

USPS Board of Directors
Arlington, Va.
9 Sept. 2014

Called to order at 0900

Attendees:

C/C Robert A. Baldrige, SN
V/C Louie Ojeda, SN
V/C Bob Brandenstein, SN
V/C Gary Cheney, SN
V/C Peter W. Mitchelson, SN
V/C Bob Miller, SN
P/C/C John T. Alter, SN

Guests present:

Mary Catherine Berube
Tammy Brown

Ratification of electronic votes:

Upon motions to approve, which motions were seconded, discussed and voted upon by the Board of Directors, United States Power Squadrons, the following was approved:

- 1) To negotiate, secure and approve a contract for the 2016 Annual Meeting in Orlando on 12 through 21 Feb. 2016 at a room rate of \$159 and a food and beverage minimum of \$50,000. If the Governing Board approves an extension of two years for 2017 and 2018, then the rate per night would be \$139 with a \$30,000.00 food and beverage minimum for 2016.
- 2) To provide the necessary information (bank details, contact name) to Amazon.com so that USPS may participate in the Amazon Smile program where USPS will receive a donation of a percentage of purchases made via Amazon by registered shoppers.
- 3) To provide a supplemental grant of \$5,700 from the USPS Endowment Fund to cover the additional NetSuite requirements not foreseen in the original grant requirements. Continuing the initialization and implementation of NetSuite as the new enterprise management

computing system for USPS has made it apparent that an additional seat and attendant expenses are required for successful implementation. This additional requirement was not apparent during the initial grant application.

- 4) To appoint D/C John R. Rowland, SN as Staff Commander of the Member Benefits Committee.

Action items approved:

Motions:

- 1) To update the USPS Corporate Resolution to allow specified individuals to act on behalf of USPS and execute financial transactions.
- 2) To authorize Mary Catherine Berube to sign an agreement with Rinck Advertising Agency to increase sales of America's Boating Course, both online and in the classroom, as well as other online offerings hosted by the BoatUS Foundation.
- 3) To approve the 2015 Budget.
- 4) To request Governing Board approval to hold the 2017 and 2018 annual meetings at the Rosen Centre. The room rate will be \$149 for 2017 and \$155 for 2018. If the Governing Board approves these contracts the room rate for the 2016 Annual Meeting will be \$139.

Discussions:

- 1) Mary Catherine Berube reported on SmartView, a module that integrates with NetSuite to produce high quality management reports and customized financial reports. The Board authorized purchasing the SmartView module, which will be funded from an existing Endowment Fund grant.
- 2) Berube reported on an initiative to survey nonrenewals. Beginning in Nov. 2014, headquarters customer service representatives will survey a select group of former members who did not renew their membership in 2014. The objectives are to find out why they did not renew and to encourage them to renew their membership. Participants will be entered into a drawing to receive a free online seminar.

- 3) Berube presented a mock-up of an improved new member package. The document will be in the form of a booklet and will contain a membership card, decal, and crucial information for new members. The Board approved moving forward with the redesign of the new member package.
- 4) Berube updated the Board on the status of grants. The Reducing Recreational Boating Accidents through Advanced Risk Analysis Grant was completed as of 31 Aug. 2014. The Partnering Grant will end on 30 Sept. 2014. The balance in the OTW Rollout – Phase III Grant as of 31 Aug. 2014 was \$164,550. To date, more than 180 training events, 1,213 individual on-water training sessions, 942 student trainings and 271 instructor-level training have been taught. *Water Trainer*, the USPS vessel used for on-water training events, will retire as of Oct. 2014. The balance in the Boat Handling Simulator Grant was \$33,150 as of 31 Aug. 2014, and the USCG approved an extension through 31 March 2015. The balance in the Boat Handling Simulator Grant was \$194,330 as of 31 Aug. 2014.
- 5) Tammy Brown reported that she developed an electronic survey for individuals who took a USPS course or seminar but did not join. The survey will include questions on why they did not join, price points, whether they prefer online or classroom, and demographics. As an incentive to take the survey, participants who complete the survey will be entered to win the new Weather for Boaters online course.
- 6) Brown reported that she is working with the Marketing Committee and Educational Department on an agreement with the Rinck Advertising to increase sales of America's Boating Course, both online and in the classroom, as well as other online offerings hosted by the BoatUS Foundation. These marketing efforts will include online advertising, search engine optimization, and paid advertising directed to nonmembers with the goal of increasing the public's knowledge and perception of USPS. Rinck will use data gathered from classroom and online students to market USPS. Squadrons will be notified when students in their area take a course or request information.
- 7) Brown reported that she is revising the Corporate Membership campaign to reflect new benefits.
- 8) Brown recommended postponing a new logo to allow additional time for market research. The Board agreed to retire the 100th anniversary logo at the 2015 Annual Meeting

