January CEO Update

January 23 - Brabant Island, overlooking Chiriguano Bay and across the Schollaert Channel to Anvers Island.

The picture above was our final day in Antarctica before heading back north across the Drake. An incredible trip and group of people; excited to be back, refreshed and energized.

I’ll be brief as the report below covers the key activities and developments so far this year. Since getting back into the office on February 4, I have spent a good deal of time catching up with directors and staff, working on reviews and reaffirming 2019 objectives. February 12 and 13 I traveled to Denver for a SafeSport meeting. We are in the middle of implementing an update to the SafeSport Code, MAAPP (Minor athlete policy), and also currently awaiting new background check requirements. These changes from the USOC and Center for SafeSport are impacting our Bylaws, covered list and SafeSport handbook. One area we are reviewing is the potential impact of changes in these policies, particularly new background check requirements on our race official community. At this point we do not have the final version of the requirements, so we have not made any policy changes or decision regarding coverage, costs, responsibility, etc. Once we have final requirements, we will consult with the impacted parties to develop a feasible solution.

Meredith and the WCS Miami team are finalizing a review of the 2019 event and our recommendations for 2020. The importance of this regatta continues to be reinforced, especially as it impacts our
development strategy and pipeline. Due to scheduling conflicts with world championships in Australia and New Zealand later this year and in early 2020, we expect participation to be down possibly 50%. This is driving some significant changes in how we will have run the regatta. We will be discussing these changes with World Sailing next week to hopefully develop a mutually agreeable plan so Miami can remain a World Cup event.

Next week during our visit to San Francisco for the Rolex awards, we will be meeting with our donor and his team to discuss launch of the community sailing project. Stu and John have been working on refining the project and launch plan, and Peter and Georgia have been finalizing a communications and PR strategy. We are in discussions with the boat manufacturer to finalize our partnership and its investment in the program and our organization. Our goal through the communications and PR campaigns is to attract additional supports, both donors and partners/sponsors. We expect to make a public announcement in early March, and then continue with a series of releases, stories, multimedia and national PR going forward. We have developed job descriptions for the project manager and regional coaches and begun the search for the project manager.

This week I was nominated to sit on the USOC Nominating and Governance Committee, which is responsible for selecting director candidates for the USOC Board and members for the five USOC standing committees. The committee is comprised of two USOC board directors and a member from the Athlete Advisory Council, the Multisport Organization Council and the NGBC. It is a great opportunity for a US Sailing representative to be on the committee and I am looking forward to being part of influencing the future leadership of the Olympic moment.

As we work to build membership, one area the Board and volunteers can help is encouraging the clubs and organizations you are associated with to support US Sailing as a Patron level member. We focused on growing this group of members in 2018, and with your help, it expanded from one or two to 15. Here is more information on the benefits and Patron clubs: [https://www.ussailing.org/membership/organizations/](https://www.ussailing.org/membership/organizations/). Let’s keep it going! Patrick Meade is happy to help if you have questions – patrickmeade@ussailing.org

I’d like to thank the eTeam here in the office (Mike, Lauren, Donna and Peter) who interfaced with the Board officers while I was away and handled my communications; they did a tremendous job along with the rest of the staff who helped filled in, all the while executing our two biggest events in the same week. I know we acknowledge the hard work of the staff and volunteers who make sure those events are successful, but the staff members who remain in the office are also critical to our success, so a big thanks to them as well for holding down the fort! Thanks to our Board and all the volunteers who generously contribute time and resources to supporting our organization and the sport. I look forward to seeing you around the waterfront.

Cheers,

Jack
## January 2019 Dashboard

<table>
<thead>
<tr>
<th>As of 1-31-19</th>
<th>USSA/USSF</th>
<th></th>
<th>Olympic</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>543,522</td>
<td>422,731</td>
<td>562,033</td>
<td>704,064</td>
<td>679,633</td>
<td>347,809</td>
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<tr>
<td><strong>Expense</strong></td>
<td>475,867</td>
<td>475,628</td>
<td>401,860</td>
<td>530,203</td>
<td>559,473</td>
<td>618,478</td>
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<tr>
<td><strong>Surplus/Deficit</strong></td>
<td>67,655</td>
<td>(52,897)</td>
<td>160,173</td>
<td>173,861</td>
<td>120,160</td>
<td>(270,669)</td>
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### YTD Revenue

