

**MINUTES  
OF THE MEETING OF  
THE BOARD OF DIRECTORS OF  
UNITED STATES TENNIS ASSOCIATION INCORPORATED**

**W PHILADELPHIA  
PHILADELPHIA, PENNSYLVANIA**

**JUNE 21 and 22, 2024**

**PRESENT:** Brian Hainline, Chairman of the Board, Brian Vahaly, First Vice President, Laura F. Canfield, Vice President, Kathleen Francis, Vice President, J. Christopher Lewis, Secretary-Treasurer, Jeffrey M. Baill, Violet Clark (joined via teleconference for portions of the meeting), Maggie Chan Jones, William McGugin, Emily S. Schaefer, Bobby Sharma, Liezel H. Huber, Vania King, Megan Moulton-Levy, Directors at Large, and Michael J. McNulty, Immediate Past President.

**ALSO PRESENT:** Lew Sherr, Chief Executive Officer and Executive Director, Andrea S. Hirsch, Chief Operating Officer and General Counsel, Kevin Flaherty, Chief Financial Officer, Rachel Booth, Senior Counsel, Managing Director Tennis Integrity, and Nellie Nevarez, Senior Director, Office of the President.

1. **President's Welcome & Opening Remarks.** Hainline called the meeting to order at 9:00 a.m. (EST) on Friday, June 21, 2024. A roll call was taken and a quorum certified.

Hainline provided an overview of his attendance at the Italian Open and at Roland Garros. He further informed the Board of his appointment as Chair of the Strategic Advisory Committee of the International Tennis Federation ("ITF").

Hainline and Sherr then recapped efforts to date relating to the Premier Tour, explaining the Grand Slam tournaments have reached an impasse in their discussions with the Association of Tennis Professionals ("ATP") and Women's Tennis Association ("WTA"). Hainline described a fresh approach under consideration, which is being led by Hainline and Craig Tiley. Discussion ensued regarding the possible elements of this approach and its potential impact.

2. **CEO's Opening Remarks.** Sherr previewed topics to be addressed during the course of the Board meeting, including the USTA National Tennis Center ("NTC") renovation proposal, US Open projections and an update on coaching. He fielded questions on the Roland Garros broadcast deal and the implications for USTA's renewal with ESPN.

3. **Approval of Minutes.**

**Upon motion duly made by Vahaly, and seconded, the Board unanimously approved the March 28, 2024 Minutes of the USTA Board of Directors Teleconference.**

**Upon motion duly made by Vahaly, and seconded, the USTA Board acting as the Sole Member of USTA Player Development Incorporated, unanimously approved the March 28, 2024 Minutes of the Combined Annual Meeting of USTA Player Development Incorporated (“USTA-PD”) and Sole Member of USTA-PD.**

**Upon motion duly made by Vahaly, and seconded, the Board unanimously approved the April 10 & 11, 2024 Minutes of the USTA Board of Directors Meeting.**

**4. Action Chart.** Hirsch reviewed the distribution cadence of the Action Chart and noted most topics on the chart are scheduled for discussion at the present meeting.

Discussion ensued regarding the use of USTA assets to grow pickleball and Section-led pickleball initiatives. Hirsch clarified that the USTA Bylaws state that the role of the Sections is to grow tennis within their geographic regions. Sherr opined that the industry, including retailers, United States Professional Tennis Association (“USPTA”) and Professional Tennis Registry (“PTR”), has evolved to the point where they refer to themselves as “racquet sports” and “racquets industry.” Sherr offered that staff will provide a recommendation at an upcoming Board meeting as to whether USTA should reconsider its current policy regarding pickleball.

**ACTION:** 1) Provide an analysis and recommendation as to the USTA’s expansion into “racquet sports” for the September Board meeting. Sherr.

2) Ascertain the position on the International Tennis Federation on racquet sports. Hainline.

