USPS Board of Directors
Orlando, Fla.
16 and 17 February 2016

16 February 2016
Called to order at 0830

Attendees:

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

Guests present:

R/C Craig Fraser, SN
R/C Mary Paige Abbott, SN
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 appoint Susan Albertson as chairman, Ships Store Committee, to fill the vacancy until the 2016 Annual Meeting left by the passing of current Rear Commander John Belkengren.

2) To ask the Governing Board to create a Membership Services Committee.

3) To approve a contract with R&M Agency to cover expenses for attending and presenting during the 2016 Annual Meeting. Funding will come from the Friends of Marketing Fund.
4) To add a fourth staff commander to the National Meetings Committee.

**Action items approved:**

**Motions:**
1) To approve two staff commanders on the Membership Services Committee.

2) To spend up to $1,700 from OMC Grant funds to cover the cost of 20,000 Member Benefits brochures.

3) To offer the Practical On-the-Water Training course free of charge to members and to seek grant funding to offset expenses as soon as feasible.

4) To dissolve Illiana Power Squadron/20.

5) To charge a $35 registration fee per attendee for the Pittsburgh Governing Board Meeting.

6) To approve a licensing agreement with McGriff, Seibels and Williams that includes a hold harmless agreement. All literature and materials will include the statement, “The United States Power Squadrons Insurance Program. A service to members administered and marketed by McGriff, Seibels and Williams, Inc.”

**Discussions:**

1) Tammy Brown updated the Board on the Brand Assessment study with R+M Agency. She reported that the current contract consists of three phases. Phase 1 is a Market Analysis to determine who matters to USPS’ success; what USPS and others communicate; a SWOT analysis, and marketing research. Phase 2 determines Brand Definition. Phase 3 determines Brand Direction. The study also examined the needs of new and existing members, including how potential members perceive USPS and what motivates existing members to renew. Research showed that the average member age is 64 and is predominately Caucasian male. Many squadrons are struggling with renewals, low volunteer participation, have trouble attracting new members, and low course participation. Research also determined that the core boating population segment, the outdoor enthusiast, is the group most attainable today as potential members. Boaters account for 8.2 million of this population segment. Their
volunteer motivations include environmental issues, conservation of resources, and creating a better world for future generations. Feeling more confident on the water is their primary reason for acquiring boating education. Brown explained that the team is currently completing the Brand Direction phase to determine targeted messaging, key points, desired tone and voice, and copy points. The desired outcome of the Brand Assessment study is to lower the average member age, create diversity, increase renewals, engage volunteer members, grow membership, provide offerings that energize membership, and develop squadrons that deliver brand equity back to the national brand.

2) Brown reported that she is working on incentives for a $25,000 Corporate Member level. She reported that BoatUS Foundation, McGriff, Seibels and Williams, and Brunswick renewed their corporate memberships in 2016.

3) V/C Bob Miller, SN, reported that audited actuals for 2015 show an operating loss of $49,000, approximately 2.5 percent of the total budget. Total net operating income was $82,000 less than the budgeted amount, and expenses were $33,000 under budget.

4) V/C Miller reported that the Budget Committee had started working on the 2017 Budget with the goal of presenting a preliminary draft to the Board during its April 2016 meeting.

5) V/C Peter W. Mitchelson, SN, reported that contact information for all members holding a national, district or squadron job is being updated on a regular basis in the iContact email marketing system. Recently, merit mark information, the November 2015 Board minutes, and new Educational Fund procedures were distributed via iContact. 67 percent of the recipients opened the merit mark mailing, 60 percent opened the Board minutes, and 51 percent opened the Educational Fund mailing.

6) V/C Mitchelson reported that the National Directory of Officers would be published in pdf format as a cost saving measure. The Directory can be downloaded at www.usps.org/php/directory/Booklet.php.

7) V/C Mitchelson reported on an enhanced voter registration system being implemented during the 2016 Annual Meeting. In the future, squadron commanders will be able to submit their delegate/alternate voter information electronically. The system will provide accurate counts and records to ensure that a quorum is reached at national meetings.
8) V/C Mitchelson reported on an increasing number of former members joining the Internet Squadron instead of reinstating their membership, which results in members being assigned a new certificate number. He noted that occasionally current members sign up as an Internet member while trying to pay their dues online. He stated that instructions on how to reinstate members and pay dues online were added to the Become a Member website.

9) V/C Mitchelson reported that members from dissolving squadrons are now being transferred to the Internet Squadron instead of to Unattached status.

