

MINUTES
UNITED STATES SOCCER FEDERATION, INC.
BOARD OF DIRECTORS MEETING
CHICAGO, ILLINOIS
DECEMBER 6, 2019
2:00 P.M. CENTRAL TIME

PRESENT: Carlos Cordeiro, Chris Ahrens, Carlos Bocanegra, Cindy Parlow Cone, Don Garber, Sunil Gulati, Lori Lindsey, Richard Moeller, John Motta, Tim Turney, Dr. Peter Zopfi

BY PHONE: Mike Cullina, Patti Hart

REGRETS: Lisa Carnoy, Alec Papadakis

IN ATTENDANCE: Jay Berhalter, Neil Buethe, Brian Remedi, Pinky Raina, Lydia Wahlke, Leah Holt, Greg Fike, Helen Syreggelas, Earnie Stewart, Tonya Wallach, Kate Markgraf, Stewart Sharp, Dan Russell [others per the attached public sign-in form]

Carlos Cordeiro called the meeting to order at 2:05 p.m.

Helen Syreggelas took roll call and announced that a quorum was present.

APPROVAL OF MINUTES

The Board reviewed the minutes of the September 6, 2019 Board meeting. The minutes were **APPROVED**.

PRESIDENT'S REPORT

Mr. Cordeiro refreshed the Board on the mission of the U.S. Soccer, which is to make soccer a preeminent sport in all of its forms and to continue to develop soccer at all levels. U.S. Soccer does this by supporting its members, impacting the athletes, and serving the fans. Mr. Cordeiro also provided an overview of the reserves and budget for U.S. Soccer.

Mr. Cordeiro reviewed the USWNT victory tour and the departure of Jill Ellis from the head coaching position. He reviewed the hiring of Vlatko Andonovski as the new USWNT head coach, which the Board previously approved. He also updated the Board on the results of the USMNT in Concacaf Nations League, the U17 MNT, and the Beach Soccer MNT.

Mr. Cordeiro informed the Board about the ongoing process of searching for a CEO.

Lastly, Mr. Cordeiro congratulated all of the professional teams that won championships, the recent Hall of Fame inductees, and the FIFA award winners.

BOARD COMMITTEE REPORTS AND BUSINESS UPDATES

Brian Remedi provided an update to the Board on administrative and stakeholders issues, including the feedback and results from the employee engagement survey, the Innovate to Grow grant program, international relations efforts, the Youth Task Force, and the 2020 AGM in Nashville.



Carlos Bocanegra provided an overview of the Technical Development Committee. Earnie Stewart provided an overview of the national teams' performances over the last few months. He updated the Board on the Men's National Team long term strategy and progress. Kate Markgraf provided an overview of the Women's National Team and the new coach, Vlatko Andonovski. Stuart Sharp provided an overview of Beach Soccer, Futsal, and the Paralympic teams. Dan Russell provided an update on the U.S. Soccer Learning Center, which currently includes education and training for coaches and referees. He also informed the Board that the U.S. Soccer Learning Center currently conducts background checks and SafeSport training for referees that register there.

Jay Berhalter reviewed the commercial plan for 2020 through 2022 for the Board.

Lydia Wahlke provided an update on the activities of the Risk, Audit, and Compliance Committee. She informed the Board that the Committee met with the independent auditor, Grant Thornton, to review the results and process of FY2019 audit.

Pinky Raina provided an update on the Investment Committee. The Investment Committee recommended the adoption of the Investment – Governance Document by the Board. It was **MOVED** to approve the Investment – Governance Document. The motion **PASSED**. The Investment Committee recommended the amendment of the Investment Policy Statement by the Board. It was **MOVED** to approve the Investment Policy Statement. The motion **PASSED**.

Ms. Raina updated the Board on the FY2019 audited financial statement. She reviewed the clean opinion from the independent auditors, Grant Thornton. It was **MOVED** to accept the FY2019 audited financial statement. The motion **PASSED**.

Ms. Raina reviewed U.S. Soccer's five-year financial plan with the Board.

Lydia Wahlke updated the Board on the nomination and election process for Vice President. She reviewed the Bylaw amendments that were submitted for consideration by the National Council at the upcoming 2020 AGM.

