



# MINUTES – MEETING OF THE USA CRICKET BOARD OF DIRECTORS

*By Video-Conference - July 16, 2020*

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## Attendance

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### USA Cricket Board Directors

Paraag Marathe, Chair, Independent Director (PM), Avinash Gaje, Treasurer, Individual Director (AG), Venu Pisike, Individual Director (VP), Suraj Viswanathan, Secretary, Individual Director (SV), Catherine Carlson, Independent Director (CC), Nadia Gruny, Player Director (NG), Rohan Sajdeh, Independent Director (RS), Srinu Salvar, Player Director (SS), Sushil Nadkarni, League Director (SN), Ajith Bhaskar, Club Director (AB)

### USA Cricket

Iain Higgins, CEO (IH)

### ACE

Sameer Mehta (SM), Vijay Srinivasan (VS), Justin Geale (JG) - present only for item 9.

Josh Dascombe, Senior Finance Manager (JD) - present only for item 7.

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## 1. Welcome (PM)

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PM opened the meeting and thanked everyone for their attendance, time and effort during the last several months.

PM requested IH to leave the meeting so that he could address directors about how the Board could support management in a more efficient way. He reminded directors of the Board's role under Section 7.2 of the Constitution to: "...oversee the management of USA Cricket and manage its affairs, but it shall not conduct its day-to-day operations" and to "focus on the long-term strategic vision, plan, objectives, and priorities of USA Cricket rather than on planning and tactical management, empowering the CEO to manage the organization with effective Board oversight." With this in mind, he requested directors to focus only on the significant strategic matters and not to interfere with the day-to-day operational matters.

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## 2. Minutes of previous meeting (SV)

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The minutes from the November 22nd, 2019, February 21st, 2020, April 10th, 2020, May 20th, 2020 meetings were presented.

In respect of the February 21<sup>st</sup> meeting, the following points were noted:

- VP reminded the Board that it had resolved to approve the rezoning of North Carolina into the South Zone and that this should be captured in the minutes.

- NG requested that the minutes should capture that the Board had acknowledged that the \$250k budget set aside for women's activities in 2020 was not sufficient and that if, during the course of 2020, we made savings against budget or had a chance to re-allocate, then we would prioritize funding women's activities.

A **motion was made** (PM) and seconded (RS) to approve the minutes, subject to the above additions. *Motion passed.*

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### 3. Actions arising from previous minutes (IH)

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IH advised that all the actionable items from the previous meetings had either been completed or would be covered during the course of today except for the following.

- In the November 2019 meeting, the Board agreed to appoint a League Committee as soon as possible. IH explained that this had not yet been done, but that it would be done as soon as the membership portal was finalized and we were able to determine which of the registered Leagues were the biggest.
- In the November 2019 meeting, the Board agreed to put in place certain financial policies through the Finance & Commercial Affairs Committee. IH explained that the F&CA Committee had not yet been constituted, but that once it did, this would become one of its priority agenda items.
- In the February 2020 meeting, it was agreed that IH should appoint a commercial projects manager. IH explained that this had been put on hold in an attempt to try and make savings to the administrative budget.

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### 4. CEO Quarterly report / Overview (IH)

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IH presented his report to the Board highlighting the major activities since the last meeting, significant challenges and priorities for the next month. In particular he drew the Board's attention to the following recent activities:

- Developing the USA Cricket strategy (discussed at Board agenda item 5).
- Carrying out fundamental planning work to understand in more detail the specific landscape that we are operating in the USA today.
- Developing a high-performance program/budget for the next 18 months and a long-term high-performance plan which defines high-performance principles, objectives, and initiatives in four areas: performance, competitions, players and the supporting environment.
- Developing revised playing schedules/plans for the proposed domestic and international playing calendar for both 2020 and 2021 as return to train/play dates shift to take into account the continuing challenges relating to COVID.

- Regular dialogue with >50 Leagues from all over the country to help bring them all together within the membership of USA Cricket and to assist each League with its own unique queries about membership and in particular the insurance coverage that has been provided to them.
- Concluding a lengthy RFP process to identify new technology partners to support the build-out of an integrated membership database with enhanced technology solutions to support the growth of the domestic game and integrate with our existing HP needs (discussed at Board agenda item 9).
- Publishing a comprehensive set of guidelines for return to train/play for domestic cricket in light of the COVID risks as well as a legal waiver and indemnity language for Leagues.
- Establishing all national squad players on Athlete Management System and now recording regular daily wellness, COVID-19 player updates, conditioning programs, centralizing essential player information, and enhanced communications.
- Providing significant support to ACE in the development of its operational plans around the Minor League (discussed at Board agenda item 8).
- Working with independent auditors in the preparation of the 2019 Audited Financial Statements (discussed at Board agenda item 6).
- Completing a review of the USAC Board and Committee structure and functioning and approval of 37 recommendations (discussed at Board agenda item 10).

