MINUTES
UNITED STATES SOCCER FEDERATION, INC.
BOARD OF DIRECTOR'S MEETING
MAY 6, 2001
DALLAS, TEXAS
8:00 A.M. CENTRAL TIME

PRESENT: Dr. Robert S. Contiguglia, Sunil Gulati, William J. Goaziou, David Askinas, Marypat Bell, David Burton, Chris Cristoffersen, Mike Edwards, Don Garber, Lauren Gregg, Burton Haimes, Larry Harmon, Mary Harvey, Sandra Hunt, Marge Madriago, Brooks McCormick, David Messersmith, Lawrence A. Monaco Jr., Bob Palmeiro, Alex Para, Kevin Payne, Charles Robinson, Darl Rose, Alan Rothenberg, Jim Sheldon, Bruno Trapikas, Wally Watson.

VIA PHONE: Barbara Allen, Amanda Cromwell, Tony DiCicco, John Doyle, John Kerr, Francisco Marcos, Cameron Rast, Peter Vermes.

APOLOGIES: Fernando Clavijo, Bob Gansler, Werner Fricker, Sr., John Harkes, Jonathan Kraft.

IN ATTENDANCE: Daniel T. Flynn, Jay Berhalter, Rich Matthys, John Collins, Julie Ilacqua, Bob Albus, Peter Eshelman, American Specialty Insurance, David Eldridge, Brad Hayes, Brad Hunt, Tom King, Mike Malamut, Parliamentarian, Dave McKee, Phyllis Riedler.

President Contiguglia called the meeting to order at 8:00 a.m. Secretary General Flynn then called the roll and the President announced a quorum was present.

CONFIRMATION OF MINUTES

The Board reviewed the minutes of the January 21, 2001 Board meeting in Indianapolis, Indiana. Mike Edwards proposed that a sentence be added on page three of the minutes to indicate that Dr. Contiguglia gave a report on U.S. Soccer's finances and potential fee increases. David Messersmith requested that Larry Harmon's name be added to the names of Board members in attendance at the January meeting. The minutes of the January 21, 2001 Board meeting were **UNANIMOUSLY APPROVED** with the amendments suggested by Mr. Edwards and Mr. Messersmith.

PRESIDENT'S REPORT

Dr. Contiguglia welcomed new members to the Board from the WUSA including Lauren Gregg, Tony DiCicco, and Barbara Allen, and announced the new voting structure for the Professional Council. Dr. Contiguglia also congratulated Bob Gansler (Coaching Director) and Jim Sheldon (Associates Representative) on their re-election to the Board. He commented on the success of

the U.S. national teams at all levels. Dr. Contiguglia thanked Jay Berhalter for his work on the communications center, and stated that feedback to the center has been very positive.

Dr. Contiguglia remarked that plans for a national training center are in the final phase. He noted that a decision on the location of the training center must be made before the July Board meeting and **MOVED** that the Executive Committee make the decision for location of the training center. This motion **PASSED UNANIMOUSLY**.

STRATEGIC INPUT COMMITTEE REPORT

U.S. Soccer Treasurer and Chairman of the Strategic Input Committee William Goaziou **MOVED** for adoption of the following resolution proposed by the Strategic Input Committee:

> Be it resolved, to increase registration fees on September 1, 2001 as follows:
>
> Youth Player Registration Fee from $0.50 to $1.00
> Adult Player Registration Fee from $1.50 to $2.00
>
> Professional Fees increase in the following manner:
>
> Division I Professional Fees will increase 100% and team registration fees will be raised to $100 per player
>
> Division II and III Professional Fees will increase 33% and team registration fees will be raised to $66 per player
>
> National Associations, National Affiliates, Other Affiliates and National Members will pay a $10,000 organizational fee plus the prevailing per player charge on a per player basis.
>
> International Games fees are to be reduced in the following fashion:
>
> FY'02 (starting in September of 2001) - Current 2.5% is reduced to 1.5%
> FY'03 (starting in September of 2002) - 1.5% is reduced to 0.75%
> FY'04 (starting in September of 2003) - 0.75% is reduced to 0.0%
>
> In addition, the Strategic Input Committee remained open and committed to an additional future review of the fee structure to contemplate an additional increase in fees.