<table>
<thead>
<tr>
<th>Category</th>
<th>YTD 2019</th>
<th>YTD 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Support</td>
<td>80,632</td>
<td>54,330</td>
</tr>
<tr>
<td>Membership</td>
<td>171,157</td>
<td>188,128</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>175,150</td>
<td>245,553</td>
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<td>Program Revenue</td>
<td>648,392</td>
<td>321,979</td>
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<tr>
<td>Grants</td>
<td>128,740</td>
<td>16,779</td>
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<tr>
<td>Investments</td>
<td>42,575</td>
<td>83,073</td>
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### YTD Expense

<table>
<thead>
<tr>
<th>Category</th>
<th>YTD 2019</th>
<th>YTD 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>518,235</td>
<td>350,177</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>474,355</td>
<td>659,171</td>
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</table>
Donations

<table>
<thead>
<tr>
<th></th>
<th>YTD 2019</th>
<th>Cash</th>
<th>Pledge Payments *</th>
<th>New Pledges</th>
<th>Total Cash &amp; Pledges</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of 1-31-19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$80,632</td>
<td>$420,500</td>
<td>$0</td>
<td></td>
<td>$501,132</td>
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</table>

* Original Pledge received prior to 2019

Membership

TOTAL MEMBERS BY CATEGORY

<table>
<thead>
<tr>
<th>Category</th>
<th>YTD 19 - 44,601</th>
<th>YTD 18 - 45,056</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>21,234</td>
<td>21,253</td>
</tr>
<tr>
<td>Family</td>
<td>12,343</td>
<td>12,319</td>
</tr>
<tr>
<td>Youth</td>
<td>2,776</td>
<td>2,791</td>
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<tr>
<td>Contributing</td>
<td>3,001</td>
<td>3,008</td>
</tr>
<tr>
<td>MVP</td>
<td>1,316</td>
<td>1,342</td>
</tr>
<tr>
<td>Keelboat</td>
<td>3,316</td>
<td>3,316</td>
</tr>
<tr>
<td>Organizations</td>
<td>1,821</td>
<td>2,338</td>
</tr>
</tbody>
</table>

YTD 19 - 44,601  YTD 18 - 45,056
Support and drive strategies. Everything we do in 2019 will support the five strategies.

Strategic Plan Key Updates for February 2019.

1) Create opportunities for life-long participation in sailing

**Youth:** The Skill Up mobile app program is progressing nicely, with Youth, Education, Marketing, and IT all contributing in lock-step to prepare for May 1st launch. Our app developer New Start Mobile have recently launched another similar app for the PGA, and we are in touch with them on a weekly basis to track progress. Their insights and advice, based on experience with other major sport organizations and NGBs, is proving very valuable. Early Adopter youth sailing programs are being recruited, with the goal of gathering data and feedback from a targeted audience and increasing US Sailing Youth memberships.

**Adult:** Weekly lift sent to attract member instructors to take the Adaptive Instructor Workshop. We received almost 20 responses of interest - even without having courses on the calendar. We have one course scheduled for May in Rye, NY, and are talking with clubs (through NSPS interaction) on the west coast (San Fran) and elsewhere about hosting adaptive instructor workshops. A follow-up Lift will be sent in early March with dates/locations posted for registration.

**Marketing:** Education Tool Kit – Full array of materials that carry the national US Sailing education brand and are customizable to support the schools marketing efforts – grow school enrollment. Once rolled-out this can be duplicated to promote other facets across the US Sailing Education brand.

**Olympic:** The US Olympic Program, including ODP, provides opportunities and support for elite and talented sailors from youth, early college competitors to multi-quad Olympic campaigners to pursue the sport at a level, and length of time, unlike many other sports. These sailors often continue to follow the sport as their lifelong passion and become many of the more influential shakers and movers in sailing. Training and competing at the Olympic level can also provide pathways to other opportunities in the sport including competing in the professional arena. Programs such as American Magic, Stars and Stripes, the SailGP as well as one design and offshore teams claim members of the US Sailing Olympic and ODP teams on their roster.

2) Provide sailors with a broad spectrum of activities, ranging from casual recreational sailing to high-performance competition

**Youth:** Congratulations to the NSPS leadership staff team of Katie, Josh, and Jen for crafting a world class conference with three days of informative speakers and workshops. A record number of attendees were engaged by a wide variety of topics including
diversity, team building, adaptive sailing, junior big boat sailing, sustainability, etc. etc. Well done!

