

The Operating Committee of United States Power Squadrons met on 5-8 Sept. 2007 at the Marriott Waterside, Norfolk, Va.

Members present:

C/C Ernest G. Marshburn, SN	R/C Anthony J. Aquilato, SN
V/C Creighton C. Maynard Jr., SN	R/C Noel K. McKeown, SN
V/C Dick Kyle, SN	R/C Michael J. Horowitz, JN
V/C Frank A. Dvorak, SN	R/C William M. Bellinger, SN
V/C Robert A. Baldrige, SN	R/C Robert A. Green, N
V/C Joseph R. Mesenburg, SN	R/C Allan W. Lakin, SN
P/C/C G. Leslie Johnson, SN	

Guests present:

P/C/C Raymond A. Finley Jr., SN	P/C/C Dick Miner, SN
P/C/C Gillette E. Gordon, SN	P/C/C L.M. Barnes III, SN
P/C/C Lance J. Jensen, SN	P/C/C Theodore H. Smith, SN
Mary Catherine Berube	Tom Kemp

Report of the Chief Commander

C/C Ernie G. Marshburn, SN, called the meeting to order at 0830, and P/C/C G. Leslie Johnson, SN, gave the invocation.

The OCom ADOPTED a motion recommending that the Governing Board approve holding Governing Board meetings on 29 Aug.- 4 Sept. 2010, Hyatt Hotel, Bellevue, Wash., at \$139/night plus tax, and on 11-17 Sept. 2011, Sheraton Four Seasons Hotel, Greensboro, N.C., at \$145/night plus tax. (2007-OC-43)

After a motion by C/C Marshburn, the OCom ADOPTED the minutes of the 14 April and 8-9 June 2007 OCom meetings. (2007-OC-44)

C/C Marshburn reported that the Operating Committee used electronic means between OCom meetings to approve 1) a \$68,425 bid from Baker Roofing to repair the headquarters roof (2007-OC-45), 2) financing the roof repairs with a loan from Wachovia, no prepayment penalty, for 5 years at a fixed rate of 7.56 percent (2007-OC-46), 3) increasing the 2007 headquarters' budget salary line by \$10,000 to upgrade a vacant accounting position, contingent on obtaining a satisfactory replacement (2007-OC-47), and 4) authorizing bids and negotiating necessary contracts to fulfill the conditions of the USCG Office of Boating Safety Watersmart from the Start Grant in the amount of \$170,000 in direct costs and \$25,000 in indirect costs in accordance with USPS procedure for obtaining bids. All contracts are subject to final approval of USCG Office of Boating Safety based upon those figures as shown in the revised budget estimates and USPS LawCom approval of the final contract (2007-OC-48). The OCom ADOPTED a motion ratifying these actions.

Report of the National Executive Officer

V/C Creighton C. Maynard Jr., SN, reported that all necessary Bylaws requirements had been met and that he would recommend that the Governing Board approve the dissolution of Fairhope Power Squadron/15.

V/C Maynard reported that the national Government and Partner Relations Committee is

promoting the *USPS Position Statement Regarding the Water Ballast Issue* throughout the districts and squadrons and to the national boating press. The committee is notifying district liaison officers on the additional responsibilities of Homeland Security assignments.

The Squadron Development Committee reported that four provisional squadrons are working toward receiving their charter: Colonial Provisional Squadron/5, The Valley Sail & Provisional Squadron/13, Kankakee Valley Provisional Squadron/20 and South Bay Provisional Squadron/28.

The Recreational Boating Safety Committee is working with the United States Coast Guard on the America's Waterway Watch Program. The committee also encourages squadrons to send in their Squadron Safety Officer Reports to achieve 100 percent participation in the 2007 Safety Honor Roll Award.

The Cooperative Charting Committee reported that CCWeb is up and running and encouraged members to submit their reports to achieve honor roll status.

The Vessel Safety Check Committee reported that vessel safety checks are up by 22 percent compared to one year ago. The committee announced a contest to mark the 60th anniversary of the Vessel Safety Check Program. For every 20 inspections a vessel examiner reports he or she will be entered in a contest to win a berth on board the USCG *Eagle*. The drawing will be held at the 2008 Annual Meeting. Details are available on the committee's website at www.usps.org/national/vsc/eagleberth07.html.