The Board divided the resolution into three parts for consideration. Part I of the resolution states:

> Youth Player Registration Fee from $0.50 to $1.00
> Adult Player Registration Fee from $1.50 to $2.00
>
> Professional Fees increase in the following manner:
>
> Division I Professional Fees will increase 100% and team registration fees will be raised to $100 per player
>
> Division II and III Professional Fees will increase 33% and team registration fees will be raised to $66 per player

Mike Edwards **MOVED** that Part I of the resolution be adopted. Bob Palmeiro proposed that the Part I be amended to reflect that for professional Division 2 there be a 50% increase in the league fee and a 50% increase in the team fee, and for professional Division 3, a 33-1/3% increase in the league fee and no increase in the team fee. This amendment **FAILED**. David Messersmith **MOVED** that Part I be amended to state that U.S. Soccer will work with State Associations who have already set their fees for the coming year to set a schedule for payment of fees so that those State Associations are not placed in bad standing. This amendment **PASSED UNANIMOUSLY**. Part I of the resolution with Mr. Messersmith's amendment **PASSED UNANIMOUSLY**.

Part II of the resolution states:

> National Associations, National Affiliates, Other Affiliates and National Members will pay a $10,000 organizational fee plus the prevailing per player charge on a per player basis.

Mr. Palmeiro **MOVED** that Part II of the resolution be amended to state that Futsal fees be increased $.50 per player for this year and increased $1.00 the second year and subsequent years. This amendment **PASSED UNANIMOUSLY**. Part II of the resolution with Mr. Palmeiro's amendment **PASSED UNANIMOUSLY**.

Part III of the resolution states:

> International Games fees are to be reduced in the following fashion:
>
> FY'02 (starting in September of 2001) - Current 2.5% is reduced to 1.5%
> FY'03 (starting in September of 2002) - 1.5% is reduced to 0.75%
> FY'04 (starting in September of 2003) - 0.75% is reduced to 0.0%
>
> In addition, the Strategic Input Committee remained open and committed to an additional future review of the fee structure to contemplate an additional increase in fees.

Mr. Wally Watson **MOVED** that Part III be amended to state that the International Games fee be increased to 8%, that the Federation will retain 5-1/2% and that the state hosting the game would retain 1-1/2%. President Contiguglia, on the advice of the Parliamentarian, ruled this motion **OUT OF ORDER**. Part III of the resolution **PASSED**. Wally Watson, Darl Rose, Marypat Bell, Mike Edwards, Marge Madriago and Chris Cristoffersen all voted against this part of the motion.

The resolution passed by the Board is as follows:

> It is resolved to increase registration fees on September 1, 2001 as follows:
>
> Youth Player Registration Fee from $0.50 to $1.00
> Adult Player Registration Fee from $1.50 to $2.00
>
> Professional Fees increase in the following manner:
>
> Division I Professional Fees will increase 100% and team registration fees will be raised to $100 per player

Division II and III Professional Fees will increase 33% and team registration fees will be raised to $66 per player

National Affiliates, Other Affiliates and National Members will pay a $10,000 organizational fee plus the prevailing per player charge on a per player basis.

National Member, Futsal will pay a $10,000 organizational fee plus $0.50 per player charge starting September 1, 2001 and $1.00 per player starting September 1, 2002.

To the extent that a USSF member has is unable to implement this new fee for the Seasonal Year starting on September 1, 2001 because of restrictions in that members' organic documents, USSF will work with such members to establish a payment schedule so that those members' membership is not terminated for failure to pay the incremental increase in fees. The term of the payment schedule shall require payment in full by January 1, 2003.

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FY'03 (starting in September of 2002) - 1.5% is reduced to 0.75%
FY'04 (starting in September of 2003) - 0.75% is reduced to 0.0%

In addition, the Strategic Input Committee remained open and committed to an additional future review of the fee structure to contemplate an additional increase in fees.

TREASURER'S REPORT

U. S. Soccer Budget Committee Chair, David Eldridge, presented the 2001 budget to the Board. Mike Edwards **MOVED** that the budget be adopted. The budget was **UNANIMOUSLY ADOPTED**.

OTHER REPORTS

Secretary General Flynn and Ivan Gazidas reported on the status of Project 40. They noted that since the program's inception in 1997, 56 players have been signed under the program. They reported that the number of players participating in the program has grown year to year, and that nine Project 40 players played on the 2000 Olympic team for the United States. Mr. Flynn and Mr. Gazidas remarked that the program has successfully attracted young, talented players to compete in MLS. They also stressed that the program provides educational opportunities for young players that are not available worldwide. Finally, they thanked Vice President Sunil Gulati for his contribution to the Project 40 program.