She reviewed the proposal to amend Policy 102(4)-1 regarding the Open Cup. Ms. Wahlke provided the Rules Committee recommendation to the Board. It was **MOVED** to approve the proposed amendment to Policy 102(4)-1. The motion **PASSED**. Ms. Wahlke reviewed the proposal to amend Policy 214-2 regarding fees. She provided the Rules Committee recommendation to the Board. The proposal to amend was not moved forward by anyone on the Board. Ms. Wahlke reviewed the proposal for a new Policy 511-2 regarding a new procurement policy. She provided the Rules Committee recommendation to the Board. It was **MOVED** to reject proposed Policy 511-2. The motion **PASSED**. Ms. Wahlke reviewed the proposal to amend Policies 601-2 and 601-5 regarding the professional player registration process. She provided the history of these proposals that were returning to the Board after collaborative work between Massachusetts adult soccer, Board members, and U.S. Soccer staff. It was **MOVED** to approve the proposed amendments to Policies 601-2 and 601-5. The motion **PASSED**. Ms. Wahlke reviewed the proposal to additionally amend Policy 601-5 regarding amateur player registration. She provided the Rules Committee recommendation to the Board. The Board discussed the policy and asked staff to review for consideration of the policy at a future meeting. Ms. Wahlke reviewed the proposal to amend Policy 202-1 regarding voting in the pro council. She provided the Rules Committee recommendation to the Board that included a statement of concern that the policy may conflict with Bylaw 302. The proposal to amend was not moved forward by anyone on the Board.

Ms. Wahlke updated the board on Safe Soccer program-related issues including the U.S. Center for SafeSport audit of U.S. Soccer, which found U.S. Soccer to be fully implemented, the highest available under the audit. She next reviewed the U.S. Soccer required payments to the U.S. Center for SafeSport.



She also provided an update on USOPC issues including the USOPC finding that U.S. Soccer is fully compliant in its compliance checklist and recent USOPC governance reforms.

Ms. Wahlke informed the Board about the current status of the Empowering Olympic and Amateur Athletes Act of 2019 pending in the Senate.

Greg Fike updated the Board on the three pending grievances. One of the grievances involving the Colorado Soccer Association was set for a hearing on December 16, 2019.

Mr. Fike reviewed two membership applications. He provided the Rules Committee recommendation for the application of Cerebral Palsy Soccer, Inc. to be a Disabled Service Organization. It was **MOVED** to provisionally approve Cerebral Palsy Soccer, Inc. as a provision Organization Member. The motion **PASSED**. Mr. Fike updated the Board on the progress of the United Futsal Association's application to be a National Affiliate. The Rules Committee requested additional information from the applicant.

Tonya Wallach reviewed the Talent strategy for U.S. Soccer including actions taken in response to the employee engagement survey, a proposal for a Talent Committee, employee compensation, staffing, and employee engagement activities.

FIFA UPDATE

Sunil Gulati updated the Board on the decision to hold a club World Cup in China in 2021. Mr. Cordeiro updated the Board on the city selection process for the 2026 World Cup.

CONCACAF UPDATE

Mr. Cordeiro informed the Board that there is a Concacaf meeting scheduled for the week of December 9, 2019 in Miami.

NEXT MEETING

Mr. Cordeiro confirmed that the next meeting would be in Nashville on February 14, 2020.

The meeting was adjourned at 5:14 p.m.



The following policy amendments were passed at the December 6, 2019 Board meeting.

Policy 102(4)-1—Lamar Hunt U.S. Open Cup

Section 305. Player and team official match discipline

In addition to red and yellow cards the referee may issue to players and substitutes at a match, the referee ~~may also~~ **has the power to warn or show yellow or red cards to coaches and other team officials who fail to act in a responsible manner for inappropriate behavior and may dismiss-send them off from the area of the field of play and its immediate surroundings, including the technical areas and tunnel(s) to/from the locker rooms. If the offender from a specific team cannot be identified, the head coach present from that team will receive the yellow or red card.** Each caution or send-off of a player, ~~or substitute and each warning or dismissal of a coach or other~~ **and** team official shall be included in the referee's game report. ~~For purposes of this policy, a warning to a coach or team official shall be equivalent to a caution and a dismissal equivalent to a send-off.~~