The Board noted that the priorities moving forward were to:

- Finalize and publish USA Cricket strategic plan.
- Establish the Committees and set the full timetable of meetings for the next six months.
- Finalize the position in respect of the future player contracts.
- Design and launch the new membership portal and commence the process of formally enrolling League and Individual Members of USA Cricket.
- Finalize the international and domestic playing calendar for the rest of 2020 and complete relevant planning documents and structures, as required.
- Appointment of Youth coaches (for male and female teams).
- Determine whether the Minor League will go ahead or not and, if so, assist with operational support.
- Complete landscape assessment of women and girls' cricket in the USA.

NG suggested that we should carry out an assessment of the effectiveness of the remote training program and activities with the national teams.

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## 5. A strategy for the development of cricket in the USA (IH)

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IH presented the latest version of the strategy document to the Board.

The directors provided the following feedback:

- RS explained that he had previously provided feedback to IH that: (i) there should be a short explanation somewhere about what the document was (and what it was not); (ii) we should re-frame the document as a set-up/foundational plan rather than as a strategy; (iii) the priority objectives should be targeted for 2020/2021 (not just in 2020); (iv) there might be more of an explanation as to 'why' around each of the actions set out in the main body of the document; and (v) there was more work to be done to clearly explain the bridge section between the five objectives and the activity areas and the hierarchy of the activity areas and how they contribute to successfully delivering the objectives.
- RS & NG agreed that the 'Our Principles' section might be better placed earlier in the document rather than right at the end.
- AG suggested that the imagery in the document should reflect more on social cricket (especially softball) because of the large population base that play the sport socially in this country and the need for us to engage with them.
- SV requested that USA Cricket should consider developing a set of guidelines that can be used to help leagues/academies/members set up infrastructure such as turf grounds, indoor and outdoor practice facilities where there is no support available from ACE, and that this specific activity should be included within the strategy
- NG requested that we consider whether to include a set of 'values' within the document. IH explained that he had developed a set of 'principles' instead, but that he would review again and discuss with NG.
- NG requested that we remove the photo of the Australian cricketers on the Vision page.
- VP requested that we make sure that we are careful where we use the words 'social cricket' as this incorporates more than just softball/tape-ball.
- There was a discussion around the strategic choice set out in the strategy that had previously been made by the Board in respect of the balance of focus between T20I v ODI cricket. It was agreed that a further call be set up between SS, AB, RS and VP to consider this matter again.
- IH agreed to incorporate all of the above feed-back and the Board noted that once the strategic plan is finalized and published, the intended next steps would include at least the following:
  - The development of a public-facing 1-page summary document
  - The development of a short (2 minute) video-explainer of the strategic plan
  - The development of an underlying operational plan, timeline and allocation of responsibilities

- Quarterly reporting to the Board against progress towards that operational plan.

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## 6. Audited Financial Statements for 2019 (IH)

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IH informed the Board that he had received the first draft AFS for 2019 from the auditors and that he was working through it to provide feedback (if any) in the next few days.

He explained that the draft showed a full clean audit, with no qualifications or emphasis of matter, and that the Audit Committee would convene the following week to consider the matter and subsequently endorse the AFS to the Board.

He also explained that we had received a draft letter of representation and a draft management letter, which would also be reviewed and approved by the Audit Committee.

IH also explained that there would be a paper circulated to the Board containing some analysis of the financial expenditure break down in 2019.

Once approved, IH explained that the ICC will release our Q3 funding and that we will need to comply with the relevant public reporting obligation under Colorado State Law.

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## 7. 2020 – Mid-year financial report (IH / JD)

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JD joined the meeting for this item and IH/JD presented the report to the Board. The Board noted the following key points:

- COVID-19 has had a significant impact upon our performance against all aspects of the budget which was approved by the Board in February and there are significant variances across both revenue and expenditure as a result.
- USAC has generated significantly less revenue in the first 6 months of the year from sources other than ICC and ACE than budgeted.
- USAC has spent significantly less in the first 6 months of the year than budgeted to spend.
- As a result, USAC is \$547k ahead of our budget at the mid-point in the year.
- However, rather than cancelling the cricketing activities planned for the first half of the year, many of those activities have been rescheduled within an increasingly compressed calendar for the second half of the year.
- As such, USAC is currently forecasting an improvement in our profit/(loss) position across the entire year of \$95K against the Board-approved budget.
- This improvement, combined with the re-calculation of the opening working capital position, has resulted in a forecasted closing working capital position of \$8,000 at the end of the 2020 financial year (compared to the Board approved budget which showed a \$150,000 deficit).

- As disruption continues from this point in the calendar on, we anticipate having to remove certain activities from the calendar altogether rather than rescheduling. As such, the forecasted closing working capital position will begin to improve dramatically the more that cricket cannot be staged.
- The majority of our 2020 revenue is fixed (ICC and ACE) and we anticipate receiving our full ICC distribution for Q3 within the next couple of weeks.
- Player salaries make up 41% of the organization's total expenditure in the first six months of the year.
- During this same period, significant cost savings have been made on the administrative side of the business, including by reviewing and reducing coaching salaries and implementing a hiring freeze.