Jacksonville, Fla., and to continue using the ship's wheel logo surrounded by the words "United States Power Squadrons" until a new logo is identified.

- 9) V/C Peter W. Mitchelson, SN, reported on a discrepancy between the SailAngle Privacy Policy and the USPS Privacy Policy. He noted that the SailAngle Policy states that members have to opt-in to receive emails from SailAngle; however, due to an approved change in policy that has not been reflected in the published policies, members are currently automatically added to the SailAngle distribution list and are required to opt-out. ITCOM is rewording the privacy policy to reflect the change and will forward to the Law Officer for comments.
- 10) V/C Mitchelson updated the Board on the status of the USPS website. He stated that the developer failed to meet a commitment to provide a test website by mid-June. Attempts to contact the developer have been unsuccessful. V/C Mitchelson reported that R/C David Allen, SN, national law officer, is advising on the next steps.
- 11) V/C Mitchelson reported that he is working with headquarters staff to investigate the logistics of processing squadron orders through the E-commerce system to streamline current procedures. He noted that individual parts of the system had been tested and the next step is to amalgamate the parts into a cohesive process.
- 12) V/C Mitchelson discussed offering trial members 18 months of membership for the price of 12 months. He will work on the logistics and report back to the Board.
- 13) C/C Robert A. Baldrige, SN, recommended updating the USPS Endowment Fund Rules to remove references to the Operating Committee and to modify the rules on administering and distributing Endowment funds. He stated that he would discuss the proposed changes with the Finance Committee.
- 14) V/C Louie Ojeda, SN, reported that during the Arlington Governing Board Meeting the Marketing Committee and Tammy Brown would present two seminars on branding and on recruiting ABC students and interacting with the public.
- 15) The Government & Partner Relations Committee reported that the updated USPS Position Statement on Boater Education and Licensing and the Lobbying Policy are posted on the

committee website at www.usps.org/national/govprcom. The committee is also working on a memorandum of understanding with the National Boating Federation.

- 16) V/C Ojeda reported that 1,732 USPS vessel examiners completed a USCG-mandated refresher course. More than 18,000 vessel safety checks have been performed year to date. He noted that there are approximately 30,000 decals available at headquarters. Instructions to order additional decals can be found at www.usps.org/national/safety.
- 17) V/C Ojeda reported that 172 members completed the Recreational Boating Safety Partner Visitation Program exam to date. He noted that this program offers squadrons resources to effectively market classes and obtain name recognition in their local area.
- 18) The Safety Committee has developed a First Responder program for districts and squadrons.
- 19) V/C Ojeda reported that the Environmental Committee previously reported that West Marine had a program to accept expired safety flares. The committee was advised that the program is available for expired materials in West Marine stores only. The committee is working with the North American Marine Environmental Protection Association to develop an MOU to distribute selected NAMEPA materials to squadrons.
- 20) V/C Ojeda reported that he would ask the Governing Board to move Beverly, Broad Sound, and Marblehead squadrons to District 12 and Merrimac River Sail to District 19. If approved, he will ask the Governing Board to dissolve District 18 at the 2015 Annual Meeting.
- 21) The Cooperative Charting Committee is working on an initiative to reestablish the Geodetic Mark Recovery Program.
- 22) The National Meetings Committee reported signing a contract with the Rosen Centre Hotel for the 2016 Annual Meeting. The committee is visiting potential meeting sites for future governing board meetings.
- 23) V/C Robert C. Miller, SN, reported that as of 31 Aug. 2014 operating revenue exceeded expenses by \$17,700. Non-operating revenue exceeded expenses by \$131,000 due primarily to investment gains in the Endowment Fund.