The Vessel Safety Check Committee reported on an inflatable life jacket loaner program in conjunction with the USCG Office of Boating Safety. Squadrons will be loaned inflatable life jackets for wear by boating course instructors and vessel examiners. Additional details will be posted on the committee's website.

The Environmental Committee reported an Educational Fund grant to publish 55,000 copies of the *Environmental Best Practices for Boaters* brochure and distribute 100 copies to each squadron. The remaining 10,000 copies are available at headquarters and can be ordered free, plus shipping and handling fees. Information on the Ocean Conservancy's International Coastal Cleanup was also included in the distribution. At the 2008 Annual Meeting, the committee will recognize squadrons participating in the cleanup, with awards for the largest piece of debris recovered, the most unusual debris recovered, the most disgusting debris recovered, the funniest debris recovered and the most participants.

Report of the National Educational Officer

V/C Dick Kyle, SN, reported receiving feedback from district educational officers indicating that the \$25 initiation fee approved at the 2007 Governing Board Meeting will have adverse impact on member recruitment.

V/C Kyle reported that there was a significant reduction in public boating course attendance in 2007. Squadrons reported teaching 23,700 students in 2006 and 18,700 in 2007. He stated that market conditions, the lack of promotion and fewer boating course classes being held had a direct impact on attendance. Squadrons reported teaching 1,670 classes in 2006 and 1,379 in 2007, a 17 percent drop. He noted a slight drop in the number of students per class and reported that 62 squadrons did not teach a boating course in the 2006-2007 educational year.

The national educational officer reported that acquiring adequate insurance coverage for instructors participating in the Boat Operator Certification Program is critical. He reported that US Sailing had trained the first group of USPS on-the-water instructors and noted that the Inland Certification Level, which involves on-the-water skill demonstration, is on hold pending insurance resolution.

V/C Kyle reported on the release of six USPS University seminars: Sail Trim, Boat

Handling Under Power, How to Use a Chart, Using GPS, Using VHF & VHF/DSC Marine Radio and On Board Weather Forecasting. Four more seminars — PaddleSmart; Anchoring; Knots, Bends & Hitches; and Basic Marine Radar will be released soon. Future seminars include Heavy Weather Sailing, Marine Compasses, Emergencies on Board, Hurricane Preparation, Second in Command, Diesel Engine Care and Repair, Marine Maintenance Series, Trailering, Using Chartplotters, and Digital Charts.

V/C Kyle expressed the need for a coordinated recruiting strategy targeting experienced boaters among the Educational Department, the Marketing and Public Relations Committee and the Membership Committee.

The national educational officer indicated that the current inventory of the Squadron Boating Course should be depleted in late spring 2008. At that time, the 2008 Squadron Boating Course will replace the current version and will include both a short and long version.

V/C Kyle reported that America's Boating Course has been approved by the National Association of State Boating Law Administrators through 2008. He said that the course and CD-ROM will need to be updated to maintain NASBLA approval.

The national educational officer reported that three seminars will be offered to members and the public during the Norfolk Governing Board. These are Charts, GPS, and VHF/DSC.

The Educational Department will present "Educating the Experienced Boater" during the 2008 International Boating and Water Safety Summit.

Report of the National Administrative Officer

V/C Frank A. Dvorak, SN, reported that there are 26 squadron auxiliaries with 962 members.

V/C Dvorak reported that the Leadership Development Committee would present the newest leadership seminar, “The True Essence of Leadership,” during the Norfolk Governing Board. Copies of this seminar and “Ten Ways to get the Best out of Your Squadron” are available from the committee.

The Member Benefits Committee is developing a program in conjunction with the Secretary’s Department to provide a 20 percent Ship’s Store discount coupon for nonrenewals who reinstate their membership. The committee reported signing agreements with Kittery Trading Post, Rigid Inflatable Boats and Moving Boxes Inc., to provide member discounts. An agreement has been renewed with *Soundings* magazine that allows members to purchase the magazine at a discount.

