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UNITED STATES SAILING FOUNDATION BOARD MEETING MINUTES

Annual General Meeting, Joint Foundation-Association Board Meeting

October 14, 2022

4:00 PM – 5:15 PM CT

Zoom Call; In person at Southern Yacht Club, New Orleans

Attendance:

**Virtual*

Directors Present: William Ruh, Cory Sertl, Alan Ostfield, Rich Jepsen, Stan Honey, Henry Brauer, John Schoendorf, Marie Rogers, Glenn Darden, Johnny Lovell, Clerc Cooper, Sheila Tolle, Russ Lucas*, Maggie Shea*, Charlie Arms*

Also Present: Heather Monoson, Jill Nosach*, Sally Barkow*, Chris Childers*, Harlan Spinner*, Nathan Hass*, Lorie Anderson*, Katie Alley, Mikayla Pantano*

Directors Absent: Brian Keane, William Koch, Linda Lindquist-Bishop, Doug Smith, Tom Whidden

Minutes:

Call to Order & Announcements

Meeting brought to order 4:04 PM CT

Review and Approval of July 12, 2022, Minutes

Bill Ruh asked for motion to approve the Minutes. A motion was made by Glenn Darden and seconded by Johnny Lovell. The motion carried unanimously.

Chairman's Report – Bill Ruh

- a) Mr. Ruh opened with sharing that there is good progress on the Schoonmaker match. He noted that we are still making headway but might be done on commitments for the year.
- b) He shared that Mr. Tom Siebel has reviewed and approved the pending article to be published in the quarterly New York Yacht Club (NYYC) magazine. We missed the submission deadline; however, we can get it in the newsletter next month. The NYYC has many community members who are interested in community sailing, and we are hopeful the good press will help garner financial support from the NYYC member base.
- c) Mr. Ruh reminded everyone that we have a standing meeting at 1:00pm ET every Tuesday on fundraising strategy, discussing the outreach and status of potential donors. Any Foundation or Association Board member is welcome to join us. Please let Alan or Bill know if you would like to attend.

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- d) Mr. Ruh provided an update on the NYYC Race Team. He shared that the NYYC initiative aimed to support amateurs and juniors, not professionals, but NYYC does not have a junior sailing program. Thus, the initiative has morphed into a program to support the youth and women's AC 40 challenge that is part of the American Magic AC initiative.
 - a. Mr. Ruh notes that US Sailing is trying to build a bridge between our organization and NYYC by aligning our two interests. In the hope of boosting US Sailing's reputation and changing our perception, we are trying to build a bridge to community sailing members. Additionally, many USSF board members are also NYYC members, so we have a lot of influence. The idea would be to get NYYC to start funding our Olympic campaigns and invite other yacht clubs and foundations to join as well. This is a step in the process to get NYYC on board with supporting the Team instead of doing the Yacht Club Challenge.
 - b. Mr. Alan Ostfield verified Bill's report about the details and draft of the press release.
- e) Mr. Bill Koch has graciously offered to host the next Foundation Trustee event at his home in Palm Beach, Florida, during the weekend of the upcoming West Marine US Open regatta taking place in Fort Lauderdale and Biscayne Bay over the weekend of January 13th to the 15th – Martin Luther King Jr. holiday weekend. Mr. Koch has an extraordinary home and an unmatched America's Cup collection. The event is scheduled on Saturday evening, January 14th, and we will have several Olympians there as well as current and prospective Trustees. A copy of the invitation and a "save the date" notice has been provided to Bill for his review.
- f) With Thanksgiving coming shortly, the next two months are critical for fundraising. If you have any potential donors in mind, please let me know. We hope to double down on getting more donors during the giving season.
- g) Mr. Ruh initiated introductions between both Boards as they only meet together once a year. Board members shared their names and a short note about their professional and/or athletic background and their involvement in their respective board.
- h) Mr. Henry Brauer responded to Mr. Ruh that years ago we ran a similar program to the Bill Koch event, highlighting the importance of meeting the athletes to draw support. He feels that this is a really powerful opportunity, and it might be in our interest to have athletes meet people at more yacht clubs, especially larger ones, in the country.

Financial Report – Heather Monoson

- a) Ms. Heather Monoson delivered the financial report. She discussed the 2022 year-to-date profit and loss statement, explaining the difference between the revenue, budget, and variance. She notes that US Sailing is well under budget from a year-to-date spending standpoint, which is mostly from salaries and benefits that we have not had to pay due to open roles. She added that she is confident that we will be on the budget for the year as the net cashflow is trending to hit the budget. She gave an overview of the operating cash and investment accounts. She concluded that she only provided a high-level review and is open to questions.

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Investment Report – Harlan Spinner, Nathan Hass

- a) Mr. Harlan Spinner (head of Institutional Consulting at UBS) shared the high-level data and reports, noting that a deeper level is available if anyone is interested. He screenshared a copy of the report that was circulated to the Board. He discussed that input costs, such as goods and services, are up significantly, and interest rates are also up, but there is a limit to how much prices can be raised which causes pressure. Mr. Spinner believes that prices are stabilizing despite inflation challenges.
 - a. Mr. Spinner noted that there is more volatility in the short term. The government continues to raise interest rates, but this is only for the short term, and they will come back down at some point. He explained that he and his team have been working with the investment committee since its inception.
- b) He discussed the balance sheet and shared that the Association, Foundation, and Foundation Endowment accounts each have an investment policy guideline that establishes ranges and targets. The Association and Foundation run in the same manner, yet the Foundation Endowment runs more heavily towards equity. All are longer term accounts, especially the Endowment.
 - a. He provided specifics about the three accounts and noted that they all use a broad mix of the same mutual funds. All the bond market funds are focused on higher quality and shorter duration bonds, which have held up better than stocks. Most indexes are in line with their benchmarks.
- c) Mr. Ruh asked if there is a plan moving forward for allocation. Mr. Spinner responded that his team is watching interest rates closely. They might move to high quality fixed income or lesser quality fixed income to extend maturity, though there may be more marginally more risk. Any change would be a relative tweak, but not a dramatic change. Mr. Ruh thanked Mr. Spinner, noting that we aim to get more cash in the door to help the recovery of the portfolio during this challenging time.