- 24) V/C Miller reported that as of 31 Aug. 2014 operating income was down by \$43,000 compared to one year ago, and that dues income was down \$7,000. Total operating expenses increased by \$74,000 compared to one year ago. He stated that expenses had been cut during the past several years to the point where functionality has been reduced and that continued cuts are not feasible. He noted that all indicators strongly pointed to the need for additional stable income to remain viable.
- 25) V/C Miller discussed the proposed 2015 Budget and how the continued decline in revenue is not supporting expenses.
- 26) V/C Bob Brandenstein, SN, proposed a \$10 course registration fee to be offset by a corresponding decrease in selling prices of course materials (net of a proposed price increase) with the exception of ABC3. He also proposed charging a \$10 exam fee to members and nonmembers who do not register for a course and challenge the exam.
- 27) V/C Brandenstein reported that as of 31 Aug. 2014 total Educational Department sales were down approximately 5 percent over the same period in 2013. He anticipated that online sales in 2015 would increase as more seminars are introduced and marketing is improved. ABC3 sales were down by 9 percent compared to one year ago.
- 28) V/C Brandenstein reported that 166 online seminars were sold from March 2013 through June 2014. He reported that in July 2014 the price was dropped from \$39.95 to \$19.95. At mid-month the price was raised to \$24.95 then back to \$39.95 on 1 Aug. He noted the price reduction resulted in 115 online seminars sold in July. There was no change in sales volume at mid-July when the selling price moved from \$19.95 to \$24.95. When prices returned to \$39.95 at the beginning of August, weekly sales returned to pre-July levels.
- 29) V/C Brandenstein reported statistics on the average age of students taking ABC3 and Seamanship during the past five years. The average age for ABC3 online and the ABC3 classroom course are both 49. The average age for Seamanship is 55.
- 30) V/C Brandenstein reported that the Educational Department is considering offering an electronic read-only version of ABC3 at a discounted price, while continuing to offer the online course with a printed copy of the student manual at \$39.95.

- 31) V/C Brandenstein reported that the Boating Skills Virtual Trainer reservation site was launched on 30 June 2014. Five units are currently available, with plans for a total of 13 units. Units can be reserved and instructor and training manuals can be downloaded at www.usps.org/php/bsvt. Information on external sales can be found at www.usps.org/boatingskillsvt.
- 32) V/C Brandenstein reported that the Brunswick Dealer Advantage Program continues to grow with 135 squadrons currently participating, a 62 percent growth in one year.
- 33) V/C Gary P. Cheney, SN, reported that the Membership Committee completed the Each One Reach One campaign and winners will be announced during the Arlington Governing Board Meeting. He noted that the overall membership decline from 31 May through 31 Aug. 2014 was 1,511 or 4.4 percent.
- 34) V/C Cheney discussed the status of the Leadership Development seminars. He noted that seminars planned for the Arlington Governing Board were cancelled due to low registrations.
- 35) V/C Cheney reported that a letter from LifeLine Screening was mailed to members in August, and that the contract with Affinity Marketing expires in June 2015. Royalties totaled \$2,100 in 2013 and \$2,600 in 2014 year to date.
- 36) V/C Cheney reported that the Squadron Development Manual was revised and is posted on the committee's website at www.usps.org/national/squaddev.

The meeting was adjourned at 1720.

