



MINUTES
USA BOXING BOARD OF DIRECTORS
FORMAL MEETING
June 8, 2009
8:00AM MST
RED LION HOTEL
DENVER, CO

I. Call to Order – 8:00 AM MST

II. Roll Call

Board Members Present: Jim Beasley, Robert Blaha, Boyd Melson, Angel Bovee, John Brown, Frank Filiberto, Kevin Franklin, Tom Virgets

Staff Present: Jim Millman, Executive Director/CEO; Linda Gleeson, Business Manager; Cathy Newell, Executive Assistant

Board Members Absent: Jack Sandner has resigned.

Guests: USOC Representatives - - Mike English, Rachel Isaacs, Gary Johansen;

USAB Accountant/Auditor - - Jill Goodwin.

III. Quorum Established

IV. MOTION/SECONDED/CARRIED (Beasley/Melson): Approval of minutes from Colorado Springs, Colorado – March, 2009. Unanimously passed.

V. Chairman’s Opening Remarks

VI. 2009 Budget Status Report and Discussion/Review: Filiberto reported on his findings of review of USA Boxing 2008 financials and 2009 budget status.

A. ISSUES:

1. \$800K spent in 2008 on marketing with no revenue generated.
2. No value return on consultant fees spent.
3. Amount of expense to Octagon was given to the Board at \$60k, but the actual came out to \$115k. Millman explained that the \$60k amount was the balance

due as of year-end 2008. The Board has concerns about the true amount not being given up front.

4. Payment of Borkowski's insurance.
5. \$220k swing on National Championships; \$100,000 less on projected revenue & \$125,000 in increased expenditures.
 - a) Millman discussed issues with USOC financing of Nationals, and losing television opportunities/sponsorships due to content agreement with USOC Network.
 - b) Discussion of underestimated budget by Madigan on transportation, food/beverage, accommodations.
 - c) Virgets expressed concern about the increase in the Nationals deficit, and whether Millman was reviewing all of the line items appropriately.
6. Virgets expressed concern that USAB survived on its existing revenue stream for over 30 years prior to Millman's marketing plan, and the taking over of 1.85M from the USAB Foundation.
7. Board does not have a clear understanding of the actual state-of-affairs of USAB (without full disclosure of payables).
8. Blaha expressed his concern that too much emphasis is being put on accounting, and not where it belongs, which is that USAB does not have the revenue stream it needs to survive. Filiberto/Virgets agreed, but stressed the issue of too much money being spent, without revenue being generated. Management of money is the major issue.
9. Board is concerned about line items that are outside of the approved budget, for example, payments made in 2009 against 2008 payables, which are not reflected in the 2009 approved budget. Jill Goodwin from the USAB accounting/audit firm, Waugh & Goodwin, explained the budgetary process to the Board.

10. Millman discussed new USAB Headquarters move strategy, and the possibility of this being a revenue stream.
11. Bovee asked for update on Grant possibilities sited in last BOD meeting. Millman reported the majority of grant donors are already committed to other sponsorships, and are not able to commit to others in hard economic times.
12. **SUGGESTION**: Bovee - - approach fitness centers/gyms to try for membership through their members.
13. Melson expressed concern about non-transparency in financials and in approaching cities about HQ relocation.
14. John Brown excused himself at 9:26am/returned for closed session

VII. CLOSED SESSION 10:00am

VIII. MOTION/SECONDED/CARRIED (Franklin/Beasley): After discussion regarding the Foundation litigation status, the Board concluded that although no resolution had yet been reached, that a change in the USAB By-Laws should proceed (NOTE: It was intended that the proposed settlement be agreed to prior to executing the by-law change. However, since reaching a settlement has proven problematic the Board realized immediate action would be the most prudent course). Unanimously passed. Change as follows:

A. The Function of the Nominating and Governance Committee:

1. one (1) individual selected by the USA Boxing Board of Directors and approved by the USOC, who shall be the Chair.

IX. Adjourned 5:30pm MST

Respectfully submitted,

Cathy Newell
Executive Assistant