**5. Financial Update.**

a. Introduction of Kevin Flaherty. Sherr introduced Kevin Flaherty and provided a brief overview of his professional experience. Flaherty offered his initial observations from his first three weeks in the CFO role, emphasizing his focus on the US Open and the NTC capital projects.

b. Portfolio Review & 2024 Update. Flaherty provided an overview of the performance of the USTA’s main investment portfolio as well as the Series D portfolio, noting that as of April 30, 2024, the portfolios totaled \$257 million and \$102 million, respectively.

Flaherty then reviewed the USTA’s current financials, describing the balance sheet as strong, with total cash and investments of \$615 million exceeding total debt of \$572 million, and advised that Fitch Ratings has reaffirmed its A-Rating on NTC bonds. He provided a preliminary update on 2024 projections stating that net excess is tracking \$10.5 million ahead of the 2024 budget and that the US Open (net) is tracking approximately \$4 million ahead of budget due to strong sales. Flaherty advised that total operating expenses are approximately \$6.5 million below budget, driven largely by a delayed start to the Facilities Pilot program and slower than budgeted Growth Catalyst Fund expenditures.

c. Strategic Investment Committee Update/Play Replay Investment. McGugin provided an overview of the vetting process for potential investments and highlighted some investment opportunities currently under consideration. He summarized the Play/Replay (line calling) investment and spoke to the Section support for and participation in pilots to trial the technology at

junior competitions. Discussion ensued as to the goals of the Committee and funding sources for initiatives. McGugin fielded questions on the vetting process.

d. 2025 Budget/Senior International. The Board reviewed the staff analysis and recommendation relating to funding support for US Seniors participating in international competition. Discussion ensued as to the importance of supporting dedicated players and showcasing tennis as the sport of longevity and health through the Senior competitions.

**Upon motion duly made by Lewis and seconded, the Board unanimously approved funding support of Senior International teams representing the United States at the currently budgeted level of \$390,000.**

(The meeting recessed at 10:30 a.m. and reconvened at 10:45 a.m.)

(Stacey Allaster, Chief Executive, Pro Tennis, and Kirsten Corio, Chief Commercial Officer, joined the meeting.)

6. **US Open Update**. Corio presented financial highlights of US Open to date and new premium products and experiences to capitalize on premium demand. Corio referred to demand as unprecedented.

With respect to ticket sales, she advised that 98% of all full series subscriptions renewed in March; mini-plans sold out in April; the Amex Presale surpassed records with 118 thousand tickets sold and the general public sales surpassed expectations with 95 thousand tickets sold to date. Corio then reviewed Hospitality sales. She further advised that suite sessions sold out, experiences packages are selling well and that there is a waiting list for premium offerings. Corio was queried on ticket brokers and measures taken to carefully manage in-house inventory. Corio and Sherr fielded questions as to reasons for the high demand.

Corio then reviewed broadcasting arrangements for 2024, explaining the 2024 budget was based on a prior international media and betting rights representation contract for 2017-2025, which has since been extended with renegotiated terms for 2024 at \$1.1 million less than the budget. Corio described opportunities for additional revenue relating to data/streaming rights. She fielded questions on long-range plans for international broadcast.

Allaster outlined plans to capitalize on existing events while introducing new experiences for Fan Week and Finals weekend. Highlights include a ticketed concert featuring Dierks Bentley, the Mixed Madness Doubles event, the Stars of the US Open, a Friday Block party, and a Finals Weekend Festival in Armstrong Stadium. Allaster fielded questions and discussion ensued on court speed, prize money at the Grand Slams, and the impact, if any, of the Olympics.

(Moulton-Levy recused herself and departed the meeting. Allaster, and Corio, departed the meeting.)

7. **Related Party Transactions**. Hirsch explained that pursuant to New York not-for-profit law, a corporation cannot enter into any arrangement in which a "related party" (i.e., directors, officers, "key people," and their relatives) has a financial interest unless certain procedures are followed before the time such transaction occurs. She advised that the Board is being asked to consider whether the

USTA may engage Moulton-Levy to serve as a commentator for the world feed and US Open radio. Hirsch referred the Board to materials previously provided which contained the details of the proposed engagement and advised that the compensation is comparable to their level of experience, and their status as former pros qualify them to provide insight and knowledge.

