

***US SAILING* Board of Directors Meeting**
Monday, June 26, 2006
Minutes

President Janet Baxter called the meeting to order at 8:05 PM EDT.

Board of Directors members present were: Janet Baxter, Jerelyn Biehl, Dean Brenner, Jim Capron, Ruth Creighton, Susan Epstein, Tom Hubbell, Rich Jepsen, Leslie Keller, Patty Lawrence, Charlie Leighton, Dick Rose, Bill Sandberg and John Strassman, John Siegel and Jim Tichenor. Also attending was James Appel and Bill Stump. Absent was: Bob Billingham.

Action Items:

A motion to approve the May 22, 2006 Board of Directors Minutes as corrected was moved, seconded and passed.

President Janet Baxter opened the meeting by reporting that she and Charlie Leighton attended a USOC Assembly of the NGB's in San Diego to receive a report on the state of the Olympic movement in the United States. Baxter also visited a JO festival and reported that the JO program is still very popular with the organizers because of its turn-key approach.

Baxter invited Executive Director Charlie Leighton to give his report. Mr. Leighton began by reporting that US SAILING year-to-date net results through April, without Olympics, show a net improvement over last year by \$359,105 and exceed budget by \$565,713. The key number for comparison by year end is that in order to break even we must exceed last year by \$136,000. Based on the first five months of the year, US SAILING should achieve this goal.

Olympics for the Quad are in a strong positive cash position of \$500,608 after paying back \$100,000 amounts in both 2005 and this year to the Olympic Windfall Fund.

Leighton then talked about the NGB group meeting. The USOC set the agenda for the meeting because there was no leadership shown by the NGB group itself. Leighton said that the group was divided into the "big boys" with high television visibility and those without that visibility. The delegates were told that international relations were poor and the US NGB's were urged to host more international events. Leighton reported that US SAILING is well thought of. The several Executive Directors of the various US NGB's will become members of the other NGB's in order to receive the various communications of the other NGB's in an effort to stay current in the affairs of the other groups.

Leighton then talked about a survey of the members that was recently completed. Please see addendum at the end of these minutes.

Then Leighton discussed a letter that was distributed in the monthly ED's report. The letter was sent to the membership of New York Yacht Club. The letter was signed by two past commodores and ED Leighton. The letter presented the argument why to join US SAILING and urged the membership to do so. Leighton said there was a sizable response. He urged that other large yacht clubs send similar letters to their membership. Bill Sandberg volunteered to create a template that could be used by other yacht clubs. Sandberg would report on his progress at the next meeting.

President Baxter commented that while the YTD numbers are extraordinarily good, the trend has turned negative this past month and we must all continue to exert effort to grow membership. Leighton added that the Offshore numbers are unusually high this year and next year likely would be lower due to the fact that this was a Bermuda Race year and there were many initial IRC certs processed. Next year these certs will be renewed at a much lower price.

The question of the Joint Marketing Agreement with the USOC was raised. A number of Board Members expressed reservations that this could cause local organizers significant loss of sponsorship.

Action Item:

It was moved that The Joint Marketing Agreement between the USOC and US Sailing be approved for execution.

Motion was seconded and passed. James Capron abstained.

Action Item:

Charlie Leighton presented the following resolution:

RESOLVED: That the organization is authorized to open a bank account in China for the benefit of the OSC. The resolution was seconded and approved.

Leslie Keller presented the Treasurer's report. The audit was not delivered on time, the audit committee did not have time to review it and therefore the audit will not be presented at this meeting. The executive letter is not yet received. Keller is very disappointed with the auditors. However she reported that the preliminary draft of the audit did not indicate any difficulties. Keller expected that the report from the Audit Committee could be presented at next month's meeting.