The Membership Committee is working with the Planning Committee to implement the Corporate Membership category.

The Membership Committee reported that the United States Coast Guard Auxiliary sent a letter on behalf of USPS to auxiliarists who chose not to continue their membership due to a security check requirement. These individuals can visit www.usps.org/php/membership/uscgaux.php to sign up and receive squadron contact information. They reported receiving approximately 20 inquiries to date.

The Membership Committee will provide membership information for inclusion in the 2008 Squadron Boating Course.

The Squadron Activities Committee reported that frequently asked questions on amateur radio, cruises and rendezvous, port captain’s, Speaker’s Bureau and educational cruises can be found on the committee’s website <http://www.usps.org/national/boatact>.

V/C Dvorak reported a Century Fund balance of \$1,125,000 as of 31 July 2007.

Report of the National Secretary

V/C Robert A. Baldrige, SN, reported that the Finance Committee had recommended purchasing a certificate of deposit at First Trade Union Bank and State Farm Bank. The OCom ADOPTED a motion to sign a corporate resolution to authorize purchasing a certificate of deposit at First Trade Union Bank and State Farm Bank. The signers are Mary Catherine Berube and Yvonne Hill (2007-OC-49).

V/C Baldrige reported an 81 percent renewal rate for the 25 percent of members who were billed under traditional billing and an 84 percent renewal rate for the 75 percent of members who were billed under headquarters anniversary billing. Nineteen percent of those who renewed through headquarters anniversary billing paid with a credit card. As of 31 July 2007, headquarters had electronically deposited \$739,256.42 to districts, squadrons and the Educational Fund. Members contributed \$51,149 to the Century Fund during the most recent dues renewal period.

V/C Baldrige reported that renewal numbers indicate that family unit dues did not adversely affect renewals. The family unit renewal rate was 84.37 percent, and the rate for single members was 83.7 percent.

The national secretary reported that all national committees, districts and squadrons can submit merit marks electronically beginning this year. He reported that all squadrons can enter new member data online at www.usps.org/php/membership/memberprocess.php.

V/C Baldrige reported that a "What's New?" link was added to the USPS website. The link contains a drop-down list of new and updated items. A Squadron Officer's Guide, where squadron officers can find information and forms, is available at

www.usps.org/x/x.pl/x/x.cgi?natsec/officers.html.

The Ensign staff reported that the fourth edition of the Compass was sent to 19,803 members. Members and nonmembers who do not receive Compass can sign up at *www.usps.org/newpublic2/compass.html.*

V/C Baldrige reported that Tom Kemp joined the headquarters staff as manager of headquarters marketing and development services. Mr. Kemp's focus for the first 18 months is member sales, including the Ship's Store and educational products, membership recruitment and retention; and development, which includes targeting contributions to the general, Century and Educational funds.

The Ensign Committee reported receiving a record number of entries in its online photo contest. The national secretary reported that judging would take place during the Norfolk Governing Board Expo and the winners would be announced during the Norfolk Governing Board Meeting.

The Information Technology Committee released a new version of DB2000 that is Vista compliant, compatible with electronic merit marks and contains an electronic historian's form.

The Ship's Store Committee reported that committee members would present a VIP seminar promoting the Ship's Store during the Norfolk Governing Board.

The Historian's Committee reported that district and squadron history reports can be submitted online at <http://www.usps.org/national/historian/>. The committee will post squadron burgees and heraldry on its website as well.

Report of the National Treasurer

V/C Mesenburg stated that even though dues and fees revenue continue in a declining trend – from \$1,410,835 in 2002, to \$1,219,634 in 2006, as of 31 July 2007, operating revenues exceed operating expenses. The primary reason for the positive revenues over expenses is derived from the expense side of the budget. Total operating expenses as of 31 July were \$1,079,440 versus \$1,244,256 for the same time period last year.