John Collins, USSF General Counsel, reported on Federation independent contractor and child labor issues. He also gave a presentation on fiduciary duties of Board members.

UNFINISHED BUSINESS

CONFLICT OF INTEREST POLICY

John Collins reminded all Board members to review and sign the Federation's conflict of interest policy.

RHODE ISLAND UPDATE
Mike Edwards explained that the special membership committee appointed to review two Rhode Island youth soccer applications submitted to the Federation has completed its review and has received additional information from both potential members. He stated that the committee's recommendation is to make Soccer Rhode Island the youth State Association Member for the territory of Rhode Island contingent upon reconciliation of funds remaining in the account of the Rhode Island Youth Soccer Association (RIYSA), clarification of some of Soccer Rhode Island's rules, and enforcement of a two-year restriction against certain RIYSA members serving as governing body members with Rhode Island youth soccer. Mike Edwards **MOVED** that the application of Soccer Rhode Island be accepted contingent upon satisfaction of these conditions. The motion **PASSED UNANIMOUSLY**.

PROPOSED AMENDMENT TO POLICY 705-1
Marypat Bell indicated that the Rules Committee reviewed the proposed amendments to Policy 705-1, and recommended adoption of the revised Policy with one additional amendment adding the following language to the end of the last sentence of Section 7 of the Policy: "however, not more than 20 days after initial consideration except for just cause." The Board **UNANIMOUSLY ADOPTED** the amendments to Policy 705-1.

PROPOSED AMENDMENT TO POLICIES 531-8 AND 531-9
Lawrence A. Monaco, Jr. presented revised versions of Policies 531-8 and 531-9 to the Board and **MOVED** that they be referred to the Rules Committee for review. The motion to refer the amended Policies to the Rules Committee **PASSED UNANIMOUSLY**.

PROPOSED REIMBURSEMENT OF AFFILIATE ATTORNEYS' FEES
Mr. Monaco **MOVED** that the Federation reimburse Long Island Junior Soccer League $6,515 in accounting and legal fees incurred in appealing an IRS ruling holding that its referees were employees. This motion **FAILED**.

MEMBERSHIP APPLICATIONS
Marypat Bell **MOVED** that the Amateur Soccer Association of Wyoming be approved as the Adult State Association for the territory of Wyoming and that United States Specialty Sports Association be approved as an Other Affiliate. The motion **PASSED UNANIMOUSLY**. Marypat Bell also requested that the two applications received from separate Vermont associations be reviewed by a special membership committee to determine which association will be the Adult State Association Member for the territory of Vermont.

BOARD MEETINGS AND AGM SCHEDULE
Ms. Julie Ilacqua announced that the next Board meeting will take place on July 19, 2001 and that the National Council meeting will take place on July 20, 2001.

UNIFORM INSURANCE POLICY UPDATE
John Collins reported on the progress of obtaining a uniform insurance policy for Federation members. He explained that in the current constricting market, obtaining insurance on an association by association basis will become significantly more expensive and that a uniform

policy would save the membership an estimated $.56 to $.92 per player. Peter Eshelman from American Specialty Insurance explained the benefits of group insurance and reviewed various group insurance options available to the membership. The Board endorsed the program proposed by American Specialty Insurance and agreed to assist the Federation in obtaining the necessary information from State Association members to evaluate the program.

GOOD OF THE GAME

Kevin Payne remarked that a very successful meeting was held to organize promotion of the September world cup qualifying match against Honduras at RFK Stadium. Dave Burton commented on the success of the Top Soccer program and commended Julie Foudy on her efforts as spokesperson for Top Soccer. Mike Edwards thanked Secretary General Flynn, Jay Berhalter, Rich Matthys and other Federation staff for their work to compile Federation financial information for the Strategic Input Committee. Marge Madriago also thanked Secretary General Flynn, Bob Palmeiro and Vice President Gulati for their efforts in putting together the Federation's new fee structure. President Contiguglia remarked that U.S. Soccer is stronger than it has ever been and thanked all present for their participation in the Federation.

The meeting was adjourned at 12:40 a.m.