USPS Board of Directors  
Raleigh, N.C.  
8 and 9 April 2011

Called to order at 0830

Attendees:
C/C Frank Dvorak, SN
V/C John T. Alter, SN
V/C Robert J. Sweet, SN
V/C Robert A. Baldridge, SN
V/C Jean L. Hamilton, SN
V/C Richard M. Peoples, SN
P/C/C Creighton C. Maynard Jr., SN

Guests present:
Mary Catherine Berube
Tom Kemp
Ray Tsuneyoshi
SueLee Waller

Action items approved:

Ratification of electronic votes:

Upon motion to ratify the electronic votes shown below made on 8 April 2011, which were thereafter seconded, discussed and voted upon by the Board of Directors, United States Power Squadrons, were approved and ratified.

1) Sarasota Power Squadron Bequest

Whereas, the Sarasota Power Squadron Educational Fund (the “Fund”) has been advised of a bequest of $184,000 from the Estate of Dorothy M. Schultz, which pursuant to section four of the Trust Agreement creating the Fund requires the prior approval of the United States Power Squadrons Operating Committee; and

Whereas, upon recommendation of its Operating Committee and by action of its Governing Board the duties and responsibilities of the United States Power Squadrons Operating Committee have now been assumed by this Board of Directors; and

Whereas, upon due consideration, it is the intention of the Board to approve the receipt of the bequest;

Now therefore it is hereby resolved:
That the Board of Directors of the United States Power Squadrons approves the receipt by the Sarasota Power Squadron Educational Fund of the bequest from the Estate of Dorothy M. Schultz in the sum of $184,000.

That the Fund is advised of the need to evaluate the consequences of this bequest upon its management and tax obligations as a charitable entity and is encouraged to obtain appropriate professional advice to avoid adverse consequences.

That this Board expresses its gratitude to the Estate of Dorothy M. Schultz and the Fund for the support of boating education and safety.

2) The Board of Directors agreed to authorize payment of an 18 March 2011 invoice submitted to headquarters by USPS Defense Counsel to Chubb Group.

   Rationale: The transmittal letter explains the USPS policy deductible and that the billing is in compliance with Chubb's guidelines. Considering the experience of the firm and the defense attorney, the hourly billing is more than reasonable. The line items for work performed are in line with that which would be expected by a defense firm. The billing is an expense of doing business previously authorized by the BOD.

Motions:

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

1) To create and monitor social media resources including Facebook, Twitter, Linked-In and YouTube.

2) To endorse the National Boating Safety Advisory Resolution regarding mandatory life jacket wear for certain boats and that USPS actively promote mandatory life jacket wear through surveys, engaging with the public, and lobbying Congress.

3) To support the USCG Strategic Plan to strengthen boating education laws and ease the burden on boaters moving from state to state.

4) The BOD recognized the need for members to have first aid and CPR training and endorsed programs that use either AHA or Red Cross certified instructors. It is noted that first aid, AED and CPR first-aid certifications are required for boat operator certification instructors and coastal navigation certificate holders.

5) To create a USPS Advisory Board.

6) To obsolete the following educational inventory items with an approximate value of $6,100:

<table>
<thead>
<tr>
<th>Inventory #</th>
<th>Description</th>
<th># of units</th>
</tr>
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When an existing single active adds a family unit member, there is no immediate national dues charge for the member changing from the dues category “individual member” to “individual with family.” Rather, at the next billing cycle, the member will be invoiced at the new rate.

To limit the time to offer a trial membership to 30 days from the ABC3 class date. Effective 1 May 2011, squadrons have 30 days to submit ABC3 trial members to receive a 6 months free membership. Squadrons that complete classes prior to 1 May have until 30 May 2011 to submit ABC3 classroom students for trial memberships.

To hire a registered investment advisor to manage USPS investments.

**Discussions:**

1) Mary Catherine Berube reported that Tracy Grimmett was hired as the headquarters accounting clerk effective 21 March 2011.

2) Berube reported receiving a request from the National Safe Boating Council for the mailing addresses of district educational officers to mail copies of a boater awareness DVD “Almost a Perfect Day.” The Board of Directors approved the request based upon the conditions that the NSBC will provide a statement that the mailing list will be used for the stated purpose only, and they will subsequently destroy the list.

3) Berube provided copies of the 2009 Form 990 for the year ending 30 Nov. 2010 for review by the Board of Directors prior to submitting to the Internal Revenue Service.