**Adult:** Three initiatives related to Safety at Sea: 1) Offers for a discounted membership to those who just completed an SAS course were sent in letters attached to the emailed certificates post course. By the end of Feb, 61 memberships will have come in directly from these SAS promos and course packages with host organizers. 2) A Weekly Lift went out this week to current members who have taken SAS courses indicating a "New Member Benefit" to be able to attach an SAS certificate to US Sailing Member ID. In total, as of 2/11, just under 150 members have taken advantage of this benefit. 3) We are sending out Surveys via Survey Monkey to every participant of a SS course within a day or two of course completion. So far, we have sent surveys to 4 courses with about a 50% return.

**Olympic:** The US Sailing Olympic Team ODP camps encourage and energize talented youth sailors to expand their game and dedication to the sport. Recreational sailors are regularly invited and encouraged to play a role in our program. From supporting a specific USST team, to helping organize training camps, to manage regatta events, to supporting fundraising initiatives, regular sailors in the community are truly considered an integral part of the Olympic Program success.

**Youth:** In the month of January, John Pearce attended the Gulf Yachting Association Annual Meeting in Fairhope Alabama, and the Southern California Youth Yacht Racing Association meeting in San Diego California. Both trips were an effort to develop better ties with youth sailing leaders in these regions and proved very fruitful. While travel budgets are very tight in 2019, targeted trips like this can be cost effective with cheap flights and creative housing, and the connections from face to face meetings are irreplaceable.

**Adult:** Adult is also working with Patrick Meade on a communication to RSAs to promote the hosting of regional Safe Powerboat Handling Instructor courses, with the goal of having areas or YRAs having trained instructors associated with all clubs/organizations in those areas. This will help clubs and organizations not only train incoming sailing instructors, but to also train local club members to operate safety boats in a responsible manner. The hope is that this will encourage clubs to then host a "Race Committee Crew" course with a hands-on mark set course.

**Marketing:** Regional symposiums – attendance doubled in 2018 and will see growth in 2019.

**Olympic:** The ODP focus in supporting local/regional youth sailing programs around the country the past 5 years has helped grow the strength and focus on building competitive youth sailing. Numerous ODP camps throughout the year and around the country continue to build on that success in bringing sailors together from all these enthusiastic
regional areas. These clinics help provide support and guidance to encourage all are following best practices toward a common goal.

US Olympic staff and coaches regularly provide coaching and presentations at these regional areas to help maintain the focus and enthusiasm. Just in past three weeks there have been clinics or presentations in Miami, Ft. Lauderdale and New Orleans.

And of course, the Olympic Program Coaches are always enthused to contribute at the popular US Sailing Coaching Symposium in November. Sharing their knowledge and experiences with yacht club instructors and college coaches creates the ideal opportunity for the US coaching pool to step up each and every year. This January as a result, 4 participants of the coaching symposium came back to Miami to ride along and learn with the Olympic coaches while they worked with their teams during the pre-World Cup Camp. As a bonus, 2 came back as volunteers at the World Cup a week later!

4) **Make volunteering with US Sailing easy, rewarding and mutually beneficial**

**Youth**: Youth Championships Division Chair Malinda Crain is working with Championship Committee Chairs and committee members to review each championship in the context of the US Sailing Strategic Plan, looking for ways in which the regattas can be optimized to further US Sailing’s organizational goals.

**Olympic**: Volunteers are an integral part of the Olympic Program success. Without their support our camps, our regattas, and our fundraising, our program would not be successful. The recent massive Miami World Cup was a solid success due in great part to the incredible support of volunteers who travelled from literally all over the country to give not only their time and expertise, but many also truly supported the event financially. For many this was a shift from the past due to budgetary challenges where the event was able to provide more logistical support to the event volunteers. US Sailing endeavored to show its tremendous appreciation to these over 150 volunteers in an informal gala party during the early days of the World Cup at a local restaurant. During the event, Malcolm Page stood up and sincerely thanked all those who came and gave so freely to the event. He introduced the Olympic/US Sailing staff and coaches in order to ensure these supporters felt they were truly involved in our program. Certainly, there are still sensitive edges that need to be smoothed but Malcom’s articulate words of appreciation was effective.

5) **Achieve American success in sailing and tell the story**

**Olympic**: This is the US Olympic Program focus and goal. The new High-Performance Plan is proving successful as evidenced by the recent results in Miami World Cup. A silver in the Radial, a Bronze in the Finn, fourth in the Laser and the 470 men, 6th in the Radial, 8th and 10th in the Nacra 17, 8th in the 470 women and 9th in the 49erFX all show that the US Team have the talent and ability to perform at the level that makes our American sailing community proud.
Key Items to support each one of these components:

1. **First Class Customer Service and Drive Growth** – Lauren Cotta
   Sustainability: The internal sustainability staff team of ten people continues to develop our sustainability framework. Industry experts such as 11th Hour, Sailors for the Sea, Roger Williams University and Elizabeth Kratzig are being engaged during the planning process. Internally, we’ve drafted three phases of our plan. Our next step is to build out the sustainability plan to a point where it’s executable and something that US Sailing can achieve.

