



UNITED STATES SAILING FOUNDATION BOARD MEETING MINUTES

November 12, 2021

1:30 – 3:00 PM EST

Conanicut YC, Jamestown, RI, and Zoom Call

1 Roger Williams University Way
Bristol, Rhode Island 02809

Phone: (401) 342-7900

www.ussailing.org

Directors Present: William Ruh, Linda Lindquist-Bishop, Johnny Lovell, Brian Keane, Glenn Darden, Cory Sertl, William Koch, Alan Ostfield

Also Present: US Sailing Association Board, Paul Cayard, Jill Nosach, Heather Monoson

Directors Not Present: Tom Whidden

Minutes:

- **Call to Order & Announcements:** Chairman Ruh welcomed the Association and Foundation Boards for their first annual joint session, discussed the collaborative nature and distinct nature of the Boards, and introduced Bill Koch as the newest Foundation board member.
- **Review and Approval of September 20, 2021 Minutes:** There were no comments related to the minutes from the May 17 meeting, and a motion by Chairman Ruh to approve them was seconded by the Board and carried without dissent.
- **Chairman's Report:** - Bill Ruh - Over the past two years an immense amount of change has taken place at US Sailing due to outstanding leadership by Cory, and a great deal of work by the boards of both US Sailing and the Foundation. Call it a re-start, a pivot or restructuring, but it's clear that US Sailing has been going through a cultural change, and slowly our base of support is hearing the message. Every facet of US Sailing's business needed upgrading, and the following is a list of 20 accomplishments that were achieved over the past two years:
 - 1) Restructured the US Sailing Foundation governance, including bylaws, board composition and independence from US Sailing
 - 2) Reconstituted the USSF board, with Linda Lindquist, Brian Keane, Tom Whidden and Bill Koch agreeing to come onboard. Additionally, Johnny Lovell agreed to re-up for a second three-year term as Treasurer.
 - 3) Launched an investment committee and recruited:
 - a. Drew Freides (Chairman – UBS Wealth Management office with \$6+ billion of AUM and the ranked 5th money manager in the US by Forbes magazine in 2020, Drew holds an undergraduate and master degrees in Naval Architecture from MIT, has an MBA from Darden School of Business, worked many years in wealth management at Goldman Sachs prior to moving to UBS, was a highly successful college sailor and has won multiple world and national championships).
 - b. Lauren Gillooley Kemp (Secretary – Works at the Cunningham Group at Morgan Stanley with focus on helping non-profit organizations manage and attract capital, currently works with nearly 40 organizations. Lauren graduated summa cum laude and Phi Beta Kappa from Boston College with an honors B.A. in International Politics & Economics while also achieving 1st team All-American honors for her role in BC's two national championships).
 - c. Natalya Doris (Is a portfolio manager at BlackRock, managing allocations of structured products across the Fixed Income platform. Prior to joining BlackRock, Ms. Doris was a Credit Markets reporter at Bloomberg, publishing stories and analysis on the Investment Grade and High Yield markets. Ms. Doris began her career at Morgan Stanley as a Fixed Income Sales and Trading Analyst on the Wealth Management credit sales desk. Ms. Doris earned a B.A. in Applied Mathematics from Yale University in 2017, where she captained the

Varsity Women's Sailing Team to a national championship. She is also a member of the Young Members Committee at New York Yacht Club).

