marsh-Senic, Daria Schneider

Guests: Peter Barton, Kris Ekeren, Melissa Jones, Jim Neale, Kate Reisinger, Christine Simmons

Ms. Ekeren provided a SafeSport update to the board.

Motion (Mr. Arias): to direct the national office to announce in-person club sanctioning based on local and state guidelines.

Second Mr. Alperstein.
Motion passed.

XIII. Adjournment

Motion (Mr. Alperstein): to adjourn.

Second Ms. Brown.
No objection was heard.

Appendix A

President's Report

As we are going through this Covid-19 crisis, I have been reflecting on when I became President eight years ago. I was board secretary eight years before and over those eight years USA Fencing had evolved into a much different organization. When I became President after 8 years away from the Board, I realized how complex the organization is and how many moving parts go into running it effectively. There are many constituent groups that make up USA Fencing and many of these groups have conflicting interests and we have only a limited amount of resources to support them. Eight years ago USA Fencing's relationships with the FIE and the USOC were very strained and most of our constituent groups, including our elite athletes, veterans, coaches and parents felt that they were being underserved. Our referees were not being paid regularly at the time and financially the USOC was questioning our ability to survive. It took the entire fencing community to come together to rebuild our programs, revamp our governance and get back on solid footing. Many of us had to get over past grievances and personal slights experienced in the past to work together for the greater good and we did it.

Our financial and competitive success, along with our growth are a result of our dedicated volunteers, passionate coaches, supportive parents and the hard work of our national office staff. We achieved a lot over the years working together. Is it perfect? Far from it. Fencing is still an opportunity rich sport with a tremendous upside. Having limited resources has definitely impacted us. We have worked diligently to expand these resources. We have had some success but still have plenty of opportunity ahead.

Over the last eight years USA Fencing's revenue almost doubled allowing us to serve our varied constituent groups more equitably and with greater support. However we are now taking a significant economic hit from the impact of COVID-19 on our business. As most of you know USA Fencing is a membership organization and at one time that was our primary source of income. Another smaller, but critical, component of our income comes from the USOPC. This income is particularly focused on our ability to win Olympic Medals and the things that make that possible starting with our elite senior athletes. However, USOPC revenue only goes so far. It is our responsibility to build our pipeline and fund those additional programs that have contributed to our success and also meet our commitments as a National Governing Body and International Federation. Our third source of income is what past President and fiscal hawk Irwin Bernstein called our tournament business. This revenue allows us to provide a quality grassroots domestic to international experience for our athletes, coaches and referees. Unfortunately with the impact of COVID-19 this is all under siege. The USOPC has announced significant cuts in their budget and USA Fencing will see major impacts on our budgets in the 20-30% range. There will be more updates to come on this.

USA Fencing will have to come together to as a community to weather this storm and once again it will be all hands on deck. We can do this by working together, drawing on the vast experience of our members, volunteers and national office staff. If we focus on the facts, learn from the experiences that served us well in the past and make the hard, prudent financial decisions that will be required, and not always popular, we will come through this with new skill sets, innovative business practices and a foundation to build on going forward.

COVID-19 has impacted us in so many ways from the celebrations of Passover and Easter to

now fasting in the Holy Month of Ramadan. We will adjust to our “new normal” and we are beginning to see signs of a slow return to that “new normal” life. The safety of the fencing community is paramount in this transition and we will do all that we can to ensure this. We have an election beginning next week and I encourage all eligible voting members to participate. Your vote in selecting leadership is always important and especially at this critical time.

Appendix B



To: USA Fencing Board of Directors

From: Kris Ekeren, CEO

Date: April 29, 2020

Subject: CEO Report Update

First, I hope that our members and their families are safe and healthy during this uncertain time. As we all continue to work together for the good of the sport, I continue to be impressed by the efforts of club owners, coaches, volunteers and staff and others in our community and I greatly appreciate the support of those who have reached out with feedback, suggestions or a kind message. The Board of Directors and staff are committed now more than ever to communicate frequently on the issues that the organization and fencing community are facing. Our top priority is to return to local fencing as soon as it is safe to do so following the guidelines of local, state and national authorities.

Recovery Strategic Plan Update

The strategic plan working group held their first meeting last Thursday and there were valuable conversations around a recovery strategic plan that would guide our strategic and operational decisions for the next 6-18 months. In addition, the group discussed the 2020-24 strategic plan, which will essentially be pushed until the organization can recover and ensure sustainability. Over the next several weeks, the group will examine the challenges, including financial, and the opportunities that may evolve. The next step will be to review additional information and discuss the top initiatives that should be considered for the recovery plan. All members of the group agree that the plan must be a living document and that volunteer and staff leaders will need to remain nimble to adjust to the ever-changing situation.

We have identified the top initiatives to focus on over the next several months:

- Return and rebuild grass roots fencing as fast and safely as possible
 - Club recovery initiatives – insurance; restore sanctioning and explore options for online coverage
 - Reinstating events – local, regional and national
- Put our athletes in best position for Tokyo
- USA Fencing's sustainability - maintain organization while rebuilding reserves
 - Cost savings in all areas – events, overhead
- Plan ahead for marketing of membership and organization - diversify revenue
 - Prepare for the future
- Restart development focus 21-24; look to 2028
- Serve our members, volunteers and staff members while reflecting our core values:
 - Excellence, Respect, Teamwork, Inclusion, Passion

I appreciate everyone's dedication and focus on this project and will keep the Board of Directors and membership updated as we move forward. I am confident that USA Fencing will persevere and as is in the case in many tough times, innovation and resourcefulness will push us to be stronger and better as we emerge from this extraordinary time.