



PACIFIC SWIMMING COMMITTEE REPORT

To be submitted to Marie Lin (mlin@pacswim.org) & Jillian Ruppenstein (jillian@pacswim.org) the Sunday prior to the next BOD meeting

Committee: Investment Committee

Liaison to the Board: Mary Ruddell

Date of Last Meeting: January 22, 2015

Members Present:

Mary Ruddell, Leo Lin, Peggy Ramirez, Mike Piccardo, Mike Rianda, Mick Pepper and Jeff Byers (Wells Fargo Advisors)

Date of Next Meeting: April 23, 2015

Action Items Completed: Mick Pepper presented the Portfolio as well as the Investment Fund's Performance Review to the Investment committee. The estimated income for 2015 is 68,471. The current asset allocation of the portfolio is 66.2% equities, 22.9 % fixed income and 10.9 % cash equivalents/alternatives.

Zone 1 South invested \$30,000 into the fund as of December 1, 2014.

January 31, 2015 value of the Investment Fund is \$2,385,721 of which \$55,621 is Zone 2's and \$30,173 is Zone 1 South's.

The Investment committee approved a transfer of the Board Designated (Membership) Fund (BDF) in the amount of \$74,586 to the investment account. The BDF will be eligible for use during the 2017 membership year.

The committee observed that the Grant Program seems to have run its course. We continue to look for projects to fund.

The attached "Pacific Swimming Investment Fund Overview" was prepared by Don Heidary.

Pacific Swimming Investment Fund Overview



Overview of Program Support and the Investment Fund

Throughout the past five years, Pacific Swimming is proud to have committed well over \$2,000,000 of support to the clubs, athletes, facilities, and those who may not otherwise have had the opportunity to enjoy this great sport. Through the diligent work of Board and Committee members past and present, our General Chair, and the invaluable input from our coaching community, we have assembled a broad-based financial assistance and support platform that would rival any in USA Swimming. Support reaches from Olympic athletes to disadvantaged youth, from coaches to facilities, competition to development camps, and from technology to travel. Programs supported by Pacific Swimming are either a part of the overall operating budget or supported by the Investment Fund.

While the Investment Fund has grown significantly, the Committee and the Board will remain prudent in oversight and will continue to look for avenues to support our membership. We have coaches, and Board and committee members, engaged at many levels of USA Swimming, to act as a resource and to provide guidance to bring the most impactful and innovative opportunities to Pacific Swimming. Our objective is to be the most supportive LSC in the nation, and ultimately, the most successful.

The following is a brief overview of the status and standing of the Investment Fund of Pacific Swimming and a recap of programs supported or under consideration.

Investment Fund Current Status

- Total assets of approximately \$2.3M
- Professionally managed by Wells Fargo Investment Advisors/The Drexler Group, Denver, CO
- All income (dividends and interest) is deployed to PacSwim grants and projects
- Growth of the fund is primarily due to the strong stock market over the past six years
- The Investment Committee (Fund oversight) is comprised of:
 - Committee Chair - Mary Ruddell, PacSwim Treasurer (4th year)
 - John Bitter, PacSwim General Chair (6th year)/ISCA BOAD/USA Swimming VP of Program Development
 - Leo Lin – Vice Chair, Program Operations
 - Zone 1N - Open
 - Zone 1S – Mike Piccardo, Zone 1 South Chair
 - Zone 2 – Don Heidary, Senior VC/ASCA BOD, former experience in institutional trading
 - Zone 3 – Peggy Ramirez, Budget and Audit Chair
 - Zone 4 – Bob DeRuse, RENO Aquatics
 - At Large – Michael Rianda
 - Athlete - Open
- The Investment Committee meets one time each quarter, via conference call, for a Well Fargo Advisor recap, and to discuss current and potential support programs for Pacific Swimming.

Purpose(s) of the Investment Fund

1. To act an operating reserve (a minimumum of three months of operating expense per guidelines)
2. To fund ongoing project needs (see below)
3. To fund any extraordinary needs

PacSwim Program Support Through the Operating Budget (over the past six years):

- ~\$750,000 into Senior Travel support, which now includes Sectionals
- ~\$750,000 into Age-Group competition, primarily in the form of All-Star travel
- ~\$250,000 in host-meet support for PacSwim meets
- ~\$200,000 into Diversity program support and scholarships
- ~\$100,000 to fund and support various camps
- ~\$25,000 into Coach Education in form of clinics, seminars, and materials

PacSwim Program Support Through the Investment Fund (over the past six years):

- Website upgrade (\$100,000)
- Pool Improvement Grants (\$150,000)
- Olympic Trails/World Championship Trials (\$150,000)

Major Projects Under Consideration

- A PacSwim On-line Meet Entry System
- A full-time LSC Administrator (paid position)
- A permanent office

FAQ's

1) Why is the fund so large?

- Professionally managed portfolio
- An six-year bull market
- Prudent committee management
- A long-term time horizon

2) What is the plan?

- As mentioned above, there are a number of major projects under consideration
- The funds are managed by the committee with the objectives of:
 - Preservation
 - Growth
 - Major project support
 - Allowing for a long-term significant investment such as facility development or upgrade

3) Who's money is it?

- The funds belong to the LSC and its membership, and not to the Board of Directors, the Committee, or USA Swimming

Should you have any questions about the Investment Fund, please feel free to contact:

- Mary Ruddell, Treasurer at treasurer@pacswim.org
- John Bitter, General Chair at jbitter@pacswim.org
- Leo Lin, Vice Chair Program Operations at llin@pacswim.org
- Don Heidary, Senior Vice Chair at dheidary@pacswim.org