Fundraising Report – Jill Nosach

- a) Ms. Jill Nosach shared only the fundraising numbers, saving the program information to come later. She discussed that the year-end goal is to raise \$15.7MM and we have raised \$10.2MM as of 9/30/22, which reflects the total raised in pledges, conditional pledges, and verbal commitments. Verbal commitments have 100% fulfillment year after year. The total cash received, including pledge payments and new gifts is \$4.1MM as of 9/30/22.
- b) She added that there is a lot of work to be done in the next three months, though this is typical for the nonprofit cycle, and our team is working hard. Ms. Nosach closed with a reminder about the importance of stewardship for our different levels of trustees and giving societies.

Project Pinnacle Update – Sally Barkow

- a) Ms. Sally Barkow shared the Olympics/Project Pinnacle update, reporting in place of Mr. Paul Cayard. She discussed that it was a busy summer for the team with the Long Beach and San

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Francisco US Opens. There were development clinics before each event, and participation doubled since last year. We expect participation to continue to grow until 2028. There was also a Kilroy sustainability festival in Long Beach.

- b) Looking internationally, the Team trained in Marseille from July to September which provided great learning opportunities. Having the Team containers on site provides an efficient place to learn. We had the Worlds in Halifax for Nacra and Skiff sailing. While there, we had a full physio program and food program. The event was a great win for team cohesion, which we have been working on all year to make it feel like a team and not just individuals. Our top five finishes have gone up, and performances overall have improved. There is great Olympic Development Program (ODP) participation, and we have had great training opportunities for younger athletes.
- c) Ms. Barkow added that on the operations side, the focus is on organizing and preparing everything required by athletes in advance, so they can solely focus on sailing. There have been numerous events over the year, including Kites, ILCA 6, 470s, and others.

Siebel Sailing Update – Chris Childers

- a) Mr. Chris Childers presented the Siebel program update. It is the end of the initial three-year grant cycle for the first round of Siebel Sailors. We are still closing out two programs with a couple more still ongoing. Overall, the program was more successful than we could have hoped with resounding success on our goals. The partner centers have hit their goals in a sustainable way, and we have had 50% non-white participation and female participation. The intent has always been to have programs learn alongside us and continue to do so without us there. When programs become more independent, we have increased time in other programs to do quality improvements, create more inclusive environments, and engage in outreach to nontraditional sailors. Our aim is in the professionalization of the Siebel Sailors program and the standardization of its knowledge.
- b) Mr. Childers shared a story from Sheboygan, WI. There, they capitalized on the Siebel Program values and program quality, spreading Siebel principles across all of its programs and creating more family involvement. They started to do this without us, which is a great sign for the continued sustainability of the program. This highlights our intention for club leaders to carry on this work without our supervision and shows a really great response. We are very excited to move into another round of Siebel Sailors and are working hard to receive more funding for the end of year to do so.

Update on January 14, 2023, Foundation Trustee Event at Bill Koch's Palm Beach home

- a) Mr. Ruh shared that the save the date for the event went out to Mr. Bill Koch for his approval, and we are waiting to hear from him.

Election of Directors proposed by the Nominating Committee – William Ruh and Glenn Darden

- a) Mr. Ruh announced that the Nominating Committee renominated Mr. Bill Ruh and Mr. Glenn Darden.

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- b) Ms. Sertl made a motion. Mr. Ostfield seconded the motion. The motion passed, and Bill and Glenn were reelected.

Other Business

- a) Ms. Cory Sertl asked if we have an idea about the number of sailors touched by the Siebel Sailors program for 2022, since we listed the number for 2021 in the 2021 Annual Report. Mr. Childers responded that we are waiting on numbers but should be right around 700 sailors again. He added that those exposed to Seibel are much greater than those directly impacted by Siebel coaches since the entire center is exposed to its methodology, even when not directly in the program.
- b) Mr. Glenn Darden asked about the schedule of the funding cycle and the Siebel program's outlook for the future. Mr. Childers responded that the three initial centers partnered with 19 organizations for a three-year support cycle that ended in September of this year. Our goal was to train the centers for them to do this work long term without our supervision. We are looking at how we can spread this to new places and how to support smaller and midsize centers that have requested support, though we will remain involved with all 19 centers.
 - a. Mr. Ruh explained the Siebel matching opportunity from Tom Siebel, in which we requested three years to complete the match but were given one year. We requested a time extension but have not heard from Mr. Siebel. This program is immensely important for growing the sport and creating support for youth and Olympic sailing.

Adjourn

Mr. Ruh thanked the Board and guests for their participation and made a motion to adjourn. Mr. Rich Jepson seconded the motion. The meeting ended at 5:12pm CT.