4) Berube reported that she and Ray Tsuneyoshi attended a board meeting of the National Association of State Boating Law Administrators on 1 March 2011. The main topic of the meeting was organizational governance.
5) SueLee Waller, outreach coordinator, reported that USPS submitted five grant proposals to the USPS Coast Guard in 2011: 1) Reducing Recreational Boating Accidents through Advanced Risk Analysis, a two-year proposal for $143,878; 2) Practical On-the-Water Training Rollout 2012, a three-year proposal for $700,394; 3) USPS Template for On-the-Water Training, a one-year proposal for $67,746; 4) Develop, Design, Produce, and Distribute a Safety Equipment Checklist, a one-year proposal for $94,671, and 5) United States Power Squadrons Partnering for Safe Boating, a one-year proposal for $128,586.

6) Waller reported receiving a fast track grant for $18,370 from the USCG to supplement the Reducing Recreational Boating through Advanced Risk Analysis grant proposal. The funds will be used to procure equipment and software for data collection.

7) Waller reported that USPS will request two fast track grants from the USCG. The first is a request for funds to supplement the Fire and Emergency Training Grant to cover freight costs after the current grant expires. The second is a request for funding to produce YouTube presentations promoting Maritime Mobile Service Identity registrations.

8) Waller reported that USPS has a membership in FoundationSearch America. This organization provides access to funding sources for corporate and non-profit organizations. She noted that the focus is to align USPS strategies and objectives with grantors’ strategies and objectives.

9) Tom Kemp presented a sample life jacket questionnaire for BOD review.

10) Kemp discussed updating and converting the America’s Boating Course 3rd Edition flier to a return postage-paid mailing piece. He reported a significant number of these fliers are returned to headquarters, and he believes that the rate of return will be higher if the postage is pre-paid.

11) Kemp discussed a potential new member benefit to offer members a UMB Affinity credit card. USPS would receive $50 for every credit card issued. Kemp will contact UMB for additional information, which he will report back to the BOD.

12) Tom Kemp reported that Ship’s Store year-to-date sales were $29,324, compared to $23,892 for the same time period one year ago. Gross margins have increased from 33.5 percent to 39.3 percent for the same time period. Total Ship’s Store inventory on hand was $77,900.

13) Kemp updated the BOD on the Brazil project. He received a quote for an hourly rate to translate ABC3 into Portuguese. The project will be funded by Brazilian authorities, and the materials will be drop-shipped from the printer to Brazil. Kemp will contact the national law officer to develop a contract.

14) Kemp reported that requests for the three BullEx Fire Extinguisher systems are increasing. Shipping costs are covered by the grant.
15) Ray Tsuneyoshi, national program director, reported on his attendance at the National Boating Safety Advisory Council Meeting in April 2011. He reported that the council voted on life jacket wear and recommended that the USCG establish mandatory life jacket wear for open boats less than 18 feet including sail, motor and human powered craft. The next step is to explore whether certain types of boats should be exempted, such as those participating in supervised or sanctioned competitions.

16) Tsuneyoshi distributed a Department of Homeland Security publication, “Small Vessel Security Implementation Plan Report to the Public.” The plan outlines ongoing and contemplated federal efforts to improve management of small vessel security risks. He noted that the America’s Waterways Watch Program received additional funding for training and outreach designed to make America’s boaters a part of the defense against terrorism.

17) Tsuneyoshi distributed a report from the Sport Fishing and Boating Partnership Council, “Boating Access Provisions of the Sportfishing Restoration Program, 1984 - 2009.” This report covers the improvements in boat launch ramps, parking, and transient docks during the past 19 years. The report also shows a need to develop a website where boaters can locate boating facilities.

18) Tsuneyoshi distributed a report from the U.S. Fish and Wildlife Service “Casting Beyond the Bow: An Examination of Anglers Fishing from Boats,” which is an addendum to the “2006 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation.” Statistics show that from 2006 through 2009, more than 29 million people reported fishing and that 17 million were on boats. USCG life jacket survey statistics indicate that approximately 40 percent of observed boaters were either engaged in fishing or displayed fishing gear aboard.

19) C/C Frank A. Dvorak, SN, discussed a presentation from members of Sanibel-Captiva Sail & Power Squadron during the 2011 Annual Meeting. The squadron developed a program titled “SERAT,” where members assist local emergency responders. The BOD encouraged other squadrons to participate in these types of activities where available. Squadrons may contact Stf/C Jim Strothers, SN, at chngsnattitudes@aol.com for additional information.

