

***US SAILING* Board of Directors Meeting**

Monday, January 23, 2006

Minutes

President Janet Baxter called the meeting to order at 8:08 PM EST.

Board of Directors members present were: Janet Baxter, Jerelyn Biehl, Bob Billingham, Dean Brenner, Jim Capron, Ruth Creighton, Susan Epstein, Tom Hubbell, Rich Jepsen, Leslie Keller, Patty Lawrence, Charlie Leighton, Dick Rose, Bill Sandberg, John Siegel, John Strassman, and Jim Tichenor. Budget Committee Chair James Appel and guest Clay Mock also participated.

Action Items:

A motion to approve the December 19, 2005 Board of Directors Minutes was moved, seconded and passed.

Ruth Creighton requested that it be noted that all references to the IT Committee during the November, 2005 meeting should have referenced the General Services Committee. There was no objection to this change.

President Janet Baxter reported that she had been continuing her program of visiting numerous sailing venues and meeting with and informing sailors everywhere about US SAILING.

Executive Director Charlie Leighton summarized his monthly Executive Directors report.

2005 vs. 2004 Financials

2005 net for US SAILING was \$190,907 vs. (\$472,871) in 2004

Without Olympics, year-end net was (\$198,000). Of that, \$128K was due to severance payments and reorganization expense that is not expected to reoccur.

The Windfall fund investment gain was approximately \$163K through November with approximately \$15K expected in December assuming the same YTD return.

The 2005 balance sheet will show a net worth increase of approximately \$310K over 2004.

Lessons learned in 2005

Strengths

- Success of US Sailing Teams – Dean's reports
- US SAILING Championships
- Offshore - IRC performance
- Sponsorships

Weaknesses

- Declining membership numbers
- Certain weaknesses in the staff that have been resolved
- Little emphasis on fundraising

Changes

- New Bylaws – Transitional Board
- New ED

- New Marketing Director
- New CFO
- New membership staff
- Added fundraising expertise
- Survey that showed relative importance of programs to members

Leighton then gave the Board the YTD 2005 membership statistics

Category	Count 12/31/05	Count 12/31/04
Adult (non-KB)	22,932	24,270
Family	3,793	3,792
Keelboat	3,729	4,265
Organization	1,427	1,432
Youth	4,003	4,216
	35,884	37,975

Leighton informed the Board that West Marine is unfortunately dropping their sponsorship dollars from \$80,000 in 2005 to \$14,000 in 2006. The annual 2.5% salary increases for the Staff Directors will be deferred until overall budget is achieved; 2.5% increases to the rest of the staff are still in effect.

Leighton reported that President Baxter, Ruth Creighton and he are scheduled to have a conference call to discuss the United States Sailing Foundation.

In closing Leighton stated the primary objectives for 2006 will be membership growth and reviewing the US SAILING brand.

After Leighton presented his report the Board discussed the most appropriate method of widely distributing the monthly Executive Directors report. Leighton said that he was committed to preparing an “unvarnished” report on a regular basis to the Board to assure that the Board has complete information for organizational governance. The Board agreed that Leighton has done an excellent job in communicating the important facts to them. The question is that the full report contains very detailed and sometime sensitive information regarding members, personnel, sponsors and status of various negotiations that would not be appropriate for general distribution. The same amount of full disclosure required to be shared with the Board could cause undue embarrassment and possibly financial mischief if taken out of context. It was decided that the full ED report should continue being distributed to the Board, staff and Committee Chairs and that the Secretary be directed to summarize the germane points of the Report in the monthly Board of Director minutes for general distribution.

Treasurer Leslie Keller deferred to Budget Chair James Appel for a report on the status of the budget process. Appel said that West Marine sponsorship withdrawal along with several other recalculations have caused the present iteration of the budget to have a \$42K deficit. Appel says that this is unsatisfactory and the staff Directors and he are examining the details to balance the budget.

Action Item:

It was moved that the US SAILING Board of Directors approve the disbursement of up to \$1500 from the Judges Training Fund to support travel costs of instructors for US SAILING Judges Workshops when a local instructor is not available.

Motion was seconded and passed.

Action Item:

Janet Baxter nominated Bill Stump to be the Chair of the Safety at Sea Committee. Nomination was seconded and passed.

Action Item:

Janet Baxter nominated Malcolm Clarke to be the Chair of the Investment Oversight Committee. Nomination was seconded and passed.

Dean Brenner reported that the Miami OCR was underway and it was shaping up to be a fantastic event.

Secretary John Strassman requested that the dates proposed for the BOD meeting during the October 23, 2005 be reviewed because several board members had noted conflicts. Charlie Leighton said that he would supply the Secretary with a list of dates and the dates could be reviewed at the next meeting.

John Siegel reported on the recent interaction between US SAILING and US- IRC. Siegel said that there was an article released that Siegel felt did not fairly represent US SAILING's relationship with the IRC rule. Siegel and Leighton said that US SAILING replied with clarity and restraint and consequently improved its credibility.

Rich Jepsen commented on his previously submitted report on the National Sailing Program Symposium which was held in Long Beach, California. There were 185 participants and approximately 40 vendors/presenters. Jepsen reported that the NSPS continues to be an exceptional event for US SAILING to connect with the people who have immediate contact with newcomers to the sport of sailing. Several board members who are familiar with the NSPS seconded Rich's observations.

Meeting adjourned 9:38PM EST

Respectfully submitted,

John Strassman
Secretary

The meeting will be Monday, February 20, 2006 at 8:00 PM EST