**Upon motion duly made by Baill, and seconded, the Board approved Moulton-Levy for seasonal employment as commentators for the world feed and US Open radio at the 2024 US Open.**

Hirsch advised that the Board also is being asked to consider whether the USTA may engage Moulton-Levy to work in the player services area of the US Open, noting that serving in that function predates her time on the Board. She referred the Board to materials previously provided which contained the details of the proposed engagement and advised that Moulton-Levy would be compensated consistent with similar positions and based on her prior experience.

**Upon motion duly made by Francis, and seconded, the Board approved Moulton-Levy for seasonal employment in player services at the 2024 US Open.**

(Moulton-Levy rejoined the meeting.)

(Nancy Wilkins, Section President, Rebecca Halpern, Section Delegate, and Ben Zislis, Section Executive Director, Middle States Section, joined the meeting.)

**8. Middle States Presentation.** Hainline welcomed the Middle States Leadership.

Halpern highlighted ongoing efforts to evaluate and enhance the volunteer network at the District and Section levels, describing improvements related to the committee process, onboarding, recruitment, retention, volunteer experience, communication, and other areas. Wilkins then presented goals aimed at expanding adaptive programming and building connections with adaptive communities. Additionally, Zislis discussed high school programs initiated through state interscholastic athletic associations, emphasizing the program's role as a means to communicate with and motivate coaches.

Middle States Leadership fielded questions relating to the opportunities and challenges relating to participation and retention opportunities, and advised the Board as to areas where they are seeking additional support. Wilkins and Zislis described challenges with digital infrastructure and requested National provide support to inform growth needs within the Section. Section Leadership also expressed their gratitude to the Board for funding, support and resources.

(Wilkins, Halpern, and Zislis, departed the meeting.)

(The meeting recessed at 12:15 p.m. and reconvened at 2:45 p.m.)

(Vi Clark joined the meeting via teleconference. Alexa Busser Lopez, Mary Beth Hogan, and David O'Neil (via teleconference), of Debevoise & Plimpton LLC, joined the meeting.)

**9. Safe Play Policies and Procedures Report.** Attorneys from Debevoise & Plimpton presented a high-level overview of their findings following a review of USTA's current policies and procedures for preventing, reporting, and responding to reports of abuse, including sexual misconduct. O'Neill clarified the context, scope, process and timeline for the report. He emphasized that the

USTA complies with the directives set forth by the U.S. Center for Safe Sport and even surpasses them in certain areas.

Hogan and Lopez-Busser presented nineteen recommendations intended to strengthen USTA's existing policies. The recommendations grouped under the themes of: preventing misconduct, keeping bad actors out of tennis; and expanding Safe Play approval and training and additional staffing and resources. Hogan highlighted USTA's compliance with the twenty-one provisions of the US Center of Safe Sport's Minor Abuse Prevention Policies ("MAAPP"), noting that USTA's adherence to and implementation of the MAAPP is equal to or better than other National Governing Bodies in most instances. Hirsch confirmed the full report would be released on usta.com in approximately one week. Discussion ensued as to implementation of the recommendations.

(Busser Lopez, Hogan, and O'Neil, departed the meeting.)

(The meeting recessed at 4:00 p.m. on Friday, June 21, and reconvened at 9:00 a.m. on Saturday, June 22.)

(Craig Morris, Chief Executive, Community Tennis, Ted Loehrke, Managing Director, Section Partners, Liz McSorley, Managing Director, Strategy and Innovation, Tracy Davies, Managing Director, Play and Competition, Michael Hughes, Senior Director, Digital and Business Strategy, joined the meeting, and Matt Barnhart, Senior Director, Play and Competition, and Elissa Hill, Senior Director, Collegiate Tennis, joined via teleconference.)

## **10. Community Tennis.**

a. Coaching Activities. Morris provided a progress update on the 2024 goal to engage 20,000 coaches and parents by providing education, digital assets, workshops, engagement activities, and on diverse marketing campaigns employed to generate demand and lay the groundwork for Coaching 2.0, ultimately contributing to the realization of the new coaching vision. He fielded questions about Section integration for coach training opportunities. He spoke to the need for a holistic approach amongst all USTA stakeholders, and a common method to measure need and impact, and track differentials in coaching levels and geographic indicators. Discussion ensued as to the use of surveys to do a better job in soliciting feedback.