10) V/C Mitchelson stated that squadrons need help in processing and submitting new members, transfers and reinstatements. He reported that he would ask the Governing Board to create the Membership Services Committee to be assigned to the Secretary’s Department. This committee would also assist with contacting Internet and Unattached members, monitor address unknown records, monitor the status of emeritus and life members, assist members transferring from dissolved squadrons, assist with OD/1 and OD/2 forms, and manage the USPS Website help desk and FAQ section.

11) The Communications Committee reported that 18 advisors reviewed 1,607 newsletters in 2015. 225 districts and squadrons were awarded the 2015 Distinctive Communicator Award. As of February 2016, 19 districts and 156 squadrons published their newsletters online. The committee noted that 45 squadrons had nonconforming websites.

12) V/C Mitchelson reported that the Information Technology Committee is working with Stf/C Paul Mermelstein, SN, assistant chairman, Marketing Committee, on developing a template for squadron websites.

13) V/C Mitchelson reported that Ship’s Store sales from 1 Dec. 2015 through 31 Jan. 2016 totaled $14,566, with a gross profit of 36 percent. He reported that the Ship’s Store Committee would introduce new credit card processing procedures during the 2016 Annual Meeting. The new system will allow more than one person to process credit cards via an EMV compliant system.

14) V/C Gary P. Cheney, SN, reported that squadrons can follow-up on the status of cyber members at www.usps.org/php/DHinders/membership/clStats.php
15) V/C Cheney reported that headquarters is no longer mailing new member and reinstatement lists to squadrons. This information can be found at http://www.usps.org/dues/reports.

16) V/C Cheney reported that membership dropped 7.8 percent compared to 4 to 5 percent for the past few years.

17) V/C Cheney reported that he is working with District 26 to develop the Dreher Shoals Provisional Squadron.

18) The Leadership Development Committee reported teaching 213 students in six locations in 2015.

19) The Member Benefits Committee reported that brochures and other tools to promote member benefits can be found at www.usps.org/index.php/departments/14000/14900/tools.

20) V/C Bob Brandenstein, SN, discussed United States Coast Guard licensing issues pertaining to the Practical On-the-Water Training Program. He proposed offering POTW to members at no charge. Items such as location and equipment fees would be supplemented from the Practical On-the-Water Training Grant.

21) V/C Brandenstein reported that 2015 FY educational sales totaled $598,412 or 7 percent less than 2014. He noted that reductions in cost of goods sold and expenses resulted in a net margin of $343,467 compared to $346,478 in 2014.

22) V/C Brandenstein reported that online educational course sales and BSVT sales totaled $69,260 or 12 percent of 2015 total sales. He noted that Interactive On-Line course sales are low but growing. Six seminars are currently in production with Using GPS and AIS (Automatic Identification System) to follow soon.

23) V/C Brandenstein reported that the Boating Skills Virtual Trainer units are being incorporated into events with national partners such as Tall Ships America, NASBLA, NMMA, Discover Boating, and Trawler Fest, as well as local boat shows and squadron and district events. USPS was awarded the NASBLA 2015 Innovations Award for the Boating Skills Virtual Trainer. In 2015, 2,687 students submitted data on the quality of the simulator to help build confidence and attest to a realistic boating experience, with strong responses to both questions (on a scale of 1 to 5 - confidence building – 4.2 and realistic experience –
4.3). It was noted that user and student feedback is part of the program development and is reported in quarterly grant updates to the USCG.

24) V/C Brandenstein reported that the Educational Department is making progress on evaluating E-books for use as a supplement, alternate, and or replacement to hard copy student and seminar manuals. He noted that the goal is to include the SEO and squadrons in the student E-Book purchasing process.

25) V/C Brandenstein reported that a goal of the Program Partner Relations Committee is to hold at least 100 USPS classes at Brunswick facilities in 2016. The committee is working with districts and squadrons to participate in all Discover Boating boat shows in 2016. The committee is also working with Tall Ships America on its Adopt-a-Ship program.

26) V/C Louie Ojeda, SN, reported that he would assign a resolution from District 13 to the national treasurer regarding charging dues for spouses of deceased life members at the additional active member rate.

27) V/C Ojeda discussed charging a registration fee for national meeting attendees. He noted that a national meeting costs USPS approximately $30,000 to $40,000. Attendees would not be required to pay a registration fee to only attend the Governing Board Meeting held on Saturday.

28) V/C Ojeda discussed potential meeting sites for 2018 and 2019 Governing Board meetings including Minneapolis, Atlanta, Boston or Chicago.

29) R/C Craig Fraser, SN, reported that 20 states are accepting ABC online exams.

30) R/C Mary Paige Abbott, SN, reporting receiving a proposal to sell USPS rings. She will follow-up and report back to the BOD.

31) C/C Baldridge asked Mary Catherine Berube and Tammy Brown to work with the Member Benefits Committee to develop a best practices policy for sponsors, vendors and partners that would include an opt-out feature for electronic and direct mailings.