Keller then turned the discussion over to James Appel for an update on the budget. Appel said that the first half of the year obviously has gone much better than forecasted. As soon as the June actuals are in, the division Directors will review the first half YTD and forecast the balance of the year. This information will then be made available to the BOD. In response to a question of who is responsible for a Committee's budget, the staff or the volunteer, Appel and Leighton responded that the reality is that the staff is responsible but the volunteers are strongly encouraged to be become engaged in the process.

In response to a question, Appel suggested that the draft 2007 budget should be available to the BOD preliminary budget ready for the October BOD meeting.

Dean Brenner then gave the Olympic Committee report. The US Team is continuing its very good season. Mark Mendelblatt and Mark Strube recently won the Star Class at Kieler Woche. Brenner also announced that the OSC has decided starting in 2007 to name three teams from each able-bodied Olympic Class to the United States Sailing Team. This is a departure from the former five teams from each class. The next step is that the Committee wishes to have three tiers of support. The top tier will be the elite world class sailors on the US Sailing Team. The middle tier would be a development team of very good, committed sailors who are not ready for the Olympic Games. The third tier would be a youth development team for sailors 22 and under. Plans are under way to hire a youth development coach for next year.

Brenner also reported that six new Skud 18 Paralympic boats arrived and our team is putting them through their paces.

Dan Cooney and Marlieke Eaton are doing a great job in the marketing and PR for the OSC. The OSC has hired Marni Lane on a part time basis as a media and PR specialist.

Tom Hubbell reported on the Regulations rewrite. There are still several unresolved items that need to be addressed. After a short discussion it was agreed that the Financial Oversight Committee will be under the Administrative Division and the Legal Committee will report directly to the BOD. Tom also clarified the ED's contract authority limits as stated in the registration and suggested some changes that will be circulated soon. A discussion continued debating the merits of a totally comprehensive set of regulations versus a more concise set of regulations with several ancillary procedural manuals for the various committees.

John Strassman reported on the current procedures for the selection of the Herreshoff Trophy.

Action Item:

It was moved that the recipient of the Herreshoff Award be selected by the Board of Directors from nominations made by members of the Board, House of Delegates, Committee Chairs, Past Presidents and Counselors of Honor. Motion was seconded and passed.

Dick Rose reported that the Racing Rules Committee (RRC) has been working for the past eight months on simplifying and clarifying racing rule 18, the rule that applies at marks and obstructions. Two working versions, one initially proposed by Rob Overton and the other by Ben Altman, will be offered to local fleets for trial. Rose asked members of the BOD to suggest to the RRC fleets that might be willing to test one of the two trial versions. He suggested that trials be limited to local fleet racing with minimal number of outside guests so that fleets do not need to educate visitors every week. The RRC's goal is to collect the comments and criticisms from those who try one of the rules and then revise the two versions of the rule. Rose will report on the project to ISAF in November, and the RRC will develop a submission to ISAF for 2007, in time for inclusion in the next edition of the rulebook.

Rose reported that the RRC is preparing a few rules-related submissions to send to ISAF this year. The US SAILING submission process requires a joint committee of the RRC and the BOD to review the RRC's submissions and to make recommendations to the BOD on them. In order to meet ISAF's deadline, the BOD must act on the submissions at its meeting on July 31st. President Baxter appointed James Tichenor, James Capron and John Siegel to be the BOD members of the Submission Review Committee.

John Siegel reported that there is no clear consensus how to deal with the redundancy of the Offshore Council and Offshore Committee. Siegel then introduced Bill Stump, Chair of the Safety-at-Sea Committee to speak about a recent meeting between Mr. Siegel, Rich Jepsen, Education Division Chair and Mr. Stump. Siegel reported that the group discussed the issues of training and the technical aspects of the Safety-at-Sea Committee and concluded that the Safety-at-Sea Committee should report to the Offshore Committee in the Competition Division and would recommend that finding to the Regulation Rewrite working group.

Action Item:

It was moved that Safety-at-Sea Committee should be placed under the Offshore Committee in the Regulations. Motion was seconded and passed.