Morris reviewed plans for Coaching 2.0, scheduled to launch in April 2025. He highlighted the formation of a Coaching Advisory Council that will provide valuable feedback and guidance. Morris emphasized the importance of creating better experiences, curriculum development, competency-based qualifications and designations, the importance of Safe Play, and presented coach offerings that include recruitment, services, benefits, and education, with incentives and rewards to encourage participation. Discussion ensued on the certifications offered by USPTA and PTR, Section support, methods of training, and the creation of a new Coaching corporation.

Morris and McSorley fielded questions on enticing parents into coaching entry-level youth and the use of focus groups to understand demand and challenges. Morris explained that every detail of Coaching 2.0 is being tested and evaluated. Discussion ensued as to the financial implications of Coaching 2.0 and how to motivate and market to potential coaches.

**ACTION:** Implement surveys to accompany pilots. Morris.

(The meeting recessed at 10:30 a.m. and reconvened at 10:45 a.m.)

**11. Community Tennis Continued.**

a. Red Ball. Davies presented an update on the first Adult Red Ball pilots which began in early May with 416 pilots consisting of 20,000 players. She explained the primary elements being tested include modified equipment of red felt balls, 23 inch racquets, 44 and 42 ft. courts, a selection of practice and play formats, and three scoring options. She spoke to early lessons learned, such as the need for a team of facilitators to explain the product. Davies noted that large conglomerates such as Genesis, Bay Clubs, Life Time, and Sportime are receptive to testing and have provided good feedback on their current programming.

Davies advised that next steps will include a heavy presence at the US Open through red ball activations, and continued discussions with the three major manufacturers relating to the equipment outlook for 2025/26. She further advised a SWOT analysis was underway to advance a 2025 strategic plan for red ball. Discussion ensued as to methods for gaining real time feedback from red ball pilot participants and the use of surveys.

**ACTION:** Implement surveys to accompany pilots. Davies.

b. Core Programs. Davies provided a brief update on core programs, explaining tournament and league participation are very strong. She presented year over year participation goals for 2025 through 2035, and noted exciting retainage in junior competitions, which is up 65% from 40% in the past year. Davies and Hughes fielded questions on league demographics, and Section access to program performance data through a USTA dashboard.

c. Community Tennis 2025 Outlook. McSorley presented an outlook for 2025, outlining performance metrics, key priorities for future growth, and five and ten-year growth goals around facilities, player participation, and coaches. McSorley and Davies described pilots and program opportunities with RCX, Tennis on Campus, Cardio Tennis and afterschool programs. McSorley then reviewed a strategy map, 2025 focus areas, and challenges and opportunities for reaching 35,000 players by 2035. McSorley fielded questions on how the data presented was derived. Discussion ensued with respect to the “data plan” for getting to 35 x 35 and Section metrics. McSorley and Hughes fielded questions on collection of personally identifiable information, data insights, and data governance strategy to aid Sections in informing their consumers and providers.

McSorley and Loehrke reviewed Section level advocacy pilots. Loehrke opined on the need to better define National’s role in advocacy. Discussion ensued as to whether Safe Play could serve as a distribution model for an advocacy program.

McSorley summarized that facilities pilot process underway as well as key learnings. She advised the focus for 2025 is to develop financial models that include seed funding and public-private partnerships in order to close the gap on facility funding, and to also review and refresh USTA facility services offerings.

**ACTION:** 1) Create a framework for an integrated National/Sectional advocacy strategy; consider existing National support resources, current Section programs/tactics, and ongoing advocacy pilots. Build advocacy capacity that leverages organizational strengths and aligns with USTA structure and culture. Loehrke, McSorley.

2) Develop plan for local advocacy to protect from loss of courts to pickle ball. Loehrke, McSorley, Cradit.

(Paul Maya, Chief Technology Officer, joined the meeting.)