RS suggested that a full review of the administration costs should be carried out to assess the cost savings achieved to date and whether they were appropriate.

NG suggested that if our goal was to conserve cash in 2020, then we should look very critically at all of our activities for the rest of 2020 to see whether there was scope to cut any additional non-priorities.

### **Player contracts:**

The Board noted the proposal which had been made by e-mail from AG and SS to contract a smaller 'core' group of players post-18 August which was going to cost approximately \$114k plus healthcare reimbursement/worker's compensation.

Following discussion, the Board was not able to reach consensus on whether this was the right model or not, and AG/SS were requested to take on board the observations made and come back with a revised proposal.

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## **8. Update from ACE (SM & VS)**

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### **Plans for the proposed Minor League**

ACE representative Sameer Mehta, Vijay Srinivasan and Justin Geale joined the meeting for this item. They provide an update across the following areas: (i) internal ACE operations; (ii) plans for the player draft for the Minor League; (iii) plans to address the COVID-19 risks around the Minor League; (iv) the decision-making process that will be followed at the end of July in respect of determining whether and how the Minor League will go ahead; and (v) the status of the appointment of Minor League team owners.

IH advised the Board that he would keep them update in respect of the decision-making process relating to the decision to stage all or part of the Minor League.

Following discussion, SM agreed to share with the Board: (i) the proposed Selection Policy; (ii) the latest list of Minor League team owners; and (iii) the latest list of the Minor League Governing Council members.

In addition, SM agreed to consider how USAC selectors can be part of the Selection Panels or have a bigger role in selection matters, especially since this is a pathway tournament to the USA National Teams.

The Board noted that some directors were appointed to the Minor League Governing Council but had subsequently left. They noted that such directors were not appointed by USA Cricket, but were rather there in their personal capacity and are not formally authorized to represent USA Cricket in such capacity. As such, it should not be assumed that USA Cricket directors have knowledge of ongoing matters with ACE, and that, instead, it would receive such updates through the creation of the new ACE Relations Committee.

The Board agreed that the involvement of USA Cricket directors on the Minor League Governing Council would be an agenda item for the first ACE Relations Committee meeting.

### **Long Form Agreement**

VS explained that he and IH had had 6 constructive discussions over the previous weeks about the content of the draft LFA provided by IH to ACE and that they were very close to reaching consensus on the 30 outstanding points. He anticipated that it might take another 3-4 weeks to reach consensus on all outstanding issues and to decide how to bring the matter to a formal conclusion.

IH reassured the Board that the numerous discussions between IH and VS had been carried out on the basis that the revised document (and all of the points contained in it) would be subject to USAC Board review/approval.

SV requested the Board to extend the deadline to finalize the long form agreement with ACE to September 30th, 2020. A **motion was made** (AB) and seconded (RS) to approve the extension. *Motion passed.*

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## 9. Technology RFP – update (IH)

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The Board noted the content of the paper which summarized the recent RFP process that had been concluded.

IH explained that a final evaluation summary of the short-listed service providers (which had been provided to the Board by email) was discussed at length yesterday with AG, AB, SV and VP and a preliminary decision had been made but that a few new issues had arisen since and so a final decision would be made shortly and advised to the Board.

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## 10. Governance review and Committee appointments (IH)

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PM thanked the Board for recently approving the proposed 39 governance recommendations. Further to that, he noted that the proposed Committees had been circulated earlier that day. He

requested feedback on all the proposed Committees by close on Monday, so that these could be ratified quickly thereafter.

In response to a query from NG, IH indicated that the proposed duration of term for each Committee member was 12 months, but that he would reconsider and confirm a final position when the final list circulated.

In response to Q from SS, IH explained how the composition of the Committees had been arrived at, including the relevant principles applied. IH agreed to re-send PM's note on this to SS.

After discussion, the Board agreed that:

- the Development Committee should report direct to the Board not through the Cricket Committee.
- the Women & Girls Committee should be a standing committee not a Working Group, reporting directly to the Board.

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## 11. AOB (IH)

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**Long Form Agreement with ACE** - see item 8.

### **Membership status and plan for future election**

IH summarized the latest situation regarding the membership of USA Cricket and the role of the technology project in being able to bring on board members and manage an election.

VP highlighted that there was a need to have a cut-off date for membership which would entitle that individual to vote in the upcoming elections, and that we need to make that decision ASAP.

IH explained that we will need to pass various membership resolutions to navigate some of the constitutional complexities around this coming election, but that we need to have the technology rolled out and have given a suitable opportunity to the leagues, clubs and players to register. As such, the appropriate cut-off date for membership would be considered by the Nominating & Governance Committee once the membership portal is live in due course.

### **Circular resolutions passed since the last Board meeting:**

For the record, the Board noted the following:

- On 11 June, the Chairman proposed 39 governance recommendations by e-mail to the Board. Those recommendations had subsequently been approved by e-mail.