Under Old Business Jim Capron reported that he had discussed the issue of the incident on the US Multihull team at the recent ISAF World Games. Capron said that it was an unfortunate event but the US representatives presented their cases very well and the International Jury had no choice but to deny the mixed US team entry to the event. Capron said that the updated NOR's were issued but the US Team relied on verbal assurances that turned out to be not correct. Capron concluded that it was an unfortunate event but it was a valuable learning experience.

Secretary Strassman announced that the Spring 2007 meeting is set for March 14-18th at the Hyatt Regency, Goat Island, Newport, RI. The Fall 2007 meeting is looking at October 24-28 at the Embassy Suites in Phoenix, AZ.

Strassman reported that a Board of Directors Action Item was received to sanction a team racing event that would select a youth team to send to the Australian Youth Olympic Festival. There was a discussion of which committee would be involved. Jerelyn Biehl volunteered to tie the loose ends and report on the next meeting.

Meeting Adjourned at 10:09 PM EDT.

Respectfully submitted,

John Strassman, Secretary

Membership Survey Addendum taken from June 22, 2006

Executive Director's Report

2006 Membership Survey Summary

The 2006 Demographic Survey was conducted May 8th through May 22nd. It provides updated information on who our members are and what kind of sailing activities they take part in. The survey also gathers member opinions on sailing news and communications and gauges a level of interest in potential new services from US SAILING.

Methodology

A survey was emailed to all members with email addresses on file. 1,659 members responded to the survey. The survey consisted of multiple choice questions pertaining to sailing demographics and personal demographics as well as questions pertaining to memberships, communications, preferences, potential new products and services. The survey concluded with a section open for comments about anything pertaining to US SAILING. A section describing the demographics of the survey respondents follows the summary. Multiple responses were allowed for certain questions so responses don't necessarily add to 100%.

Reasons for Membership

US SAILING members say they are members for two main reasons. One is the desire to support the sport of sailing (70.47%) and support the organization and its programs (58.1%). The other driving force behind membership is because it is obligatory for certain programs/services. 53.18% of respondents said that they are a member because membership is necessary given their sailing activities.

Other notable reasons include:

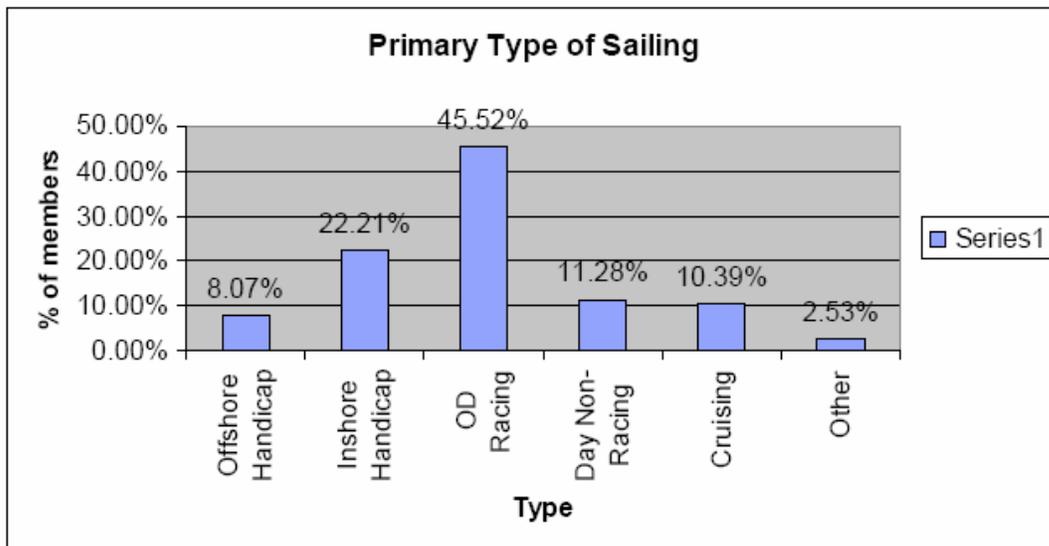
- 1) Supporting Race Management 38.55%
- 2) Keep Current on sailing/racing news and events 34.11%
- 3) To support youth sailing/racing 32.36%

Customer Service (5=great; 1=poor)

It was extremely good to hear that among members who report contacting US SAILING for information or services, 73% of respondents rated their service a 4 or better on a scale from 1 to 5.