Policy 102(4)-1—Lamar Hunt U.S. Open Cup

Section 308. Cancelled and Terminated Matches

- (e) If a match **has kicked off and** is terminated prior to the end of the first half or is otherwise tied at the time of termination; and the termination is not due to the conduct of one of the teams, the match shall be replayed in its entirety ~~on~~ **if the rescheduled date is three or more days following the originally scheduled date. If the rescheduled date is within two days of the originally scheduled date, the match shall be restarted at the point of termination.**

Policy 601-2—Registration of Professional Players--Registration Procedures

Section 3. Registration Procedure

(E) The Secretary General of this Federation shall notify the Secretary of the interested-~~Adult State Association or~~ Professional League of the registration of each professional player within seven (7) days after filing of the properly completed form and applicable fee, and shall include the player on a list of professional players that will be made available to all Adult State Associations by forwarding a copy of the registration form to such Secretary.

Policy 601-4—Amateur Reinstatement

Section 5.

A professional player who is not currently registered as a professional player with any professional division club or league, who has not been a party to a professional player contract with a professional division club or league for a period of one year or longer, and who has not applied for reinstatement as an amateur under Sections 3 and 4 of this Policy, shall be automatically reinstated to amateur status by the Secretary General unless the player affirmatively states to the Secretary General in writing that he or she does not wish to be reinstated to amateur status. Reinstatements under this Section 5 shall take effect on the 366th day after the date the player was last a party to a professional player contract with a professional division, club or league. An updated list of professional status players shall be published to Organization Members by the Federation on a monthly~~bi-weekly~~ basis.

Notwithstanding the above, an out-of-contract, professional player who was not registered with a Professional League and who has not been party to a professional player contract for a period of 30 days or longer shall automatically be reinstated to amateur status by the Secretary General unless the player affirmatively states to the Secretary General in writing that he or she does not wish to be reinstated to amateur status.

INVESTMENT POLICY GOVERNANCE

Purpose:

The purpose of the United States Soccer Federation's ("USSF") Investment Policy Governance ("IPG") is to establish a framework within which the Board can monitor investment guidelines. This framework describes the roles and responsibilities of the Board, the appointed Investment Committee ("IC"), the external advisors, and the Investment Advisor ("IA").

I. Roles and Responsibilities

1. Board of Directors:

- The Board will maintain overall fiduciary responsibility for the management of the Federation's assets and appoint an IC to oversee the ongoing management of the financial capital pursuant to the approved Investment Policy Statement ("IPS"), as well as the IA's implementation of the approved strategy.
- The Board will approve the following investment objective to serve as the "north star" for strategic asset allocation, risk management, and liquidity management of the Federation's investment portfolio:

USSF seeks to use all its resources, including its financial capital, to further its mission. The board approves annual and multi-year spending levels for operating and capital needs that may arise during the course of normal strategic planning of the organization. In service of its mission, the objective of the investment program is to generate income necessary to support the Federation's spending needs over the long term with risk and liquidity at a level appropriate to the Federation's program objectives.

2. Investment Committee ("IC"):

- The IC shall supervise the investment of the assets of U.S. Soccer Federation and make all decisions concerning selection and retention of the investment portfolio. The IC has the responsibility of approving the Asset Allocation Model (AAM) which includes asset allocation ranges, benchmarks, portfolio risk levels consistent with this IPS and of providing oversight of the IA.
- Accordingly, the IC shall have the responsibility both to select and monitor funds, and to appoint IA, and/or external advisors. An IA may be appointed to assist the IC in the overall supervision of the plan's investments. In this role, the IA will offer resources

for additional due diligence as well as independent third-party analysis. More specifically, the IA may offer guidance and recommendations to the IC in the selection and retention of investment options available under the plan, the selection and retention of investment managers (person or organization that manages and monitors the underlying portfolio securities), where applicable, and assistance in the periodic monitoring of fund performance.