32) C/C Baldridge discussed two proposals from R+M Agency. The first proposal would evaluate and define USPS’ offerings. The second proposal would define how to
communicate those offerings. The final decision will be made after evaluating the results of the current phase and the availability of the in house staff and volunteers to contribute.

33) C/C Baldridge thanked the Board members for their hard work and dedication to USPS during his tenure as Chief.

Adjourned 1620.
17 February 2016

Called to order at 0830

BOD Advisors Meeting

Attendees:
C/C Robert A. Baldridge, 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

Guests present:
P/C/C L.M. Barnes III, SN
P/C/C Les Johnson, SN
P/C/C Lance Jensen, SN
P/C/C Theodore H. Smith, SN
P/C/C Ernie Marshburn, SN
P/C/C Creighton Maynard, SN
P/C/C Frank A. Dvorak, SN
R/C David L. Allen Jr., SN
R/C Robert A. Keller, SN
R/C Kay Simkins, AP
R/C Ben Coons, JN
R/C Mary Paige Abbott, SN
R/C Craig Fraser, SN
Stf/C Bill Johnson, SN
D/C Ann Peltier, SN
Mary Catherine Berube
Tammy Brown
Joe Gatfield, JN, chief commander, Canadian Power and Sail Squadrons
Chris Edmonston, president, BoatUS Foundation
1) C/C Joe Gatfield, JN, reported that CPS is no longer offering free membership to individuals purchasing introductory CPS courses including the Pleasure Craft Operator Card Course. He stated that free memberships had not proven successful. CPS is now offering membership for $35 to students purchasing an introductory course. He reported that their current membership is approximately 20,000. He noted that emphasis is being placed on contacting nonrenewals and restructuring their educational offerings. He reported that the CPS Board of Directors met with a strategic planning consultant on membership, education and marketing and branding issues. C/C Gatfield reported that CPS had purchased three Boating Safety Virtual Trainer units.

2) Chris Edmonston reported that BoatUS is now owned by GEICO, and that he is looking for ways to coordinate efforts between local GEICO offices and squadrons. He discussed the online course partnership between USPS and BoatUS Foundation. He indicated that focus is being placed on market research in an effort to increase sales and to appeal to a younger audience. Mr. Edmonston reported that BoatUS membership was approximately 550,000 with an average age of 54. He recommended that USPS link to the Recreational Boating and Fishing Foundation Take Me Fishing and Discover Boating websites to provide content on USPS offerings.

3) D/C Ann Peltier, SN, reported on current topics being discussed by district commanders. Some districts are considering holding joint district conferences and social and educational events. There was discussion on redistricting, reassigning squadrons to districts closer to their geographical area, the number of district conferences necessary, national meeting dates interfering with district conferences and squadron change of watch dates, pros and cons of chief’s representatives participating in a district conference via Webinar, and the need for marketing direction and better communications between national and districts.

4) R/C Robert Keller, SN, thanked the Information Technology Committee for their assistance in updating the Committee on Rules Website.

5) R/C Keller reported that the Committee on Rules approved bylaws for 11 districts, 26 squadrons and one provisional squadron in 2015.

6) R/C Keller reported that he would propose five amendments to the USPS Bylaws during the 2016 Annual Meeting.
7) R/C Kay Simkins, AP, reported that the Planning Committee is working on an in-depth state of USPS report with the goal of becoming more efficient at all levels. She encouraged publishing articles in The Ensign to promote memorandums of understanding.

8) R/C Ben Coons, JN, reported that the 2015 Audit showed a loss of $49,000. He stated that in his opinion it would be necessary to cut overhead expenses at headquarters.

9) R/C Coons reported that the Finance Committee oversees the investments managed by Riazzi Asset Management. He reported that as of 30 Nov. 2015 the balance in the Endowment Fund was $1,760,750. In 2015, $45,000 was paid from Endowment Fund earnings for special projects approved by the Board of Directors. As of 30 Nov. 2015 the balance in the UPS Investment Fund was $791,607.

10) R/C Coons reported that he would ask the Governing Board to approve Williams, Overman and Pierce as the auditing firm for 2016.

11) R/C David Allen, SN, reported that the Law Committee is researching the requirements to form a trust or charitable trust to support or replace the Endowment Fund.

12) R/C Allen noted that LawCom is receiving fewer questions on insurance issues due to communicating more closely with districts and squadrons.

13) R/C Allen reported that LawCom assisted in reviewing national meeting, departmental and grant contracts, managed legal action against the USPS Website developer for non-performance of the contract, and assisted ITCom on a request for quotation.

Adjourned 1459.