- d. John Shadden (Managing Director and founder of the Shadden Group at Morgan Stanley. Specializes in providing tailored wealth management solutions to family offices, ultra-high-net-worth individuals, and charitable foundations. Ranked by Barron's in "America's Top 1200 Advisors and Financial Times Top 400." While pursuing his under-grad degree at USC, he qualified for both the 1984 and 1988 Olympic Sailing teams and captured a bronze medal in Korea in 1988. After his Olympic efforts, he obtained a master's degree in Wealth Management from the Stern School of Business at NYU).
 - e. Russ Sylvestri (currently a Managing Partner at Boyden Executive Search. Previously, he was a Founder of Skiritai Capital in 2002, and was a Managing Director and Portfolio Manager of its Leonidas Opportunity and the L2 Opportunity Funds. The hedge funds invested long and short in US Equities with market capitalizations less than \$5 billion dollars. From inception the funds generated a compound rate of return in excess of 10% net of all fees and closed at high water in 2015. Russ raced in the Finn class for 20 years and competed in four Olympic Trials, won five North American and National Titles, a Pan American silver medal, and represented the United States at the Olympic Games in 1988 and 2000. Named by the USOC as the Outstanding Male Athlete in Sailing for 2000. Prior to founding Leonidas, he worked as an investment banker at Roberston Stephens, a prominent San Francisco based investment banking firm.
 - f. John Brim (Managing Director of Corporate Finance at UBS and its predecessor company Dillon Read & Co. Previously he was Managing Director of Corporate Finance at Merrill Lynch and Salomon Brothers. John was Founder and co-owner of corporate advisory firm Hill Street Capital LLC. Hill Street Capital was sold in 2010 to the French bank BNP Paribas, where. John served as head of North American Corporate Finance. John's 40+ year career involved hundreds of financings, bond issues, mergers and acquisitions, and debt restructurings. Yale University undergrad; Harvard University MBA. One Design racer over 6 decades in Moth, Lightning, Laser, 505, Dragon, IOD, and J70s with a 3rd in 2019 J70 North Americans. Big boat racing in Rima (60') Rima2 (55') and Rima37 an IC37. Past Trustee of New York Yacht Club and Storm Trysail Club).
 - g. Tom Seip (An investor and board member. Prior to his retirement in 1998, Mr. Seip spent over 15 years with The Charles Schwab Corporation and subsidiaries, in various positions including President and CEO of Charles Schwab Investment Management, the Company's mutual fund arm. Earlier in his Schwab career, he served as Executive Vice President, Retail Marketing and Distribution. Mr. Seip is currently Chairman of the Neuberger Berman Mutual Funds, New York. From 2000 – 2018 he served on the board of directors of H & R Block, Inc., Kansas City, where at various times he chaired both the Governance & Nominating and Compensation committees. Mr. Seip has been active in a number of not-for-profit entities, including being a founding Board Member of the AmericaOne Foundation).
- 4) Worked with the newly formed Investment Committee to develop the Long-Term Investment Policy which established guidelines for the management and implementation of the investment portfolio for both the USSA and the USSF.
 - 5) Moved donor funds from the underperforming United States Olympic Endowment to UBS and reallocated those funds into a conservative, well managed diversified portfolio.
 - 6) The US Sailing board conducted a thorough assessment of US Sailing's past performance and developed a new strategic plan focused on operational improvement, increased membership, and success for the US Olympic Sailing team.
 - 7) Through John Schoendorf and Heather Monoson's efforts, revamped the financial controls at US Sailing, with full transparency being the goal. In my estimation, we're at least 95% of the way there, and given their talent and commitment, we'll be 100% there by the end of 2022.
 - 8) Under Paul Cayard's stewardship, McKinsey committed over 2,000 man-hours toward developing Project Pinnacle - the template for putting our athletes back on the podium.
 - 9) Paul's volunteer effort with the McKinsey team was critical, and after pouring his heart and soul into the effort, he agreed to jump in and take the reins as head of Olympic sailing.
 - 10) Project Pinnacle was formally adopted by the USSA and progress is underway to institute restructuring of the Olympic sailing organization and to implement the plan.
 - 11) Replaced the 5 senior-most executives at US Sailing, including:
 - a. Alan Ostfield as CEO
 - b. Heather Monoson as CFO

- c. Jill Nosach as Chief Development Officer
 - d. John Persch as Chief Marketing Officer
 - e. Andrew Clouston as SVP Programs and Services
- 12) I would like to remind everyone how indebted we are to Heather and Jill. As I recall, Heather was less than 6 months into the job, and Jill was in her first month, when the USSA board chose not to renew the prior CEO's contract and to immediately go in separate ways. In addition to doing their jobs, Heather and Jill were asked to step in and fill the CEO void, while working closely with the Ex-comm of Cory, Rich, John, Henry and Martine. Looking back its fair to say that without an immense amount of hard work and the passion demonstrated by everyone, US Sailing may have sunk. Rather than miss a beat, the organization got stronger. Reporting improved, morale got better.
 - 13) Heather and her team obtained PPP loans totaling \$1,261,000 and successfully arranged for non-repayment. Do recall that most of the progress I'm reviewing took place during a pandemic, which makes the accomplishments all the more rewarding.
 - 14) We've brought on six new Founders and eight new Trustees over the course of 2021, with several more in the wings.
 - 15) So far, the Foundation has raised more the \$18,000,000 million in commitments for Project Pinnacle, plus \$5,000,000 for Seibel sailing.
 - 16) Launched the \$100 million permanent endowment with an initial commitment from the Ding Schoonmaker Foundation totaling \$7.5 million (Included in the \$18M above).
 - 17) Due to enhanced funding and revised Olympic program, the plan is to quintuple the direct funding to Olympic sailors from 2021 to 2022 - \$250k to \$1,250k.
 - 18) Restarted 6 Olympic Class US regattas – 3 in FL and 3 in CA in 2021, and the second year of the regatta's begins in January 2022. They are the part of the Project Pinnacle plan for U.S. based team training on our home waters.
 - 19) Instituted 2 annual trustee/athlete events to broaden direct support and exchange of ideas – the first event is scheduled for January of 2022, and you're all invited.
 - 20) Started the Athlete Career Connection to provide support, internships, interview opportunities and mentoring for Olympic sailors. Already had our first success. Ryan McKillen a new Trustee is on the board of directors at Dockwa, a new marina management company focused on helping boaters find marinas and make reservations for slips and moorings. It's a rapidly growing company with aspirations for expanding its presence in the marine industry, and earlier this year it raised a new round of financing at a \$600 million valuation. Ryan met Luke Muller when they join the St. Francis YC at the same meeting. Luke asked Ryan for support and requested he purchase a kitted-out van so that Luke could live out of the van to stretch out his campaign funding. Luke was racing aboard Proteus earlier this year with a couple of Ryan's Surge crew and was seeking career advice. On his own, Luke interviewed at Dockwa, and was informed that Ryan was on the board. A few months ago, Ryan spoke with the founder and reminded him that Mike would not be doing him a favor by hiring Luke, rather, Ryan was doing Mike a favor by providing a reference on a Stanford grad and Olympic sailor as potential employee. This sort of networking is exactly what we are hoping to achieve with the ACC – it's to provide opportunities for athletes who've dedicated years of their lives to achieve Olympic success. With the ACC in place, we will be better able to retain the best athletes as part of Project Pinnacle.

