

USTA NorCal Board of Directors Meeting Minutes
Wednesday, October 16, 2019
USTA NorCal Office, Alameda, California

USTA NorCal Board of Directors Present: Josh Conlin, Steve Cornell, Suzy Cossette, Christine Costamagna, Kevin Craig, Anoosh Davoudzadeh, Nancy DeSchane, Dale Evans, Mark Fairchilds, Alvin Hom, Larry Olmstead, Kevin Pope, Jason Scalse, Jim Swasinger, Mark Tappan, Sandy Tompkins

USTA NorCal Advisory Directors: Jon Toney, Rosie Bareis

NorCal Staff Present: Steve Leube, Executive Director

Legal Counsel: Les Hausrath

Guests: Kevin Fry

Call to Order: Noting the presence of a quorum, Kevin Pope, President, called the meeting to order at 6:30 pm.

Approval of Minutes: Ms. Costamagna read the NorCal mission statement. The minutes of the August 21, 2019 Board meeting were presented for approval. On motion duly made, seconded, and carried, the minutes of the August 21, 2019 meeting were unanimously approved. A discussion ensued concerning the replacement of vacancies on the Board, specifically the vacancy left by Ross Wissler. After discussion, on motion duly made, seconded and carried, the Board approved to not fill the current vacancy – 13 in favor, 1 opposed.

Investment Committee: Ms. DeSchane, Chair of the Investment Committee, provided an Investment Committee update to the Board. Referring to the handout in the meeting material, Ms. DeSchane noted that NorCal experienced a \$176,000 increase on its pooled investment. She explained how the investments were managed through Cambridge Associates noting that all of the participants' investments are separate from each other. She then spent time reviewing the returns and investment strategy which ties to diversification. She reported that the Investment Committee is unanimously recommending that NorCal invest an additional \$1 million (\$250,000 per quarter) over a 1 year period under the current program with the remainder deposited in short term CDs. She commented on withdrawal terms should the cash be needed. Questions arose around corporate taxes, the separateness of the investments from USTA, protections, timing, evaluation of Cambridge Associates, alternative investment opportunities and long term strategy. Ms. DeSchane noted that the strategy could be re-evaluated on a regular basis. She also noted that the Investment Committee was chartered to come up with a prudent investment strategy. After further discussion, on motion duly made by Mr. Olmstead and seconded by Ms. Costamagna, the Board approved the recommendation – 11 in favor, 1 opposed and 2 abstentions.

JTT Presentation: Mr. Craig led a detailed discussion around changes to the junior team tennis model. Referring to a slide show presentation, he began by looking at ideas to broaden the market. He reviewed the focus and explained the importance around continuity. He reviewed the different elements of the structure (events, leagues, tournaments). He commented on the geographical expansion efforts and target markets, including high schools and community programs. Questions arose concerning coach incentives, structure rules and membership requirements. Mr. Craig reviewed growth statistics and potentials under the new model and reported that the approximate budget needed would be \$150,000.

2019 Budget: Mr. Craig provided a detailed overview of the proposed 2020. Referring to the budget that was provided in advance of the meeting, he began by providing an overview of the budget process. He then reviewed the source data, forecasting, adjustments, actuals versus run rate and variances to achieve a balanced budget. He provided an overview of the investments, including junior team tennis, adaptive, staff run tournaments, adult team tennis, high school state tournaments, sponsorship events, player development (ROG), banner campaign, Bring a Friend initiative, a new TSR and a social league initiative, that the Budget Committee wants to implement to increase, among other things, growth. He reported that the investments were estimated to cost approximately \$334,000. He then reviewed the go forward recommendations from the Budget Committee which include hiring of a new CPA firm for audit and tax reporting purposes, establishment of a new chart of accounts and new forecasting process, reorganizing NorCal into an activity center supported by support groups and having Board members drive accountability. Questions arose concerning departmental/operational breakdowns/roll downs, departmental cuts, cash flows and comparisons, and ramifications if the budget was not approved at this meeting. Mr. Craig reported that a request for proposal would need to be prepared to hire a new CPA firm but that the hiring of a new firm and a new forecasting process were a priority. Mr. Leube conceptually agrees with the new budget despite some concerns over some cuts. After further discussion, on motion duly made by Mr. Olmstead and seconded by Ms. Tompkins, the Board approved the 2020 proposed budget – 11 in favor, 2 opposed and 1 abstention. In addition, it was noted that the Board would receive a departmental breakdown and that there would be the possibility to readjust allocations within the approved budget.

Executive Director Report: Mr. Leube provided an overview of his report, a copy of which was provided in the meeting material. He then commented on the following items:

- 1) Ms. Costamagna's USTA Volunteer award
- 2) Connie Ma's success at Junior Fed Cup
- 3) Semi Annual Meeting
- 4) EDC camps
- 5) 10& Under exchange
- 6) North/South adult age group event won by NorCal
- 7) NTRP Grand Prix
- 8) Hiring of a temporary HR manager
- 9) NorCal Annual Meeting and election (proxies due October 28)

2019 Adult/Junior Appeals and Tournament Schedule: Ms. Scalse, the Chair of the Sanction & Schedule Committee, presented the appeals and schedules to the Board. Referring to the decks and schedules in the meeting material, Mr. Scalse began with the appeals. It was noted that there were no adult appeals and 8 junior appeals from the same member organization. A representative from the member organization was invited to attend the Board meeting. Mr. Scalse reviewed the Sanction & Schedule Committee decisions including the reasons for approving or denying them as well as the guidelines considered. After discussion, on motion duly made by Mr. Fairchilds and seconded by Mr. Swasinger, the Board approved the appeal recommendations made by the Sanction & Schedule Committee – 13 in favor, 0 opposed, 1 abstention.

It was noted that for this meeting the entire adult and junior calendars for 2020 would be done on a consent basis. Mr. Scalse then presented the 2020 Adult Tournament Schedule to the Board for approval. After an opportunity to comment or ask questions, on motion duly made by Ms. Tompkins and seconded by Mr. Hom, the Board unanimously approved the 2020 Adult Tournament Schedule. Mr. Scalse presented the 2020 Junior Tournament Schedule for approval. After an opportunity to comment or ask questions, on motion duly made by Ms. Cossette and seconded by Mr. Olmstead, the Board unanimously approved the 2020 Junior Tournament Schedule.

President's Report: Mr. Pope had nothing additional to report.

Delegate's Report: Mr. Hom reported that the call items and bylaw amendments discussed at the prior meeting were approved at the Semi Annual Meeting.

Treasurer Report: It was noted that there was nothing additional to report from the presentation earlier in the meeting.

Monthly Financials: It was noted that the financials were discussed during the budget report.

Committee Decisions: Mr. Pope noted that the Committee decisions were provided in the meeting material.

Tournament Sanctions: It was noted that since the Board approved the 2020 Adult and Junior Tournaments schedules, there were no additional sanctions to approve.

Unfinished Business: It was noted that there was no unfinished business.

New Business: It was noted that there was no new business.

Adjournment: The meeting was adjourned at approximately 10:10 pm.

Respectfully submitted,

Christine Costamagna
Secretary