The national treasurer reported that some expenses had occurred since the 2008 proposed budget was mailed to Governing Board members in July 2007. He noted that it was necessary to amend the proposed budget to fund these expenses. The OCom ADOPTED a motion amending the 2008 budget mailed to the Governing Board members to increase other revenue by \$28,000, to increase the headquarters payroll/contract work line item from \$698,500 to \$708,500, and to increase the building and grounds maintenance line item from \$27,000 to \$45,000. (2007-OC-50)

Report of the Finance Committee

R/C Michael J. Horowitz, JN, reported that the total investments under the management of the Finance Committee totaled \$3,122,638.43 as of 31 July 2007. These investments are divided into three major portfolios.

R/C Horowitz reported that as of 31 July 2007 the USPS investment portfolio totaled \$1,009,343.94; mutual fund holdings totaled \$727,682.57; certificate of deposit holdings totaled \$205,832.18; money markets totaled \$55,829.19; and the Funk Estate totaled \$20,000. He reported that the total return on these investments as of 31 July 2007 was \$44,686.22, or 6.54 percent.

R/C Horowitz reported that the Endowment Fund totaled \$1,096,683.29 as of 31 July 2007. The fund's asset allocation was invested in three mutual funds totaling \$282,790.67,

\$779,000 in eight certificates of deposit and \$34,892.61 in a money market fund. The total investment return as of 31 July 2007 was \$15,350.95, or 5.74 percent.

District and squadron funds totaled \$1,016,611.20 as of 31 July 2007. These funds are invested in 10 certificates of deposit, totaling \$975,017.97, with staggered maturity dates, and money market funds in the amount of \$41,593.23. The average interest rate was 5.30 percent.

R/C Horowitz reported on the financial alarm test. At the end of FY2006, assets determining the alarm test totaled \$2,619,821, which was \$380,179 below the \$3 million control limit. As of 31 July 2007 these assets totaled \$2,810,389, which was \$189,611 below the control limit.

He reported that the Finance Committee approved the Operating Committee's request to spend up to \$400 to investigate trademark registration to use the name "Compass" for the USPS e-newsletter.

Report of the Committee on Rules

R/C Allan W. Lakin, SN, reported that the Committee on Rules will seek Governing Board approval for a request from Cedar Rapids Power Squadron to change its name to Four Rivers Sail & Power Squadron.

The committee continues to work on OCom requests to add two membership categories including a national educational membership, which was recommended by the Educational Department, and a form of individual membership for employees and corporate members.

Report of the National Law Officer

R/C Noel K. McKeown, SN, reported that the Law Committee reviewed a contract for printing *The Ensign*, a memorandum of understanding with *Soundings* magazine, and a proposal to participate in an online magazine *Power Savvy*. The committee is also working with the

Marketing and Public Relations Committee to approve production of road signs containing the USPS logo.

R/C McKeown reported that LawCom reviewed USPS insurance coverage required to implement the USPS University Program and on-the-water boating skills certification.

LawCom also reviewed a grant application that resulted in the award of a \$195,000 grant from the USCG to fund Phase III of the Watersmart from the Start Program.

Report of the Planning Committee

R/C William M. Bellinger, SN, requested districts to participate in the regional Leadership Development workshops.

R/C Bellinger reported that the Planning Committee studied finances, recruiting and retention. He said that the committee's recommendations support the goal of the USPS Strategic Plan. He stated that the committee would further study the need to seek outside revenue sources to achieve financial stability. The committee will also study how the market and member benefits affect member recruitment and retention.

R/C Bellinger reported that the Planning Committee is working on several new projects including an organizational business model for 25,000 members, earned-income related to the USPS mission, and the value of membership.

Report of the Committee on Nominations

R/C Anthony J. Aquilato, SN, reported that the Committee on Nominations will complete the slate of 2008 officers soon. He noted that he would recommend several new staff commander appointments to the Governing Board due to vacancies.

Report of the Marketing and Public Relations Committee

R/C Robert A. Green, N, introduced Bill Prince, publisher of the online magazine *Classic Yacht*. Mr. Prince discussed a proposal to create an online magazine, *Power Savvy*, that will be offered to USPS and Canadian Power & Sail Squadron members as well as to boating course students. The magazine would be published by Mr. Prince, with USPS and CPS contributing content.