- Decisions of the IC on investment policy, the selection of investments and/or investment managers, performance analysis and investment monitoring, etc. may, but need not, be based on the recommendations of an IA engaged to advise the IC on such matters. Monitoring the investment program including its adherence to fund objectives, performance relative to benchmarks, and expenses is the responsibility of the IC in coordination with staff and the external advisor. The IC will also monitor fees and other expenses associated with the management and administration of the portfolio.
- The IC will monitor the investment options and will add, remove, or change investment managers or options as may be appropriate. The IC considers a number of qualitative and quantitative factors when selecting and monitoring any investment option. The IC will focus its evaluation on long-term issues related to the management of the portfolio(s), both qualitative and quantitative.
- IC external advisors will serve a minimum term of three years and may extend to serve for any number of terms. In addition to the external advisors, the IC includes five members of the USSF Board, one of who shall serve as the Chair of the IC.

3. *Investment Advisor (“IA”)*:

- The IA shall advise the IC on strategic asset allocation and the investment environment.
- The IA shall have the responsibility of implementing the AAM in a manner consistent with this IPS by selecting, managing and divesting of investments and managing the portfolio to the portfolio level risk and liquidity objectives approved by the IC and this IPS.
- The IA will provide monthly and quarterly investment performance reports to the U.S. Soccer Federation CFO (and to the IC). The IA will support the audit of the Federation’s portfolio as needed.
- The IA will identify and report any potential and existing conflicts of interest to the IC. The IA will also identify any investment management issues for consideration by the IC and Board.

II. Governance

INVESTMENT POLICY STATEMENT

The Investment Committee (IC), advised by its external advisors currently comprised of Peter Briger (Co-CEO Fortress Investment Group), Ana Marshall (CIO of Hewlett Foundation), and Jane Dietze (CIO Brown University) is recommending the Board adopt the following Asset Allocation Model (AAM):

Risk Tolerance – The Federation’s portfolio shall be managed in a conservative manner as the primary objective is to grow capital above the rate of inflation and capture capital growth from equity markets. The portfolio shall have equity exposure maintained within a range of 25-50% of net asset value.

Liquidity Tolerance - US Soccer seeks to maintain adequate liquidity to meet its obligations, including planned expenditures. The Board or IC will inform the Investment Advisor (“IA”) of any anticipated need for liquidity as such need becomes known. The IA will presume no liquidity needs other than those provided by this Policy or the Board or Budget and Audit Committee.

Rebalancing – The IA shall rebalance the portfolio on a periodic basis, no less than once every 12 months. The frequency of rebalancing should take into account associated fees.

Manager Selection and Termination – The IA has authority to recommend selection and termination of managers of commingled funds (passive and/or active) to the IC. It has the responsibility for implementing the manager decisions of the IC.

Reporting and Monitoring – The IA is responsible for monitoring performance and compliance of all managers in the Federation’s portfolio. The IA is responsible for preparing investment reports at least quarterly for IC review and attending meetings in person or by telephone with the IC and U.S. Soccer Federation staff as requested.

The performance benchmark for each asset class is identified as follows:

Investment Grade Fixed Income - Bloomberg Barclays
Intermediate US Government/Credit Total Return Index
Treasury Inflation Protected Securities -Bloomberg Barclays 0-
5 Year TIPS Total Return Index
US Equity - S&P 500 Total Return Index

Non-US Equity - MSCI EAFE Net Total Return Index and
MSCI Emerging Markets Net Total Return Index

Restrictions on the IA and Investment Portfolio

The IA shall not set or implement any tactical strategies without the express approval of the IC.

The IA shall not purchase any security directly on behalf of the portfolio. Direct participation in any investment is prohibited, including gold or currency futures. All investments are intended to be made via commingled vehicles such as mutual funds.

The IA shall provide cash for operations as directed by U.S. Soccer Federation CFO.

All fixed income securities held must be rated Investment Grade or above.

The IA shall have the responsibility of implementing the AAM in a manner consistent with this Investment Policy Statement (“IPS”) by selecting, managing and divesting of investments and managing the portfolio to the portfolio level risk and liquidity objectives approved by the IC and the IPS.

This Investment Policy Statement shall remain in effect until revised or amended by the Board.

IN WITNESS WHEREOF, this Investment Policy Statement, as recommended by the Investment Committee and approved by the Board, has been adopted as of this 6 day of December , 2019 .

The IC shall amend this IPG as necessary and recommend approval by the Board.

This IPG shall remain in effect until revised or amended by the Board.

IN WITNESS WHEREOF, this Investment Policy Governance, as recommended by the Investment Committee and approved by the Board, has been adopted as of this __6__ day of ____December____, 2019__.