We need to get the word out that this is the new US Sailing and continue to reestablish credibility with our stakeholders. They need to understand that mediocrity is no longer acceptable. The other day, Paul Cayard stated it best - this is a MOVEMENT, and all we all need to spread the word that this is an organization that all sailors can be proud of.

While much has been accomplished, we are just getting started. The good news is that the flywheel is now spinning in the right direction, and we need to ensure that it continues to accelerate. The youth of our sport deserve it, as do our aspiring Olympians, and if the US is going to once again reach the pinnacle of our sport we need to continue building our community of supporters – both individuals as well as corporate sponsors.

- **Investment Report** – Bill Ruh – Mr. Ruh reported that the investment portfolio has increased in value from \$1,421,346 in June 30, 2021 to \$1,504,922 as of October 30, 2021.

- **US Sailing Update** – CEO Alan Ostfield – Alan walked the boards through US Sailing’s budget, priorities, staff structure, and vision.
- **Project Pinnacle Update** – Paul Cayard – Paul provided an overview of the progress in building the machine that will carry the Team to LA 2028. He invited USSA and USSF Board Members to join the Athlete Career Council, to mentor, interview and hire Olympic Athletes, because they make great employees who understand dedication and persistence and because these Athletes give up years of career experience which can set them behind their peers.
- **Fundraising Report** – Jill Nosach – Jill reported more than \$23,000,000 raised in written pledges and verbal commitments that will be paid over several years, and that more than \$2,500,000 in cash had been collected so far this year, with another \$1,000,000 expected by year end.
- **Presentation of 2022 Strategy** – Jill Nosach – Jill discussed how the USSF is the fundraising and investing entity and that USSA is the program delivery entity. The USSF exists to raise and invest the funds needed by USSA to deliver the mission. To this end, USSF is developing donor-centric philanthropic engagement, cultivation, and stewardship programs to grow and diversify our base of charitable support. She reviewed the budgeted goals, noting how they match those needed by USSA. Jill outlined the 2022 strategies and tactics to be employed and highlighted the new medalist levels to be used for all donors, not just Olympic donors:
 - 1897 Society (Planned Giving: bequests, estates, beneficiary designations, trusts, etc.)
 - Founders Society (\$1,000,000 + given over one to five years)
 - Trustee Society (\$500,000 to \$999,999 given over one to five years)
 - Gold Medalist Circle (\$250,000 to \$499,999 given over one to five years)
 - Silver Medalist Circle (\$125,000 to \$249,999 given over one to five years)
 - Bronze Medalist Circle (\$50,000 to \$124,999 given over one to five years)
 - President’s Club (\$1,000 to \$49,999 given annually)

The President’s Club generated a healthy discussion and a further review will be taken up by the staff.

Jill concluded her remarks by sharing the “Case for Support” regarding the US Sailing Foundation.

- **Review and approval of policies as needed** – Bill Ruh – the board reviewed and approved the following: - Nominating Policy, Endowment Policy, and Gift Acceptance Policy.
- **Other Business:** No other business was brought before the Board.
- **Adjourn:** Chairman Ruh requested a motion to adjourn the meeting, which was passed.