**12. Digital Strategy Supporting Community Tennis Growth Plan.** Maya reviewed the USTA's Community Tennis Digital Strategy, established in collaboration with National and Section stakeholders and in place since 2022. He explained the deliberate focus on business-to-business products including Serve Tennis and USTA Connect, designed to collect and utilize data to help the industry retain existing players. He advised the strategy consists of three elements: data as the first priority, USTA as "connector", and a focus on retaining existing players by leveraging industry data. Maya presented the Strategic Goal to capture data on 2.5 million players not currently tracked by the end of 2025. The Board expressed the need for a more aggressive approach and requested staff consider methods to increase and expedite the tracking process.

Hughes summarized the initiatives and tactics to achieve the Strategic Goal through enhanced USTA Legacy Competition Products, the cultivation of new audiences through Expanded Serve Tennis Offerings, such as smart lock technology, a new High School and Tennis on Campus module, WTN integrated programming, and features to support Adult Red Ball, RCX and integration with Youth Team Leagues, and adaptive programming. Hughes noted the USTA Connect program currently includes 17 partners and in 2023 gathered data on over 600,000 players.

Hughes fielded questions on pilot programs and use of technology such as Play/Replay and smart locks. Discussion ensued as to the pros and cons of locking courts, and the need to balance accessibility and community perception with court preservation.

Maya fielded questions as to the technical aspects of USTA Connect partnerships and the mechanisms by which data is exchanged. Discussion ensued as to purchasing third party data, i.e. credit card data as an additional method to understand engagement levels.

Hughes provided a brief overview of 2024-2025 initiatives, including the creation of a "coaching destination"; continued feature development in Serve; integration of electronic line calling technology in junior competitions; and proactively seeking new USTA Connect partners, among others.

**13. Growth Catalyst Fund Review.** Loehrke presented a brief background on the Growth Catalyst Fund ("GCF"). He noted National projects funded to date total \$2 million. With respect to Section grants, Loehrke stated \$4 million of the \$24 million in Section-targeted investment has been awarded to 16 Sections across 18 total projects. He reviewed the approved applications by Investment Category as: Play Programming (10 grants), Facilities and Courts (7 grants) and one (1) Innovation Grant. He addressed inquiries related to the Section Services division of National, support provided to Sections during the application process, timelines for applications, and key performance indicators (KPIs) for grant recipients.

Loehrke offered observations from the first nine months of the fund. He suggested that, based on those patterns, adjustments to the fund applications and parameters were under consideration. Discussion ensued on expanding grant opportunities directly to CTAs and external tennis organizations, while also ensuring proper alignment with the relevant Section.

(King, Clark, Maya, Morris, Loehrke, McSorley, Davies, Hughes, Barnhart, and Hill, departed the meeting.)

(The meeting recessed at 12:30 p.m. and reconvened at 1:30 p.m.)

(Henry Lescaille, Chief People and Culture Officer, joined the meeting.)

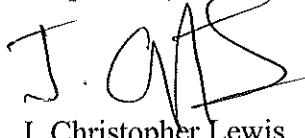
**14. Culture Update.** Lescaille updated the Board on work to elevate USTA's "engagement score". He described the three main pillars used to create a sense of belonging, and the strategy to enhance the employee experience during the entire employee journey. He presented a progress overview and timeline of initiatives for employees, Sections and volunteers/coaches. He also discussed objectives for each. He noted based on engagement survey feedback, USTA is tracking a 20+ point increase in overall employee satisfaction with respect to communication.

Lescaille fielded questions with respect to volunteers, and efforts to implement the people and culture strategy across the volunteer life cycle. He described volunteer objectives for competencies, structure, engagement, perks, and communication. Lescaille noted new programs are planned for the incoming class of volunteers in 2025.

Lescaille also answered questions regarding the volume and nature of critical jobs, the approach for external candidates, new manager training, workload concerns, and strategic attrition.

The meeting concluded at 2:15 p.m. (EST) on Saturday, June 22, 2024.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Lewis", with a stylized flourish at the end.

J. Christopher Lewis  
Secretary-Treasurer