   Membership: In January we tested membership acquisition tactics. We leveraged existing constituents on our eUSSailing subscriber list and NSPS registration list who were not current US Sailing members. Sailors in the Charleston, IYLA, GYA and SAYRA also received membership messaging. All offers centered around a discount code and act now messaging to join US Sailing. We learned that working through regions to promote membership translates into a better return rate. Looking ahead we’re focusing on retention, acquisition and developing a long-term vision for membership.

2. **Increase Efficiency** - Mike Waters
   A couple of highlights of technology from the World Cup in Miami: 2800 FT of ethernet cable strung through the event park 2750 FT of that recycled. Wireless hotspots to serve all of the athletes, coaches and event staff where available for 8 days and the television and tracking teams reported no glitches for the entire event. Digital scoring displays and the US Sailing Events App customized to HWCSM was the place for official notices and information. We are all making great strides to better, greener and more efficient regattas.

   Back in Bristol we are embarking on a massive project tied directly to our strategic plans that is really collection of many of the workstreams that are in flight or about to get underway. I will become the project manager of what we call Project Layline. This project will align our moves in publications, membership, mail, communications and IT to a common and achievable goal with deadlines. To assist in this, we will leverage some volunteer resources and have staff projects visual to the entire organization. We will do this to get projects done and discover a more efficient path as opposed to another tool or method to learn. I look forward to reporting on the progress and success.

3. **Sponsorship and Communication** - Peter Glass
   - Leverage video content to increase reach and build the US Sailing story
     - First broadcast on NBC Olympic Channel of World Cup Miami. Broadcast agreement to air World Cup Series through 2020 Olympic Games
     - Launching All Access – a socialsode series featuring hard hitting behind the scenes with top USST athletes
     - New One Team video achieved over 16K views within one-week on Facebook
• Increase in communications across outbound customer channels

Partnerships

• Increased efforts to grow existing partnerships and identify new partners
  • Renewing Regatta Craft Mixers for two-year extension with over 40% financial increase
  • Achieved a 20%+ increase in financial commitment for NSPS
  • At the World Cup Miami there were 16 sponsors involved ranging from financial contribution to VIK to budget relief
  • Launching Rolex YOY videos as part of partnership enhancement. These videos are celebrating the achievements of the male and female short-list of nominees
  • 35% increase in partnership dialogue with expectation to announce 2-3 new partners in 1st quarter

Membership – individual and organizational

• Building membership efforts to drive retention and acquisition
  • Weekly lift is generating membership buzz and aiding in retention efforts
  • Membership and communications working together to refine member lifecycle communications adding more frequent communications to increase engagement and retention
  • Organizational memberships renewing at a higher level starting 2019 strong – 14 Patron, 16 Benefactor, 263 supporting

US Sailing Store

• Building a comprehensive product offering and US Sailing retail brand
  • Continue to see growth – sales at 2019 NSPS were 195% higher than in 2017.

Events

• Enhancing the customer experience to drive increased participation and satisfaction
  • NSPS saw an increase of 30% percent in attendees from 2017 with almost 400 in attendance
  • The event app was well used at the WC Miami and NSPS. 375 joined at NSPS with 6,356 interactions and 730 joined at the WC Miami
  • Katie, Jen, Jessica, Josh and the entire team created an environment where post event tracking is showing 91% satisfied/ very satisfied attendees with many likely to refer the event to a friend or colleague

Communications

• Increasing communication frequency to further engage and grow the US Sailing stakeholder audience
  • 428,000 social media views on Facebook and 253,000 on Instagram during January
  • 89 news and event posts were published on Facebook in January and early February

P a g e  9  |  10
• 37 news stories published in January highlighting Miami WC, NSPS, Rolex YOY, and more

4. **Financial Disciplines and Controls** – Donna Kane
   Over the last few months we have put additional controls in place in the accounting department that have resulted in month end processes, with the exception of store revenue and expenses, closing during the first 6 working days of the following month. We are working with the store vendor to rectify the variances in their reporting. I will be interviewing for the Staff Accountant position that has been open since the beginning of the year, with a full staff we will be able to implement more of the changes we have planned.

   The 2018 audit has started with field work being done remotely for now. The auditors will be in the office March 4th to 8th and we should have a preliminary audit by the time they leave.