10 Sept. 2014

Called to order 0830

BOD Advisors Meeting

Attendees:

C/C Robert A. Baldrige, SN

V/C Louie Ojeda, SN

V/C Bob Brandenstein, SN

V/C Gary Cheney, SN

V/C Peter W. Mitchelson, SN

V/C Bob Miller, SN

P/C/C John T. Alter, SN

Guests present:

P/C/C L.M. Barnes III, SN

P/C/C Theodore H. Smith, SN

P/C/C Les Johnson, SN

P/C/C Ernie Marshburn, SN

P/C/C Creighton C. Maynard, Jr., SN

P/C/C Frank A. Dvorak, SN

R/C David L. Allen Jr., SN

R/C Robert A. Keller, SN

R/C Lee Popham, AP

R/C Kay Simkins, AP

Mary Catherine Berube

Tammy Brown

Chris Edmonston, president, BoatUS Foundation

Keith Christopher, national director, Boy Scouts of America

Frank Peterson, president and CEO, Recreational Boating & Fishing Foundation

- 1) R/C Lee Popham, AP, chairman, Finance Committee, reported that assets under the oversight of the Finance Committee totaled \$2,599,865 as of 31 Aug. 2014. The total in the Endowment Fund was \$1,737,822, with a year-to-date rate of return of 10 percent. The total in the Investment Fund was \$862,044, with a year-to-date rate of return of 8.8 percent.
- 2) R/C Popham reported that due to a smaller dues-paying membership the Finance Committee was forecasting a short fall in dues revenue, but that expenditures are being scaled back to match anticipated revenues.

- 3) R/C Popham reported that he would recommend that the Governing Board approve a \$2 dues increase for single active members and a \$3 increase for a family unit effective in the spring of 2015 for the 2016 dues year.
- 4) R/C David Allen, SN, national law officer, reported on activities of the Law Committee. The committee updated the information on current insurance coverage in the *USPS Operations Manual*, reviewed hotel contracts and grant proposals, developed guidelines for the FAST Program, developed a release form for photos of minors and guidelines for collecting information on minors taking a USPS course, and assisted the USPS Educational Fund Trustees on a new banking agreement and risk management procedures.
- 5) R/C Allen reported that he is working with V/C Mitchelson and Mary Catherine Berube on resolving issues with the website developer and nonperformance of the contract.
- 6) R/C Robert Keller, SN, chairman, Committee on Rules, reported that the committee is working with V/C Ojeda to transfer the four squadrons in District 18 to districts 12 and 19.
- 7) R/C Kay Simkins, AP, chairman, Planning Committee, reported that the committee was asked to study the feasibility of producing a Spanish version of ABC3 and Seamanship. She noted that while the committee supports the project it should be deferred to the Educational Department.
- 9) R/C Simkins discussed the USPS Strategic Plan and the feedback received from the Board. C/C Baldrige stated that Board would review the updated plan to bring it to a vote.
- 10) R/C Simkins reported that the Planning Committee studied the benefits of establishing a USPS social membership. She noted that most organizations that offer social memberships do not require active participation from their membership. Organizations such as American Canoe Association offer facilities for members only and a variety of membership levels. She stated that the Planning Committee concluded that USPS is not structured to offer social memberships and noted a concern that a less expensive social membership could cause a high percentage of members to convert their membership.
- 11) Frank Peterson reported that the Recreational Boating and Fishing Foundation is reaching out to the Hispanic population to increase their participation in boating and fishing. Information

can be found on the organization's website at *vamosapescar.org*, which is available in both English and Spanish. Mr. Peterson reported 181,000 visitors to the website since it was launched in April 2014.

12) C/C Baldrige reported that he received suggestions from a member to create boating clubs within USPS, such as a club for anglers, and to focus on recruiting baby boomers.

13) Keith Christopher discussed his association with the Boy Scouts of America, the collaboration between USPS and the Sea Scout Program, and USPS' participation in the 2013 National Scout Jamboree.

Adjourned 1645.

V/C Peter W. Mitchelson, SN
National Secretary