Primary/Secondary Type of Sailing

Racing (particularly one-design racing) is the primary sailing focus of US SAILING members who answered this survey. 75.6% of respondents indicated that some form of racing was their primary sailing activity. Day-sailing was the primary activity of 11.45% and 10.85% indicate cruising as their main focus. Intuition that our members have a diverse range of sailing enthusiasms was borne out as 44.67% of respondents indicated either day-sailing or cruising as their secondary sailing activity – with day sailing being the most popular secondary type of sailing.



Sailing Affiliations (Respondents can have multiple affiliations)

85% of respondents are affiliated with a Yacht or Sailing Club. 51% of respondents are affiliated with a One-Design Class Association and 42% of respondents are affiliated with a Yacht Racing Association. Only 4% of respondents have no sailing affiliations at all.

Learned About US SAILING

A majority of respondents learned about US SAILING through another sailing organization, mainly yacht clubs (29.39%). Yacht Racing Associations are also responsible for 13.12% of respondents and One Design Class Association for 9.43%. Magazine articles or advertisements (8.95%) as well friends/family (9.98%) are notable non sailing organization ways in which respondents learned about US SAILING.

Sailing Background (Where did respondent first learn to sail?)

41% of respondents learned to sail from a family member or friend. 24% of respondents learned to sail at a yacht club.

Boat Ownership

87% of respondents own at least one boat and 57% of respondents own 2 or more boats.

Skippers and Crews

Also notable, is that 71.77% of respondents primarily skipper/helm when they are racing or sailing. Only 28.84% primarily crew. This statistic fits with the fact that 87% of respondents own their own boat.

Sources of Sailing Information

The most popular sources for general sailing news and information among respondents are SAIL, Sailing World, and Scuttlebutt. Sailing World is by far the most popular source with 68% of respondents indicating the magazine as a source for sailing news and information. 40.26% of respondents turn to SAIL for general sailing news and information and 37.8% go to Scuttlebutt.

US SAILING News

83.66% of respondents read some form for US SAILING news be it the US SAILING website (38.21%), the e-US SAILING weekly electronic newsletter (64.66%), or the US

SAILING Member Newsletter printed (35.48%). 65% of respondents would prefer to read an electronic version of the printed US SAILING Newsletter. Respondents would most like to see more information about one-design sailing, regatta results, instructor training, regatta management, and Safety at Sea. Of the respondents that were familiar with the US SAILING printed newsletter, 59.57% either highly value it or value it as opposed to 40.43% that valued it very little or not at all.

Shopping

Many respondents purchase marine equipment from more than one source. 73% of respondents buy marine equipment at a national retail chain, and 67% buy marine equipment online. If US SAILING were to create an “Online Marine Shopping Mall” with discounts to members, 79.43% of respondents indicated they would be very likely or somewhat likely to use this service.

Also, 32% of respondents indicated they would be interested in joining the Dry Creek Vineyard/US SAILING wine club if it were created.

Demographics

Age: 90% of respondents are 36+ years old, 56% are also 51+ years old.

Gender: 85% of respondents are male.

Membership Duration: 55.02% of respondents have been US SAILING members for 10+ years. Only 16% of respondents have been a member for 3 years or less.

Internet Connection: 88.72% of respondents use DSL/CABLE/LAN connection as opposed to the 11.26% that use dial up connection.

Average Annual Household Income

80.5% of respondents earn a household income of over \$75,000. 19.5% of respondents earn an average annual income of over \$225,000.