20) The BOD discussed the New Jersey requirement that USPS instructors must be recertified every three years. C/C Dvorak will write a letter to the NJ Superintendent of the State Police and the attorney general to reconsider the requirement.

21) C/C Dvorak reported that the BOD will begin working on a USPS Strategic Plan at its June 2011 meeting.

22) V/C John T. Alter, SN, reported that he attended the Small Boat Vessel Security Meeting. He reported that several topics were discussed including how operators of small boats can assist when there is a threat to security and how small boats pose a threat to security. V/C Alter stated that United States Coast Guard representatives recognized USPS as one of the key players in boating security issues.

23) V/C Alter reported that the following squadrons are in the process of dissolving: Rowayton/2, Sue Island/5 and Pequossette/12.
24) V/C Robert J. Sweet, SN, discussed Educational Department representatives attending district conferences to provide support on educational issues.

25) V/C Sweet reported that five dealers had signed up for the Brunswick initiative.

26) V/C Sweet reported that the Educational Department is working on a new memorandum of understanding with the American Canoe Association where they could participate in vessel safety checks and USPS educational programs.

27) V/C Sweet reported that Sea Tow has shown an interest in the USPS Cooperative Charting and educational programs.

28) V/C Sweet reported that he and Tom Kemp would schedule a follow-up meeting with America Boat Yachting Council representatives to discuss ABYC teaching USPS courses at its colleges.

29) V/C Sweet reported that USPS representatives will attend Trawler Fest in Anacortes, Wash., in May 2011. PassageMaker, the sponsor of Trawler Fest, is purchasing boat operator certification kits to resell at Trawler Fest events.

30) V/C Sweet reported that USPS is a member of the Alliance for Safe Navigation, which focuses on using current charts.

31) V/C Sweet reported that member and public retail pricing structures for educational course materials will be implemented. Materials will be available for purchase on the Ship’s Store website.

32) V/C Sweet reported that the Educational Department is working on rules that would allow a squadron to request a waiver for teaching a non-USPS boating course.

33) V/C Sweet reported that he is working with McGraw-Hill to create e-books for some USPS materials.

34) V/C Sweet reported that the agreement with the University of West Florida to provide online courses was renewed.

35) V/C Sweet reported that the Educational Department is working with the IT and Membership committees to integrate the HQ800 and membership systems.

36) V/C Robert A. Baldridge, SN, reported that as of 31 March 2011 there were 667 fewer members than one year ago. This year over year drop was a 73 percent improvement over the year over year drop reported 31 March 2010.

37) V/C Baldridge reported that 1,524 members had joined by taking America’s Boating Course either online or through classroom instruction. Of that number, 748 joined by accepting the
classroom trial membership which began on 1 Dec. 2011. Seventy-seven of the online ABC3 trial members have transferred to a squadron.

38) V/C Baldridge recommended assigning “E” certificate numbers to apprentices for consistency, and the BOD concurred.

39) The Membership Committee reported that the Very Important Member pins were distributed to squadron commanders in March 2011.

40) The Membership Committee is updating membership forms, which can be submitted electronically.

41) V/C Jean Hamilton, SN, reported that automating online order entry is the Information Technology Committee’s next priority project after completing the HQ800 and membership systems.

42) V/C Hamilton reported that the new BCA700 program solves compatibility issues with many versions of Windows. Users should retain the old version of BCA to use prior BCA database files.

43) V/C Hamilton reported that she would respond to a member who is concerned about security and privacy issues on SailAngle.com.

44) V/C Hamilton reported that the Communications Committee is working with committee advisors to offer assistance to squadron editors and webmasters on meeting squadron newsletter and website award criteria.

45) V/C Hamilton reported that the Operations Manual Committee will maintain and update the BOD Reference Guide.

46) V/C Peoples reported that he, R/C Tom Ellis, SN, P/V/C Joe Mesenburg, SN, and Mary Catherine Berube will interview prospective registered investment advisors to manage USPS investments.

47) V/C Richard M. Peoples, SN, reported that 31 March 2011 financials showed revenues were $3,347 over expenses.

48) V/C Peoples discussed the costs of maintaining life memberships, including the costs of The Ensign and record maintenance. C/C Dvorak will write a letter to life members requesting contributions to help offset lost dues revenue.

49) V/C Peoples stated that a footnote in the 2010 audited financials incorrectly shows a net investment loss of $121,000, which should read an investment gain of $112,000. The footnote will be corrected in the 2011 audited statement.

Adjourned at 1515.