R/C Green reported that Douglas White, senior vice president, Mindcomet, was scheduled to give a presentation to OCom and the Governing Board but canceled due to flight problems. R/C Green explained that Mindcomet is one of the premiere marketing companies in the nation specializing in techniques for selling to different generations. He said that nine USPS members met with Mindcomet in August 2007 and that Mr. White had planned to discuss the challenges discussed at that meeting. R/C Green stated that Mr. White would meet with OCom at a later date, and he would give a presentation during the 2008 Annual Meeting in Dallas.

R/C Green proposed a new contest for 30-second and 1-minute radio public service announcements. The best of these PSAs would be available for download from the Marketing and Public Relations Committee's website.

R/C Green reported that the *What's In It For You?* brochure is being revised and will be incorporated into the 2008 Boating Course manual. The committee is developing a new brochure *USPS: Who We Are*.

R/C Green reported that a 10-minute Norfolk Governing Board promotional video featuring C/C Marshburn and R/C Bob Sweet, which was produced by Cdr. Bill Smith, AP, Austin/21, was shown on YouTube. He said that video segments highlighting USPS recruiting brochures, squadrons teaching boating courses, and the history of squadrons could also be shown on YouTube or similar websites through links from the USPS website.

R/C Green noted that public boating class enrollment had dropped significantly due to the increase in basic boating courses offered by party boat captains and other entrepreneurs in central New Jersey. He suggested that USPS offer an elective course, such as Engine Maintenance, to the boating public. It was noted that advanced grade and elective courses are offered only to members. The OCom discussed requesting that the Governing Board approve a waiver to teach advanced grade and elective courses to the Governing Board.

R/C Green reported that the Marketing and Public Relations Committee is working on a highway and waterway sign, similar to those used by Rotary, Kiwanis and other civic service organizations. He noted that squadrons will be able to purchase these signs once the license agreement is signed with the manufacturer.

Report of the Past Chief Commander

P/C/C G. Leslie Johnson, SN, reported that he represented USPS at the National Boating Safety Advisory Council meeting earlier this year. He reported that he and R/C William E. Husted, SN, chairman, Government and Partner Relations Committee, represented USPS at a Homeland Security meeting sponsored by the USCG.

C/C Marshburn adjourned the meeting at 1530.

V/C Robert A. Baldrige, SN
National Secretary

Action Items
Operating Committee
5-8 Sept. 2007

1. A motion recommending that the Governing Board approve holding Governing Board meetings on 29 Aug.- 4 Sept. 2010, Hyatt Hotel, Bellevue, Wash., at \$139/night plus tax, and on 11-17 Sept. 2011, Sheraton Four Seasons Hotel, Greensboro, N.C., at \$145/night, plus tax. (2007-OC-43)
2. A motion approving the minutes of the 14 April and 8-9 June 2007 OCom meetings. (2007-OC-44)
3. A motion to accept a \$68,425 bid from Baker Roofing to repair the USPS headquarters building roof. (2007-OC-45)
4. A motion to finance the headquarters building roof repairs with a loan from Wachovia, no prepayment penalty, for five years at a fixed rate of 7.56 percent. (2007-OC-46)
5. A motion to increase the 2007 headquarters' budget salary line item by \$10,000 to upgrade a vacant accounting position, contingent on obtaining a satisfactory replacement. (2007-OC-47)
6. A motion authorizing obtaining bids and negotiating contracts to fulfill the conditions of the USCG Office of Boating Safety Watersmart from the Start Grant in the amount of \$170,000 in direct costs and \$25,000 in indirect costs in accordance with USPS procedures for obtaining bids. All contracts are subject to final approval of USCG Office of Boating Safety based upon those figures shown in the revised budget estimates and USPS LawCom approval of the final contract. (2007-OC-48)

7. A motion to sign a corporate resolution to authorize purchasing a certificate of deposit at First Trade Union Bank and State Farm Bank. (2007-OC-49)

8. A motion amending the 2008 budget mailed to the Governing Board members to increase other revenue by \$28,000, to increase the headquarters payroll/contract work line item from \$698,500 to \$708,500, and to increase the building and grounds maintenance line item from \$27,000 to \$45,000. (2007-OC-50)